

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



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2016

TOWNSHIP OF HADDON SCHOOL DISTRICT
Table of Contents

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	2
Organizational Chart	6
Roster of Officials	7
Consultants and Advisors	8
FINANCIAL SECTION	
Independent Auditor's Report	10
Required Supplementary Information - Part I Management's Discussion and Analysis	16
Basic Financial Statements	
A. Government-Wide Financial Statements:	
A-1 Statement of Net Position	25
A-2 Statement of Activities	26
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	28
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	30
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	32
Proprietary Funds:	
B-4 Statement of Net Position	33
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	34
B-6 Statement of Cash Flows	35
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	36
B-8 Statement of Changes in Fiduciary Net Position	37
Notes to the Financial Statements	38
Required Supplementary Information - Part II	
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule - General Fund	71
C-1a Combining Schedule of Revenues, Expenditures and Changes In Fund Balance - Budget and Actual	N/A
C-1b Community Development Block Grant - Budget and Actual	N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund	84
C-3 Budgetary Comparison Schedule – Note to RSI	86

TOWNSHIP OF HADDON SCHOOL DISTRICT
Table of Contents (Cont'd)

	Page
Required Supplementary Information - Part III	
L. Schedules Related to Accounting and Reporting for Pensions	
L-1 Schedule of the School District's Proportionate Share of the Net Pension Liability – PERS	88
L-2 Schedule of the School District's Contributions – PERS	89
L-3 Schedule of the School District's Proportionate Share of the Net Pension Liability – TPAF	90
L-4 Schedule of the School District's Contributions – TPAF	91
L-5 Notes to the Required Supplementary Information - Part III GASB 68 Pension Changes	92
Required Supplementary Information - Part IV	
L-6 Schedule of Funding Progress for Health Benefits Plan	N/A
L-7 Notes to the Required Supplementary Information - Part IV	N/A
Other Supplementary Information	
D. School Based Budget Schedules:	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type – Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	95
E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	N/A
F. Capital Projects Fund:	
F-1 Summary Statement of Project Expenditures	99
F-2 Summary Statement of Revenues, Expenditures, and Changes in Fund Balances	100
F-2a Statement of Project Revenues, Expenditures, Project Balance and Project Status	101
F-2b Statement of Project Revenues, Expenditures, Project Balance and Project Status	N/A

TOWNSHIP OF HADDON SCHOOL DISTRICT
Table of Contents (Cont'd)

	Page
Other Supplementary Information (Cont'd)	
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Combining Statement of Net Position	103
G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	104
G-3 Combining Statement of Cash Flows	105
Internal Service Fund:	
G-4 Combining Statement of Net Position	N/A
G-5 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	N/A
G-6 Combining Statement of Cash Flows	N/A
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	107
H-2 Combining Statement of Changes in Fiduciary Net Position	108
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	109
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	110
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	112
I-2 Schedule of Obligations under Capital Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	114

STATISTICAL SECTION (Unaudited)

Introduction to the Statistical Section

Financial Trends

J-1 Net Position/Net Assets by Component	117
J-2 Changes in Net Position/Net Assets	118
J-3 Fund Balances - Governmental Funds	121
J-4 Changes in Fund Balances - Governmental Funds	122
J-5 General Fund Other Local Revenue by Source	123

Revenue Capacity

J-6 Assessed Value and Actual Value of Taxable Property	125
J-7 Direct and Overlapping Property Tax Rates	126
J-8 Principal Property Taxpayers	127
J-9 Property Tax Levies and Collections	128

Debt Capacity

J-10 Ratios of Outstanding Debt by Type	130
J-11 Ratios of General Bonded Debt Outstanding	131
J-12 Direct and Overlapping Governmental Activities Debt	132
J-13 Legal Debt Margin Information	133

TOWNSHIP OF HADDON SCHOOL DISTRICT
Table of Contents (Cont'd)

STATISTICAL SECTION (Unaudited) (Cont'd)	Page
Demographic and Economic Information	
J-14 Demographic and Economic Statistics	135
J-15 Principal Non-Governmental Employers	136
Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	138
J-17 Operating Statistics	139
J-18 School Building Information	140
J-19 Schedule of Required Maintenance Expenditures by School Facility	141
J-20 Insurance Schedule	142
SINGLE AUDIT SECTION	
K-1 Report on Internal Control Over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	13
K-2 Report on Compliance for Each Major Program and Report on Internal Control Over Compliance Required By The Uniform Guidance and State of New Jersey Circular 15-08-OMB	144
K-3 Schedule of Expenditures of Federal Awards, Schedule A	146
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	148
K-5 Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	150
K-6 Schedule of Findings and Questioned Costs	152
K-7 Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management	157

INTRODUCTORY SECTION



HADDON TOWNSHIP BOARD OF EDUCATION

500 RHOADS AVENUE • WESTMONT, NEW JERSEY 08108
PHONE: 856-869-7750 ext. 1100 • FAX: 856-854-7792
WEBSITE: www.haddontwpschools.com

Bonnie J. Edwards
Superintendent of Schools
856-869-7750 Ext. 1100
bedwards@haddontwpschools.com

Jennifer Gauld
School Business Administrator/
Board Secretary
856-869-7750 Ext. 1105
jgauld@haddontwpschools.com

Elizabeth Mennig
Director of Curriculum & Instruction
856-869-7750 Ext. 1108
lmennig@haddontwpschools.com

November 30, 2016

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

Dear Board Members:

The comprehensive annual financial report of the Haddon Township School District for the fiscal year ended June 30, 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. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the District's Management's Discussion and Analysis, financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and the State of New Jersey Circular 15-08 OMB, "*Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments.*" Information related to this single audit, including the auditor's report on compliance and on internal control over financial reporting and administrative findings - financial, compliance and performance, is included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: Haddon Township School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds of the District are included in this report. The Haddon Township Board of Education and its schools constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, vocational, as well as special education for handicapped youngsters. The District completed the 2015-16 fiscal year with an average daily enrollment of 2,084 students, which is 65 students higher than the previous year's average daily enrollment. The following details the changes in the student enrollment of the District over the last five years.

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

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2015-2016	2,084	3.22%
2014-2015	2,019	-2.13%
2013-2014	2,063	-2.18%
2012-2013	2,109	-0.28%
2011-2012	2,115	0.24%

2. ECONOMIC CONDITION AND OUTLOOK: The Township of Haddon is mainly a residential community with two shopping centers. Numerous retail shops, professional offices and eating establishments are located along Haddon Avenue, a primary artery through Westmont proper. A large number of businesses have been long established in the community. The economic condition of the Township of Haddon is stable. There are two areas along Haddon Avenue, which are being redeveloped. While some additional students will come from the project, the District expects to be able to accommodate said students within the current school capacity.

3. MAJOR INITIATIVES: The District has budgeted to provide on-going professional development to support teachers' ability to enhance instruction through the use of personal computing devices as learning tools. The District also budgeted to revise and align the middle school and high school science curricula with the Next Generation Science Standards. The District has also planned to pilot and select an elementary math program to best support students in mastering the Common Core State Standards (CCSS).

Students continued to score above the state averages and achieve proficiency on the New Jersey ASK and the High School Proficiency Assessment. The seniors' average SAT and ACT scores continue to perform at national averages (89% of the class took the SAT's); 90% of the class went on to higher education, with 62% going to four year colleges.

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

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

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

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

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

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

7. FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound fiscal management. The following schedule presents a summary of the general fund, special revenue fund and debt services fund revenues for the fiscal year ended June 30, 2016.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>
Local Sources	\$24,696,060.03	65.22%
State Sources	12,291,833.86	32.46%
Federal Sources	<u>877,511.89</u>	<u>2.32%</u>
	<u>\$37,865,405.78</u>	<u>100.00%</u>

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2016.

<u>Expenditure</u>	<u>Amount</u>	<u>Percent of Total</u>
Current Expense:		
Instruction	\$13,083,908.53	34.45%
Undistributed Expenditures	20,734,638.04	54.60%
Special Revenue	1,274,647.00	3.36%
Capital Outlay	692,130.39	1.82%
Charter Schools	44,698.00	0.12%
Debt Service:		
Principal	735,000.00	1.94%
Interest	<u>1,413,889.51</u>	<u>3.72%</u>
	<u>\$37,978,911.47</u>	<u>100.00%</u>

8. DEBT ADMINISTRATION: As of June 30, 2016, the District's outstanding debt issues included \$36,013,000.00 of general obligation bonds. As of June 30, 2016, the District's borrowing capacity is \$16,842,289.04.

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

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

11. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company LLP was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act and the related Uniform Guidance and the State of New Jersey Circular 15-08-OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

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

Respectfully submitted,

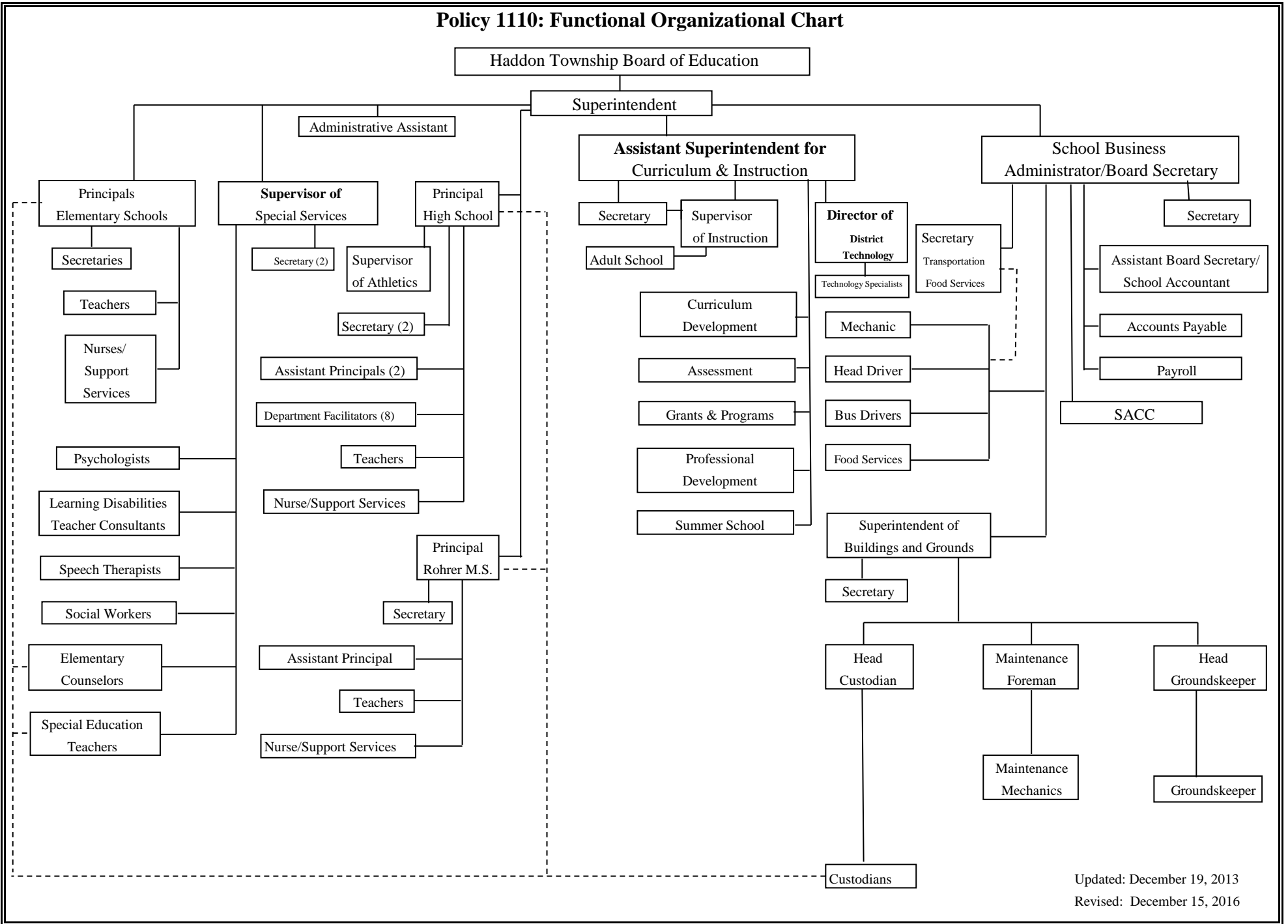


Ms. Bonnie J. Edwards
Superintendent



Mrs. Jennifer Gauld
School Business Administrator/
Board Secretary

Policy 1110: Functional Organizational Chart



Updated: December 19, 2013
 Revised: December 15, 2016

HADDON TOWNSHIP BOARD OF EDUCATION
WESTMONT, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2016

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Mark Cavallo, President	Dec. 31, 2016
Bonnie Richards, Vice President	Dec. 31, 2016
Craig Roncace	Dec. 31, 2016
Laura Chudd	Dec. 31, 2017
William Mann	Dec. 31, 2017
John Kendall	Dec. 31, 2017
James Lex, Jr.	Dec. 31, 2018
Robert Brown	Dec. 31, 2018
Allison Rodman	Dec. 31, 2018

Other Officials

Bonnie J. Edwards, Superintendent of Schools

Jennifer Gauld, Business Administrator/Board Secretary

Elizabeth Mennig, Assistant Superintendent for Curriculum & Instruction

HADDON TOWNSHIP BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

Audit Firm

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

Attorney

Joseph F. Betley, Esquire
Capehart and Scatchard
C.S. 5016, Suite 300
Laurel Corporate Center
8000 Midlantic Drive
Mt. Laurel, NJ 08054

Official Depositories

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

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

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 Township of Haddon 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 Township of Haddon 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.

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 Township of Haddon School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section 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 schedules of expenditures of federal awards and state financial assistance, 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), and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are also presented for purposes of additional analysis and are 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2016 on our consideration of the Township of Haddon 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 Township of Haddon School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



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

Voorhees, New Jersey
November 22, 2016

Exhibit K-1

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and 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 Township of Haddon 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 22, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township of Haddon 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 Township of Haddon 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify a deficiency in internal control, described in the accompanying *Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* as Finding No. 2016-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Haddon 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.

The Township of Haddon School District's Response to Finding

The Township of Haddon School District's response to the finding identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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



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

Voorhees, New Jersey
November 22, 2016

REQUIRED SUPPLEMENTARY INFORMATION
PART I

TOWNSHIP OF HADDON SCHOOL DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2016 (Unaudited)

The discussion and analysis of the Township of Haddon School District's (the School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the School District's financial performance as a whole: readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2016 are as follows:

- In total, net position increased \$443,359.09.
- General revenues accounted for \$41,902,564.78 in revenue or 92.14% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$3,293,973.21 or 7.86% of total revenues of \$41,902,564.78.
- The School District had \$41,541,077.46 in expenses; \$8,721,242.21 of these expenses was offset by program specific charges for services, grants or contributions.
- Among governmental funds, the General Fund had \$34,441,868.78 in revenues and \$34,555,374.96 in expenditures. The General Fund's balance decreased by \$113,506.18 from 2015.

Overview of the Financial Statements

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

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

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

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

Overview of the Financial Statements (Cont'd)

Fiduciary fund statements provide information about the financial relationships in which the School District acts as a trustee or agent for the benefit of others, to whom the resources belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

The statements are followed by another section, Part II, which contains required supplementary information that further explains and supports the information in the financial statements including; budget schedules, reconciliations and individual fund statements.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Reporting the School District's Most Significant Funds (Cont'd)

Governmental Funds

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

Enterprise Fund

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

Notes to the Financial Statements

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

The School District as a Whole

The Statement of Net Position provides the perspective of the School District as a whole.

The following schedule provides a summary of the School District's Net Position for 2016 and 2015.

TOWNSHIP OF HADDON SCHOOL DISTRICT'S NET POSITION						
	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and Other Assets	\$ 20,435,750	\$ 35,140,961	\$ 406,700	\$ 275,100	\$ 20,842,450	\$ 35,416,061
Capital Assets	35,659,057	27,416,653	20,451	24,613	35,679,508	27,441,266
Total Assets	56,094,807	62,557,614	427,150	299,713	56,521,957	62,857,327
Deferred Outflows of Resources	2,494,669	1,120,702	-	-	2,494,669	1,120,702
Long-term Liabilities Outstanding	46,600,012	45,163,023			46,600,012	45,163,023
Other Liabilities	2,049,484	8,523,185	135,245	94,496	2,184,730	8,617,681
Total Liabilities	48,649,498	53,686,208	135,245	94,496	48,784,742	53,780,703
Deferred Inflows of Resources	324,399	733,199	-	-	324,399	733,199
Net Position:						
Net Investment in Capital Assets	14,485,629	(17,940,083)	20,451	24,613	14,506,080	(17,915,471)
Restricted	19,230,002	27,568,417			19,230,002	27,568,417
Unrestricted (Deficit)	(24,100,051)	(369,424)	271,454	180,604	(23,828,597)	(188,820)
Total Net Position	\$ 9,615,580	\$ 9,258,909	\$ 291,905	\$ 205,217	\$ 9,907,485	\$ 9,464,126

The School District as a Whole (Cont'd)

The District's combined net position was \$9,907,485.28 on June 30, 2016. This was an increase of \$443,359.09 from the June 30, 2015 net position.

The net position of the business type activities increased by \$86,688.27.

The following schedule shows changes in net position for fiscal year 2016 and 2015.

TOWNSHIP OF HADDON SCHOOL DISTRICT'S CHANGES IN NET POSITION						
	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program Revenues:						
Charges for Services	\$ 115,463	\$ 152,135	\$ 852,075	\$ 777,050	\$ 967,538	\$ 929,185
Operating Grants and Contributions	8,605,779	6,910,520	205,112	228,489	8,810,892	7,139,009
Property Taxes	24,232,031	22,648,901			24,232,031	22,648,901
Grants and Contributions not Restricted to Specific Programs	8,600,726	8,559,238			8,600,726	8,559,238
Other	343,750	148,018			343,750	148,018
Total Revenues	41,897,747	38,418,812	1,057,187	1,005,539	42,954,935	39,424,352
Expenses:						
Instruction	13,948,795	14,190,685			13,948,795	14,190,685
Support Services	27,592,282	24,938,662			27,592,282	24,938,662
Food Service			534,309	605,555	534,309	605,555
Other			436,189	372,235	436,189	372,235
Total Expenses	41,541,077	39,129,347	970,499	977,790	42,511,575	40,107,137
Increase (Decrease) in Net Position before Transfers	356,671	(710,535)	86,688	27,749	443,359	(682,786)
Transfers	-	-	-	-	-	-
Increase (Decrease) in Net Position	356,671	(710,535)	86,688	27,749	443,359	(682,786)
Net Position, July 1	9,258,909	9,969,444	205,217	177,468	9,464,126	10,146,912
Net Position, June 30	\$ 9,615,580	\$ 9,258,909	\$ 291,905	\$ 205,217	\$ 9,907,485	\$ 9,464,126

The School District as a Whole (Cont'd)

Governmental Activities

Property taxes and federal and state aid made up 98.89% of revenues for governmental activities for the School District for fiscal year 2016. Federal, state and local grants accounted for 41.06% of revenue.

The total net cost of all programs and services for 2016 and 2015 was \$32,819,835.25 and \$32,066,692.06, respectively. Instruction comprises 40.05% of District net cost of services for 2016.

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

TOWNSHIP OF HADDON SCHOOL DISTRICT NET COSTS OF GOVERNMENTAL ACTIVITIES						
Governmental Activities	Source	2016		2015		
		Total Costs of Services	Net Costs of Services	Total Costs of Services	Net Costs of Services	
Instruction:						
Regular	A-2	\$ 10,649,175	\$ 9,844,317	\$ 10,896,630	\$ 10,060,627	
Special Education	A-2	2,169,891	2,169,891	2,211,967	2,211,967	
Other Special Instruction	A-2	391,636	391,636	412,494	412,494	
Other Instruction	A-2	738,093	738,093	669,594	669,594	
Support Services:						
Tuition	A-2	1,269,544	801,138	1,483,534	1,098,917	
Student and Instruction Related Services	A-2	3,892,246	3,892,246	3,607,235	3,607,235	
School Administrative Services	A-2	2,200,878	2,142,659	2,169,430	2,115,448	
Other Administrative Services	A-2	587,721	587,721	511,202	511,202	
Plant Operations and Maintenance	A-2	3,233,096	3,206,171	3,439,609	3,439,609	
Pupil Transportation	A-2	1,008,561	1,008,561	986,193	986,193	
Unallocated Benefits	A-2	13,978,172	6,615,338	11,748,431	5,960,378	
Charter Schools	A-2	44,698	44,698	50,442	50,442	
Capital Outlay	A-2	53,700	53,700	53,700	53,700	
Interest on Long-term Debt	A-2	1,190,757	1,190,757	758,344	758,344	
Unallocated Depreciation	A-2	132,909	132,909	130,542	130,542	
Total Governmental Activities		\$ 41,541,077	\$ 32,819,835	\$ 39,129,347	\$ 32,066,692	

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

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

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

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

The School District as a Whole (Cont'd)

Governmental Activities (Cont'd)

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

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

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

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

"Other" includes special schools and unallocated depreciation.

The School District's Funds

The School District's funds are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$37,865,405.78 and expenditures were \$46,265,443.24.

General Fund Budgeting Highlights

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

During the course of the 2016 fiscal year, the School District modified its General Fund budget numerous times. The net change in the total budget modification resulted from the rollover of previous year's encumbrances.

Capital Assets

At the end of fiscal year 2016, the School District had \$35,659,056.63 invested in land, buildings, furniture, equipment and vehicles. The following schedule shows a summary of the fiscal 2016 balances.

TOWNSHIP OF HADDON SCHOOL DISTRICT'S CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)						
	Governmental Activities		Business-Type Activities		Total	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Land	\$ 1,121,580	\$ 1,121,580			\$ 1,121,580	\$ 1,121,580
Land Improvements	505,533	117,551			505,533	117,551
Building Improvements	17,222,059	17,763,319			17,222,059	17,763,319
Furniture, Fixtures and Equipment	654,842	598,871	\$ 20,451	\$ 24,613	675,293	623,484
Motor Vehicles	294,057	240,878			294,057	240,878
Construction in Progress	15,860,985	7,574,453			15,860,985	7,574,453
Total	\$ 35,659,057	\$ 27,416,653	\$ 20,451	\$ 24,613	\$ 35,679,508	\$ 27,441,266

Debt Administration

As of June 30, 2016, the School District had \$36,013,000.00 of outstanding debt.

Township of Haddon School District Long-term Debt Schedule				
<u>Governmental Activity</u>	<u>Balance June 30, 2016</u>	<u>Balance June 30, 2015</u>	<u>Increase/ Decrease</u>	<u>% Change</u>
General Serial Bonds	\$ 36,013,000.00	\$ 36,748,000.00	(\$ 735,000.00)	(2.00%)
Compensated Absences	869,733.85	861,559.56	8,174.29	0.95%
Total	<u>\$ 36,882,733.85</u>	<u>\$ 37,609,559.56</u>	<u>(\$726,825.71)</u>	<u>(1.93%)</u>

Economic Factors and Next Year's Budget

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

Contacting the School District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

TOWNSHIP OF HADDON SCHOOL DISTRICT
Statement of Net Position
June 30, 2016

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS:			
Cash and Cash Equivalents	\$ 19,913,460.54	\$ 355,245.56	\$ 20,268,706.10
Receivables, net	53,361.61	39,689.20	93,050.81
Intergovernmental Receivables	453,144.10	6,895.50	460,039.60
Inventory		4,869.28	4,869.28
Interfund	15,784.08		15,784.08
Capital Assets, net	35,659,056.63	20,450.95	35,679,507.58
Total Assets	56,094,806.96	427,150.49	56,521,957.45
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 9)	2,494,669.00	-	2,494,669.00
LIABILITIES:			
Accounts Payable	583,316.93		583,316.93
Accrued Interest Payable	476,167.19		476,167.19
Intergovernmental Payable	94,503.61		94,503.61
Unearned Revenue	133,523.15	135,245.46	268,768.61
Noncurrent Liabilities:			
Due within One Year	1,516,973.39		1,516,973.39
Due beyond One Year	45,845,012.46		45,845,012.46
Total Liabilities	48,649,496.73	135,245.46	48,784,742.19
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 9)	168,486.00		168,486.00
Deferred Gain on Refunding of Debt	155,912.98		155,912.98
Total Deferred Inflows of Resources	324,398.98	-	324,398.98
NET POSITION:			
Net Investment in Capital Assets	14,485,629.10	20,450.95	14,506,080.05
Restricted:			
Capital Projects	16,423,629.62		16,423,629.62
Debt Service	28,583.67		28,583.67
Other Purposes	2,777,789.05		2,777,789.05
Unrestricted (Deficit)	(24,100,051.19)	271,454.08	(23,828,597.11)
Total Net Position	\$ 9,615,580.25	\$ 291,905.03	\$ 9,907,485.28

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

TOWNSHIP OF HADDON SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2016

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 10,649,174.51		\$ 804,857.95		\$ (9,844,316.56)		\$ (9,844,316.56)
Special Education	2,169,891.04				(2,169,891.04)		(2,169,891.04)
Other Special Instruction	391,635.81				(391,635.81)		(391,635.81)
Other Instruction	738,093.19				(738,093.19)		(738,093.19)
Support Services:							
Tuition	1,269,543.94	\$ 115,463.00	352,942.53		(801,138.41)		(801,138.41)
Student and Instruction Related Services	3,892,246.40				(3,892,246.40)		(3,892,246.40)
School Administrative Services	2,200,878.15		58,219.56		(2,142,658.59)		(2,142,658.59)
Other Administrative Services	587,721.45				(587,721.45)		(587,721.45)
Plant Operations and Maintenance	3,233,095.94		26,924.80		(3,206,171.14)		(3,206,171.14)
Pupil Transportation	1,008,560.68				(1,008,560.68)		(1,008,560.68)
Unallocated Benefits	13,978,171.98		7,362,834.37		(6,615,337.61)		(6,615,337.61)
Interest on Long-Term Debt	1,190,757.48				(1,190,757.48)		(1,190,757.48)
Unallocated Depreciation	132,908.89				(132,908.89)		(132,908.89)
Assessment for Debt Service on SDA Funding	53,700.00				(53,700.00)		(53,700.00)
Transfer to Charter School	44,698.00				(44,698.00)		(44,698.00)
Total Governmental Activities	41,541,077.46	115,463.00	8,605,779.21	\$ -	(32,819,835.25)	\$ -	(32,819,835.25)
Business-Type Activities:							
Food Service	534,309.39	275,450.59	205,112.36			(53,746.44)	(53,746.44)
Other	435,273.39	576,624.09				141,350.70	141,350.70
Total Business-Type Activities	969,582.78	852,074.68	205,112.36	-	-	87,604.26	87,604.26
Total Primary Government	\$ 42,510,660.24	\$ 967,537.68	\$ 8,810,891.57	\$ -	(32,819,835.25)	87,604.26	(32,732,230.99)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, net					22,083,141.00		22,083,141.00
Taxes Levied for Debt Service					2,148,890.00		2,148,890.00
Federal and State Aid not Restricted					8,600,725.54		8,600,725.54
Miscellaneous Income					348,566.03		348,566.03
Loss on Disposal of Capital Assets					(4,816.50)	(915.99)	(5,732.49)
Total General Revenues and Loss on Disposal of Capital Assets					33,176,506.07	(915.99)	33,175,590.08
Change in Net Position					356,670.82	86,688.27	443,359.09
Net Position -- July 1					9,258,909.43	205,216.76	9,464,126.19
Net Position -- June 30					\$ 9,615,580.25	\$ 291,905.03	\$ 9,907,485.28

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

FUND FINANCIAL STATEMENTS

TOWNSHIP OF HADDON SCHOOL DISTRICT

Balance Sheet
Governmental Funds
June 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 4,463,650.42		\$ 15,421,226.45	\$ 28,583.67	\$ 19,913,460.54
Receivables, net	53,361.61				53,361.61
Receivables from Other Governments	171,197.64	\$ 281,946.46			453,144.10
Interfund	78,991.28		266,529.71		345,520.99
Total Assets	\$ 4,767,200.95	\$ 281,946.46	\$ 15,687,756.16	\$ 28,583.67	\$ 20,765,487.24
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 146,390.93				\$ 146,390.93
Payable to State Government		\$ 94,503.61			94,503.61
Interfund	266,529.71	63,207.20			329,736.91
Unearned Revenue	9,287.50	124,235.65			133,523.15
Total Liabilities	422,208.14	281,946.46	\$ -	\$ -	704,154.60
Fund Balances:					
Restricted:					
Capital Reserve	735,873.46				735,873.46
Maintenance Reserve	25,299.30				25,299.30
Current Expense Emergency Reserve	126,496.50				126,496.50
Excess Surplus (2015-16)	604,189.25				604,189.25
Reserve for Excess Surplus (2014-15) - Designated for Subsequent Year's Expenditures	2,021,804.00				2,021,804.00
Capital Projects			15,687,756.16		15,687,756.16
Debt Service Fund				28,583.67	28,583.67

(Continued)

TOWNSHIP OF HADDON SCHOOL DISTRICT

Balance Sheet
 Governmental Funds
 June 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Fund Balances (Cont'd):					
Assigned:					
Other Purposes	\$ 74,276.10				\$ 74,276.10
Unassigned:					
General Fund	757,054.20				757,054.20
Total Fund Balances	4,344,992.81	\$ -	\$ 15,687,756.16	\$ 28,583.67	20,061,332.64
Total Liabilities and Fund Balances	\$ 4,767,200.95	\$ 281,946.46	\$ 15,687,756.16	\$ 28,583.67	20,765,487.24

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 \$49,839,622.10, and the accumulated depreciation is \$14,180,566.07.	35,659,056.63
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(36,882,733.85)
Net Pension Liability	(10,479,252.00)
Accounts payable related to the April 1, 2016 required PERS pension contribution that is not to be liquidated with current financial resources	(436,926.00)
Deferred Outflows of Resources - Related to Pensions	2,494,669.00
Deferred Inflows of Resources - Related to Pensions	(168,486.00)
Deferred Items, such as deferred gain/loss on refunding, are not recorded as a liability in the governmental funds.	(155,912.98)
Accrued interest on bonds payable, is not due and payable in the current period and therefore are not reported as liabilities in the funds.	(476,167.19)
Net position of governmental activities	<u>\$ 9,615,580.25</u>

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES:					
Local Tax Levy	\$ 22,083,141.00			\$ 2,148,890.00	\$ 24,232,031.00
Tuition Charges	115,463.00				115,463.00
Miscellaneous	348,566.03				348,566.03
State Sources	11,857,314.21	\$ 434,519.65			12,291,833.86
Federal Sources	37,384.54	840,127.35			877,511.89
Total Revenues	34,441,868.78	1,274,647.00	\$ -	2,148,890.00	37,865,405.78
EXPENDITURES:					
Current:					
Regular Instruction	9,784,288.49	804,857.95			10,589,146.44
Special Education Instruction	2,169,891.04				2,169,891.04
Other Special Instruction	391,635.81				391,635.81
Other Instruction	738,093.19				738,093.19
Support Services and Undistributed Costs:					
Tuition	1,269,543.94				1,269,543.94
Student and Instruction Related Services	3,538,614.11	352,942.53			3,891,556.64
School Administrative Services	2,141,356.59	58,219.56			2,199,576.15
Other Administrative Services	587,721.45				587,721.45
Plant Operations and Maintenance	2,804,924.36	26,924.80			2,831,849.16
Pupil Transportation	926,994.06				926,994.06
Unallocated Benefits	9,465,483.53	31,702.16			9,497,185.69
Debt Service:					
Principal				735,000.00	735,000.00
Interest and Other Charges				1,413,889.51	1,413,889.51
Assessment for Debt Service on SDA Funding	53,700.00				53,700.00
Capital Outlay	638,430.39		8,286,531.77		8,924,962.16
Transfer to Charter School	44,698.00				44,698.00
Total Expenditures	34,555,374.96	1,274,647.00	8,286,531.77	2,148,889.51	46,265,443.24
Excess (Deficiency) of Revenues over Expenditures	(113,506.18)	-	(8,286,531.77)	0.49	(8,400,037.46)

(Continued)

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
OTHER FINANCING SOURCES (USES):					
Transfer in			\$ 425,000.00		\$ 425,000.00
Transfer out	\$ (425,000.00)				(425,000.00)
Total Other Financing Sources (Uses):	(425,000.00)	\$ -	425,000.00	\$ -	-
Net Change in Fund Balances	(538,506.18)	-	(7,861,531.77)	0.49	(8,400,037.46)
Fund Balance -- July 1	4,883,498.99	-	23,549,287.93	28,583.18	28,461,370.10
Fund Balance -- June 30	\$ 4,344,992.81	\$ -	\$ 15,687,756.16	\$ 28,583.67	\$ 20,061,332.64

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

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

Total Net Change in Fund Balances - Governmental Funds		\$ (8,400,037.46)
<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>		
Total Capital Outlay per Exhibit B-2	\$ 8,924,962.16	
Depreciation Expense	<u>(677,742.12)</u>	
Capital Asset Additions		8,247,220.04
<p>In the statement of activities, the loss on the disposal of capital assets is reported, whereas in the governmental funds, the loss is not recorded.</p>		
		(4,816.50)
<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>		
		735,000.00
<p>In the statement of activities, deferred gain on refunding bonds is amortized and recorded as interest expense, In the governmental funds, the deferred gain on refunding is not recorded.</p>		
		78,204.32
<p>In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.</p>		
		144,927.71
<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 contribution in the current period.</p>		
		(435,653.00)
<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>		
		<u>(8,174.29)</u>
Change in Net Position of Governmental Activities		<u><u>\$ 356,670.82</u></u>

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

TOWNSHIP OF HADDON SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2016

	Business-Type Activities - Enterprise Funds					Total Enterprise
	<u>Food Service</u>	<u>Latchkey Program</u>	<u>Adult School</u>	<u>Summer Recreation</u>	<u>Kindergarten Care</u>	
ASSETS:						
Current Assets:						
Cash and Cash Equivalents		\$ 257,564.19	\$ 14,803.89	\$ 163,268.67	\$ 291,371.30	\$ 727,008.05
Accounts Receivable:						
State	\$ 202.27					202.27
Federal	6,693.23					6,693.23
Other	39,689.20					39,689.20
Inventories	4,869.28					4,869.28
Total Current Assets	51,453.98	257,564.19	14,803.89	\$ 163,268.67	291,371.30	778,462.03
Noncurrent Assets:						
Furniture, Machinery and Equipment	185,281.00					185,281.00
Less: Accumulated Depreciation	164,830.05					164,830.05
Total Noncurrent Assets	20,450.95	-	-	-	-	20,450.95
Total Assets	71,904.93	257,564.19	14,803.89	163,268.67	291,371.30	798,912.98
LIABILITIES:						
Current Liabilities:						
Cash Overdraft	371,762.49					371,762.49
Unearned Revenue	6,860.06			128,385.40		135,245.46
Total Current Liabilities	378,622.55	-	-	128,385.40	-	507,007.95
Total Liabilities	378,622.55	-	-	128,385.40	-	507,007.95
NET POSITION:						
Net Investment in Capital Assets	20,450.95					20,450.95
Unrestricted (Deficit)	(327,168.57)	257,564.19	14,803.89	34,883.27	291,371.30	271,454.08
Total Net Position	\$ (306,717.62)	\$ 257,564.19	\$ 14,803.89	\$ 34,883.27	\$ 291,371.30	\$ 291,905.03

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

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

	Business-Type Activities - Enterprise Fund					Total Enterprise
	Food Service	Latchkey Program	Adult School	Summer Recreation	Kindergarten Care	
OPERATING REVENUES:						
Charges for Services:						
Daily Sales - Reimbursable Programs	\$ 145,047.38					\$ 145,047.38
Daily Sales - Non-Reimbursable Programs	130,403.21					130,403.21
Community Service Activity		\$ 293,480.77	\$ 36,851.50	\$ 100,800.35	\$ 145,491.47	576,624.09
Total Operating Revenues	275,450.59	293,480.77	36,851.50	100,800.35	145,491.47	852,074.68
OPERATING EXPENSES:						
Salaries	205,017.04	213,123.49	22,248.11	63,899.88	47,166.56	551,455.08
Employee Benefits	48,731.56	8,541.67	1,698.53	4,861.88	3,555.07	67,388.71
Other Purchased Services		29,278.54	14,850.19			44,128.73
General Supplies	29,166.56	3,878.53	18.95	11,554.05	10,097.94	54,716.03
Miscellaneous	35,790.57			500.00		36,290.57
Depreciation	3,245.76					3,245.76
Cost of Sales-Reimbursable Programs	118,179.00					118,179.00
Cost of Sales-Non-Reimbursable Programs	94,178.90					94,178.90
Total Operating Expenses	534,309.39	254,822.23	38,815.78	80,815.81	60,819.57	969,582.78
Operating Income (Loss)	(258,858.80)	38,658.54	(1,964.28)	19,984.54	84,671.90	(117,508.10)
NONOPERATING REVENUES (EXPENSES):						
State Sources:						
State School Lunch Program	4,095.64					4,095.64
Federal Sources:						
National School Lunch Program	128,243.15					128,243.15
National Breakfast Program	1,401.88					1,401.88
Food Distribution Program	33,792.69					33,792.69
Loss on Disposal of Capital Assets	(915.99)					(915.99)
Food Service Company Guarantee	37,579.00					37,579.00
Total Nonoperating Revenues (Expenses)	204,196.37	-	-	-	-	204,196.37
Change in Net Position	(54,662.43)	38,658.54	(1,964.28)	19,984.54	84,671.90	86,688.27
Total Net Position (Deficit) -- July 1	(252,055.19)	218,905.65	16,768.17	14,898.73	206,699.40	205,216.76
Total Net Position (Deficit) -- June 30	\$ (306,717.62)	\$ 257,564.19	\$ 14,803.89	\$ 34,883.27	\$ 291,371.30	\$ 291,905.03

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

TOWNSHIP OF HADDON SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2016

	Business-Type Activities - Enterprise Funds					
	<u>Food Service</u>	<u>Latchkey Program</u>	<u>Adult School</u>	<u>Summer Recreation</u>	<u>Kindergarten Care</u>	<u>Total Enterprise</u>
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts from Customers	\$ 280,200.45	\$ 295,472.10	\$ 36,851.50	\$ 138,553.50	\$ 145,491.47	\$ 896,569.02
Receipts from Food Management Company	16,392.64					16,392.64
Payments to Employees	(205,017.04)	(213,123.49)	(22,248.11)	(63,899.88)	(47,166.56)	(551,455.08)
Payments for Employee Benefits	(48,731.56)	(8,541.67)	(1,698.53)	(4,861.88)	(3,555.07)	(67,388.71)
Payments to Vendors	(241,733.45)	(33,413.60)	(14,869.14)	(12,054.05)	(10,097.94)	(312,168.18)
Net Cash Provided by (Used for) Operating Activities	(198,888.96)	40,393.34	(1,964.28)	57,737.69	84,671.90	(18,050.31)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
State Sources	4,103.54					4,103.54
Federal Sources	130,333.78					130,333.78
Net Cash Provided by Non-Capital Financing Activities	134,437.32	-	-	-	-	134,437.32
Net Increase (Decrease) in Cash and Cash Equivalents	(64,451.64)	40,393.34	(1,964.28)	57,737.69	84,671.90	116,387.01
Balances -- July 1	(307,310.85)	217,170.85	16,768.17	105,530.98	206,699.40	238,858.55
Balances -- June 30	<u>\$ (371,762.49)</u>	<u>\$ 257,564.19</u>	<u>\$ 14,803.89</u>	<u>\$ 163,268.67</u>	<u>\$ 291,371.30</u>	<u>\$ 355,245.56</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating Income (Loss)	\$ (258,858.80)	\$ 38,658.54	\$ (1,964.28)	\$ 19,984.54	\$ 84,671.90	\$ (117,508.10)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:						
Depreciation and Net Amortization	3,245.76					3,245.76
Food Service Company Guarantee	37,579.00					37,579.00
Federal Commodities	33,792.69					33,792.69
(Increase) Decrease in Accounts Receivable, net	(23,226.81)	1,991.33		3,607.50		(17,627.98)
(Increase) Decrease in Inventories	1,719.14					1,719.14
Increase (Decrease) in Accounts Payable		(256.53)				(256.53)
Increase (Decrease) in Unearned Revenue	6,860.06			34,145.65		41,005.71
Total Adjustments	59,969.84	1,734.80	-	37,753.15	-	99,457.79
Net Cash Provided by (used for) Operating Activities	\$ (198,888.96)	\$ 40,393.34	\$ (1,964.28)	\$ 57,737.69	\$ 84,671.90	\$ (18,050.31)

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

TOWNSHIP OF HADDON SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016

	Private Purpose Trust Fund Unemployment Compensation Trust	Agency Funds		Total
		Student Activity	Payroll	
ASSETS:				
Cash and Cash Equivalents	\$ 509,117.68	\$ 214,310.07	\$ 162,858.22	\$ 886,285.97
LIABILITIES:				
Payable to District (General Fund)			\$ 15,784.08	15,784.08
Payable to Student Groups		\$ 214,310.07		214,310.07
Payroll Deductions and Withholdings			147,074.14	147,074.14
Total Liabilities	-	\$ 214,310.07	\$ 162,858.22	377,168.29
NET POSITION:				
Held in Trust for Unemployment Claims and Other Purposes	\$ 509,117.68			\$ 509,117.68

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

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

	Private Purpose Trust Fund Unemployment <u>Compensation Trust</u>
ADDITIONS:	
Contributions:	
Plan member	\$ 27,482.45
Investment earnings:	
Interest	<u>1,566.40</u>
Total Additions	29,048.85
DEDUCTIONS:	
Unemployment Claims	<u>53,605.26</u>
Change in Net Position	(24,556.41)
Net Position -- July 1	<u>533,674.09</u>
Net Position -- June 30	<u><u>\$ 509,117.68</u></u>

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Township of Haddon 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 PreK through twelve at its seven schools. The School District has an approximate enrollment at June 30, 2016 of 2,079.

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 non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All items not meeting this definition are reported as non-operating 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.

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

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

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

Kindergarten Care – This fund accounts for financial activity related to providing kindergarten care services.

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: 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:

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 2012, 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, exhibit 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:

<u>Description</u>	<u>Estimated Lives</u>
Furniture, Fixtures and Equipment	5 - 20 Years
Motor Vehicles	5 - 10 Years
Buildings and Improvements	10 - 50 Years
Land Improvements	10 - 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 periods 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 periods 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 inflows of resources:

Gain on Refunding of Debt - The gain 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.

Tuition Payable

Tuition charges for the fiscal years ended June 30, 2016 and 2015 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

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 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**

The following GASB Statements became effective for the fiscal year ended June 30, 2016:

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.

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.

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.

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 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 (Cont'd)**

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. 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 \$25,106,026.02 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 24,342,691.94
Uninsured and Uncollateralized	<u>763,334.08</u>
Total	<u>\$ 25,106,026.02</u>

Note 3: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District by inclusion of \$1.00 on September 26, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. On June 23, 2011, the Board approved an increase to the capital reserve account totaling \$949,999.00, increasing the reserve balance to \$950,000.00. On June 16, 2016, the Board approved an increase to the capital reserve totaling \$200,000.00. 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.

Note 3: CAPITAL RESERVE ACCOUNT (CONT'D)

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		\$ 959,198.15
Increased by:		
Interest Earnings	\$ 1,675.31	
Deposits:		
Board Resolution (June 16, 2016)	<u>200,000.00</u>	
		<u>201,675.31</u>
		1,160,873.46
Decreased by:		
Withdrawals:		
Budget 2015-16 (May 7, 2015)		<u>425,000.00</u>
Ending Balance, June 30, 2016		<u>\$ 735,873.46</u>

The capital reserve balance at June 30, 2016 is less than the local support costs of uncompleted capital projects in the District's approved LRFP. The withdrawals from the capital reserve were for use in a Department of Education approved facilities projects, consistent with the School District's LRFP.

Note 4: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2016 consisted of accounts (fees for services) and 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. Miscellaneous accounts receivable, in the proprietary funds consisted of money due from the food service management company per the agreement between the District and the company and meals served but unpaid that will be collected in the subsequent school year. All of these fees are considered collectible by the District's management.

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>Total</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Activities</u>	<u>Food Service Fund</u>	
Federal Awards	\$ 3,095.89	\$ 263,243.00	\$ 266,338.89	\$ 6,693.23	\$ 273,032.12
State Awards	168,101.75	18,703.46	186,805.21	202.27	187,007.48
Miscellaneous	38,186.81		38,186.81	39,689.20	77,876.01
Tuition Charges	15,174.80		15,174.80		15,174.80
	<u>\$ 224,559.25</u>	<u>\$ 281,946.46</u>	<u>\$ 506,505.71</u>	<u>\$ 46,584.70</u>	<u>\$ 553,090.41</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	\$	3,465.91
Supplies		<u>1,403.37</u>
	\$	<u>4,869.28</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>Decreases</u>	<u>Balance</u> <u>June 30, 2016</u>
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 1,121,580.00			\$ 1,121,580.00
Construction in Progress	7,574,453.07	\$ 8,286,531.77		15,860,984.84
Total Capital Assets, not being Depreciated	<u>8,696,033.07</u>	<u>8,286,531.77</u>	<u>\$ -</u>	<u>16,982,564.84</u>
Capital Assets, being Depreciated:				
Land Improvements	805,497.00	425,000.00		1,230,497.00
Buildings and Improvements	28,771,582.09		5,484.34	28,766,097.75
Furniture, Fixtures and Equipment	1,550,485.54	83,430.39		1,633,915.93
Motor Vehicles	1,155,025.18	130,000.00	58,478.00	1,226,547.18
Total Capital Assets, being Depreciated	<u>32,282,589.81</u>	<u>638,430.39</u>	<u>63,962.34</u>	<u>32,857,057.86</u>
Total Capital Assets, Cost	<u>40,978,622.88</u>	<u>8,924,962.16</u>	<u>63,962.34</u>	<u>49,839,622.70</u>
Less Accumulated Depreciation for:				
Land Improvements	687,945.87	37,017.83		724,963.70
Buildings and Improvements	11,008,262.63	484,691.76		11,492,954.39
Furniture, Fixtures and Equipment	951,614.53	78,543.35		1,030,157.88
Motor Vehicles	914,146.76	77,489.18	59,145.84	932,490.10
Total Accumulated Depreciation	<u>13,561,969.79</u>	<u>677,742.12</u>	<u>59,145.84</u>	<u>14,180,566.07</u>
Total Capital Assets, being Depreciated, Net	<u>18,720,620.02</u>	<u>(39,311.73)</u>	<u>4,816.50</u>	<u>18,676,491.79</u>
Governmental Activities Capital Assets, Net	<u>\$ 27,416,653.09</u>	<u>\$ 8,247,220.04</u>	<u>\$ 4,816.50</u>	<u>\$ 35,659,056.63</u>

Note 6: CAPITAL ASSETS (CONT'D)

	<u>Balance</u> <u>July 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2016</u>
Business-Type Activities:				
Capital Assets, being Depreciated:				
Furniture, Fixtures and Equipment	\$ 214,852.94		\$ 29,571.94	\$ 244,424.88
Less Accumulated Depreciation for:				
Furniture, Fixtures and Equipment	190,240.24	\$ 3,245.76	28,655.95	222,141.95
Total Capital Assets, being Depreciated, Net	<u>24,612.70</u>	<u>(3,245.76)</u>	<u>915.99</u>	<u>22,282.93</u>
Business-Type Activities Capital Assets, Net	<u>\$ 24,612.70</u>	<u>\$ (3,245.76)</u>	<u>\$ 915.99</u>	<u>\$ 22,282.93</u>

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

Governmental Activities:	
Regular Instruction	\$ 60,028.07
Student and Instruction Related Services	689.76
General and Business Administrative Services	1,302.00
Plant Operations and Maintenance	401,246.78
Pupil Transportation	81,566.62
Unallocated	<u>132,908.89</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 677,742.12</u>
Business-Type Activities:	
Food Service	<u>\$ 3,245.76</u>

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>
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 36,748,000.00	\$ -	\$ 735,000.00	\$ 36,013,000.00	\$ 1,430,000.00
Other Liabilities:					
Compensated Absences	861,559.56	8,174.29		869,733.85	86,973.39
Net Pension Liability (note 9)	8,374,619.00	2,104,633.00		10,479,252.00	
Total Other Liabilities	<u>9,236,178.56</u>	<u>2,112,807.29</u>	<u>-</u>	<u>11,348,985.85</u>	<u>86,973.39</u>
Governmental Activity Long-Term Liabilities	<u>\$ 45,984,178.56</u>	<u>\$ 2,112,807.29</u>	<u>\$ 735,000.00</u>	<u>\$ 47,361,985.85</u>	<u>\$ 1,516,973.39</u>

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

Note 7: LONG-TERM LIABILITIES (CONT'D)

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 December 3, 2014, the School District issued \$31,123,000.00 general obligation school bonds at interest rates varying from 3.00% to 4.00% for various construction and renovation projects. The final maturity of these bonds is August 1, 2044. The bonds will be paid from property taxes.

On January 15, 2015, the School District issued \$5,680,000.00 refunding school bonds at interest rates varying from 2.00% to 4.00% for a current refunding of the District's outstanding callable 2005 bonds. The final maturity of these bonds is August 15, 2022. 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	\$ 1,430,000.00	\$ 1,218,826.26	\$ 2,648,826.26
2018	1,450,000.00	1,175,926.26	2,625,926.26
2019	1,475,000.00	1,132,426.26	2,607,426.26
2020	1,495,000.00	1,088,176.26	2,583,176.26
2021	1,535,000.00	1,035,126.26	2,570,126.26
2022-2026	6,505,000.00	4,427,831.30	10,932,831.30
2027-2031	6,655,000.00	3,433,521.91	10,088,521.91
2032-2036	6,680,000.00	2,336,212.50	9,016,212.50
2037-2041	5,700,000.00	1,163,600.00	6,863,600.00
2042-2045	3,088,000.00	232,320.00	3,320,320.00
Total	<u>\$ 36,013,000.00</u>	<u>\$ 17,243,967.01</u>	<u>\$ 53,256,967.01</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 14 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 and I-Pads. 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	\$ 295,900.24
2018	7,338.48
	<u>\$ 303,238.72</u>

Rental payments under operating leases for the fiscal year ended June 30, 2016 were \$295,900.24.

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.

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.

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****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 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier.

Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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

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

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 2016, 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*.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2016 was 5.21% 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 \$712,160.00, and was paid by April 1, 2016. School District employee contributions to the pension plan during the fiscal year ended June 30, 2016 were \$974,305.85.

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.

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

Public Employees' Retirement System (Cont'd) - The School District's contractually required contribution rate for the fiscal year ended June 30, 2016 was 14.17% 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 \$401,343.00, and was paid by April 1, 2016. School District employee contributions to the pension plan during the fiscal year ended June 30, 2016 were \$218,648.14.

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 \$31,495.74, and the School District recognized pension expense of \$6,377.43. There were forfeitures totaling \$4,747.30 during the fiscal year.

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>83,753,784.00</u>
	<u>\$ 83,753,784.00</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 .1325128559%, which was an increase of .0058771775 from its proportion measured as of June 30, 2014.

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)**

Teachers' Pension and Annuity Fund (Cont'd) - For the fiscal year ended June 30, 2016, the School District recognized \$5,113,923.00 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 \$10,479,252.00 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 .0466823489%, which was an increase of .0019526726% from its proportion measured as of June 30, 2014.

For the fiscal year ended June 30, 2016, the School District recognized pension expense of \$837,347.00, in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2015 measurement date.

At June 30, 2016, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 249,998.00	\$ -
Changes of Assumptions	1,125,388.00	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	168,486.00
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	682,357.00	-
School District Contributions Subsequent to the Measurement Date	436,926.00	-
	<u>\$ 2,494,669.00</u>	<u>\$ 168,486.00</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) - Deferred outflows of resources totaling \$436,926.00, 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:

Year Ending June 30,	
2017	\$ 368,505.00
2018	368,505.00
2019	368,503.00
2020	493,277.00
2021	290,467.00
	<u>\$ 1,889,257.00</u>

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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
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:

	<u>TPAF</u>	<u>PERS</u>
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:

	TPAF		
	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
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	99,538,242.00	83,753,784.00	70,154,529.00
	<u>\$ 99,538,242.00</u>	<u>\$ 83,753,784.00</u>	<u>\$ 70,154,529.00</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:

	PERS		
	1% Decrease (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
School District's Proportionate Share of the Net Pension Liability	\$ 13,024,428.00	\$ 10,479,252.00	\$ 8,345,395.00

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.

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: 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 \$1,076,764.00, \$1,282,128.00 and \$51,092.00, respectively.

Note 12: 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</u> <u>Ended June 30,</u>	<u>School</u> <u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Interest</u> <u>Income</u>	<u>Claims</u> <u>Incurred</u>	<u>Ending</u> <u>Balance</u>
2016	-	\$ 27,482.45	\$ 1,566.40	\$ 53,605.26	\$ 509,117.68
2015	-	45,460.74	1,551.93	31,570.31	533,674.09
2014	\$ -	43,384.31	2,247.04	22,565.14	518,231.73

Note 12: RISK MANAGEMENT (CONT'D)

Joint Insurance Pool - The School District is a member of the Burlington County Insurance Pool Joint Insurance Fund. The Fund provides its members with the following coverage:

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

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.

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 and Auto Physical Damage
 Boiler and Machinery
 Excess Liability
 General and Automobile Liability
 Workers Compensation
 School Board Legal Liability

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The School District's agreement with the Fund provides that the Fund will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims in excess of \$50,000.00 to \$200,000.00 based on the line of coverage for each insured event.

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

SPELLJIF
 P.O. Box 449
 Marlton, New Jersey 08053

Note 13: DEFERRED COMPENSATION

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

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

Note 14: COMPENSATED ABSENCES

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

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

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 was \$869,733.85.

Note 15: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2016 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 78,991.28	\$ 266,529.71
Special Revenue		63,207.20
Capital Projects	266,529.71	
Fiduciary		15,784.08
	<u>\$ 345,520.99</u>	<u>\$ 345,520.99</u>

Districts are not permitted to have a cash deficit in the Special Revenue Fund; as a result, an interfund was created to comply with this requirement. The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2017, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

Interfund Transfers:

<u>Transfer Out:</u>	<u>Transfer In:</u>
	Capital Projects Fund
General Fund	<u>\$ 425,000.00</u>

The purpose of the transfer is to increase the amount of funds available in order to complete the voter approved capital projects.

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.

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

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 \$1,403,458.25. Additionally, \$2,021,804.00 of excess fund balance generated during 2014-2015 has been restricted and designated for utilization in the 2016-2017 budget.

For Capital Reserve Account - As of June 30, 2016, the balance in the capital reserve account is \$735,873.46. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

For Maintenance Reserve Account - As of June 30, 2016, the balance in the maintenance reserve account is \$25,299.30. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

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

For Emergency Reserve - As of June 30, 2016, the balance in the emergency reserve is \$126,496.50. These funds are restricted for the purpose of financing unanticipated general fund expenditures required for a thorough and efficient education in accordance with N.J.S.A. 18A:7F-41c(1). The balance of the restricted fund balance is not permitted to exceed \$250,000.00, or one percent (1%) of the School District's general fund budget up to a maximum of \$1,000,000.00, whichever is greater. Deposits may be made to the emergency reserve account at budget time, or by board resolution at year end of any unanticipated revenue or unexpended line item appropriation, or both. Withdrawals from the emergency reserve require approval by the Commissioner.

Capital Projects Fund - On December 3, 2014, the School District issued \$31,123,000.00 of general obligation bonds pursuant to: (i) Chapter 24 of Title 18A of the New Jersey Statutes, as amended and supplemented ("School Bond Law") and (ii) a (1) resolution adopted by the Board on October 16, 2014. The Bonds were authorized by a proposal adopted by the Board on July 24, 2014 and approved by the voters of the School District at a special election held on September 30, 2014. The bond issuance was approved by the voters for various school facilities projects. As of June 30, 2016, the restricted fund balance amount was \$15,687,756.16.

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, \$28,582.00 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

Other Purposes - As of June 30, 2016, the School District had \$74,276.10 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, \$757,054.20 of general fund balance was unassigned.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES

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

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 22,083,141.00		\$ 22,083,141.00	\$ 22,083,141.00	
Tuition	108,000.00		108,000.00	115,463.00	\$ 7,463.00
Miscellaneous	74,200.00		74,200.00	348,566.03	274,366.03
Total - Local Sources	22,265,341.00	\$ -	22,265,341.00	22,547,170.03	281,829.03
State Sources:					
Equalization Aid	7,091,213.00		7,091,213.00	7,091,213.00	
Categorical Special Education Aid	1,160,236.00		1,160,236.00	1,160,236.00	
Categorical Security Aid	37,660.00		37,660.00	37,660.00	
Categorical Transportation Aid	64,424.00		64,424.00	64,424.00	
PARCC Readiness Aid	19,715.00		19,715.00	19,715.00	
Per Pupil Growth Aid	19,715.00		19,715.00	19,715.00	
Extraordinary Aid				117,040.00	117,040.00
Additional N.J. Nonpublic School Transportation Aid				7,308.00	7,308.00
On-Behalf T.P.A.F. Post Retirement Medical Contributions (non-budgeted)				1,282,128.00	1,282,128.00
On-Behalf T.P.A.F. Non-Contributory Insurance (non-budgeted)				51,092.00	51,092.00
On-Behalf T.P.A.F. Pension Contributions (non-budgeted)				1,076,764.00	1,076,764.00
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				935,081.21	935,081.21
Total - State Sources	8,392,963.00	-	8,392,963.00	11,862,376.21	3,469,413.21
Federal Sources:					
Medicaid Reimbursement	29,644.00		29,644.00	37,384.54	7,740.54
Total - Federal Sources	29,644.00	-	29,644.00	37,384.54	7,740.54
Total Revenues	30,687,948.00	-	30,687,948.00	34,446,930.78	3,758,982.78

(Continued)

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

EXPENDITURES:	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	\$ 175,823.00	\$ (68,826.39)	\$ 106,996.61	\$ 106,996.61	
Kindergarten	248,493.00	24,372.44	272,865.44	272,865.44	
Grades 1-5	2,802,010.00	166,749.02	2,968,759.02	2,894,714.46	\$ 74,044.56
Grades 6-8	2,097,763.00	(70,083.41)	2,027,679.59	2,027,679.59	
Grades 9-12	3,332,898.00	218,965.47	3,551,863.47	3,487,183.62	64,679.85
Regular Programs - Home Instruction:					
Salaries of Teachers	27,500.00	(175.32)	27,324.68	23,497.69	3,826.99
Other Purchased Services	7,500.00		7,500.00	6,542.43	957.57
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	67,744.00	44,463.73	112,207.73	112,207.73	
Purchased Professional - Educational Services	42,600.00	(17,775.38)	24,824.62	6,880.88	17,943.74
Other Purchase Services	202,000.00	(32,688.35)	169,311.65	154,091.67	15,219.98
Travel	4,125.00		4,125.00	2,108.87	2,016.13
General Supplies	718,171.00	(54,132.99)	664,038.01	647,406.00	16,632.01
Textbooks	107,294.00	(24,385.98)	82,908.02	41,506.50	41,401.52
Other Objects	2,720.00	(1,000.00)	1,720.00	607.00	1,113.00
Total Regular Programs	9,836,641.00	185,482.84	10,022,123.84	9,784,288.49	237,835.35
Special Education - Instruction:					
Learning and / or Language Disabilities:					
Salaries of Teachers	186,500.00		186,500.00	185,961.48	538.52
Other Salaries for Instruction	388,598.00	(172,592.61)	216,005.39	213,221.48	2,783.91
General Supplies	7,500.00	(4,000.00)	3,500.00	2,784.30	715.70
Total Learning and / or Language Disabilities	582,598.00	(176,592.61)	406,005.39	401,967.26	4,038.13

(Continued)

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

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Special Education - Instruction (Cont'd):					
Resource Room / Resource Center:					
Salaries of Teachers	\$ 1,436,417.00	\$ (146,598.18)	\$ 1,289,818.82	\$ 1,289,818.82	
Other Salaries for Instruction	200,889.00	95,526.93	296,415.93	296,415.93	
General Supplies	19,600.00	(357.98)	19,242.02	19,242.02	
Total Resource Room / Resource Center	<u>1,656,906.00</u>	<u>(51,429.23)</u>	<u>1,605,476.77</u>	<u>1,605,476.77</u>	\$ -
Preschool Disabilities - Part-Time:					
Salaries of Teachers	80,579.00	28,620.40	109,199.40	109,199.40	
Other Salaries for Instruction	35,207.00	668.73	35,875.73	35,875.73	
General Supplies	4,800.00	(4,087.53)	712.47	712.47	
Total Preschool Disabilities - Part-Time	<u>120,586.00</u>	<u>25,201.60</u>	<u>145,787.60</u>	<u>145,787.60</u>	-
Home Instruction:					
Salaries of Teachers	21,000.00	(392.64)	20,607.36	12,813.32	7,794.04
Other Purchased Services	1,500.00	2,392.64	3,892.64	3,846.09	46.55
Total Home Instruction	<u>22,500.00</u>	<u>2,000.00</u>	<u>24,500.00</u>	<u>16,659.41</u>	<u>7,840.59</u>
Total Special Education - Instruction	<u>2,382,590.00</u>	<u>(200,820.24)</u>	<u>2,181,769.76</u>	<u>2,169,891.04</u>	<u>11,878.72</u>
Basic Skills / Remedial - Instruction:					
Salaries of Teachers	364,100.00		364,100.00	302,757.74	61,342.26
General Supplies	7,000.00		7,000.00	3,298.89	3,701.11
Total Basic Skills / Remedial - Instruction	<u>371,100.00</u>	<u>-</u>	<u>371,100.00</u>	<u>306,056.63</u>	<u>65,043.37</u>

(Continued)

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 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>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Bilingual Education - Instruction:					
Salaries of Teachers	\$ 94,938.00		\$ 94,938.00	\$ 85,579.18	\$ 9,358.82
Other Purchase Services	500.00		500.00		500.00
General Supplies	3,000.00		3,000.00		3,000.00
Textbooks	1,000.00		1,000.00		1,000.00
Total Bilingual Education - Instruction	99,438.00	\$ -	99,438.00	85,579.18	13,858.82
School Sponsored Co / Extra-Curricular Activities - Instruction:					
Salaries	116,599.00	6,249.61	122,848.61	111,221.30	11,627.31
Supplies and Materials	54,871.00	(5,278.47)	49,592.53	39,311.41	10,281.12
Other Objects	2,720.00	2,195.00	4,915.00	4,764.55	150.45
Total School Sponsored Cocurricular Activities - Instruction	174,190.00	3,166.14	177,356.14	155,297.26	22,058.88
School Sponsored Athletics - Instruction:					
Salaries	380,251.00	4,967.89	385,218.89	385,217.89	1.00
Other Purchased Services	19,400.00	(8,448.49)	10,951.51	8,699.00	2,252.51
Supplies and Materials	79,257.00		79,257.00	75,872.07	3,384.93
Other Objects	90,770.00		90,770.00	81,430.69	9,339.31
Total School Sponsored Athletics - Instruction	569,678.00	(3,480.60)	566,197.40	551,219.65	14,977.75
Summer School:					
Instruction:					
Salaries of Teachers	13,618.00	4,407.12	18,025.12	18,025.12	
Salaries - Other Instruction	11,275.00	(1,040.37)	10,234.63	10,234.63	
Supplies and Materials	950.00	(477.82)	472.18		472.18
Support Services:					
Salaries	5,416.00	(2,099.47)	3,316.53	3,316.53	
Total Summer School	31,259.00	789.46	32,048.46	31,576.28	472.18
Total Instruction	13,464,896.00	(14,862.40)	13,450,033.60	13,083,908.53	366,125.07

(Continued)

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 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>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Regular	\$ 28,000.00	\$ (27,121.66)	\$ 878.34		\$ 878.34
Tuition to Other LEAs Within the State-Special	30,164.00	27,055.60	57,219.60	\$ 57,219.60	
Tuition to County Vocational - Regular	24,608.00		24,608.00	18,456.00	6,152.00
Tuition to CSSD and Regular Day Schools	337,187.00	39,144.33	376,331.33	376,326.92	4.41
Tuition to County Schools for the Disabled - Within State	1,051,381.00	(166,586.17)	884,794.83	724,255.42	160,539.41
Tuition to Private Schools for the Disabled - Outside State	57,000.00	3,980.00	60,980.00	60,980.00	
Tuition - State Facilities	32,306.00		32,306.00	32,306.00	
Total Undistributed Expenditures - Instruction	1,560,646.00	(123,527.90)	1,437,118.10	1,269,543.94	167,574.16
Undistributed Expenditures - Attendance and Social Work:					
Salaries	135,353.00	(5,141.34)	130,211.66	127,468.54	2,743.12
Other Purchased Services	850.00		850.00		850.00
Total Undistributed Expenditures - Attendance and Social Work	136,203.00	(5,141.34)	131,061.66	127,468.54	3,593.12
Undistributed Expenditures - Health Services:					
Salaries	338,218.00	12,389.95	350,607.95	350,607.95	
Other Purchased Services	20,000.00	(1,765.55)	18,234.45	17,800.00	434.45
Travel	1,500.00	(1,305.00)	195.00		195.00
Supplies and Materials	10,735.00	(5,567.39)	5,167.61	5,167.61	
Other Objects	250.00	453.00	703.00	703.00	
Total Undistributed Expenditures - Health Services	370,703.00	4,205.01	374,908.01	374,278.56	629.45
Undistributed Expenditures - Other Support Services -					
Students - Related Services:					
Salaries	320,956.00	(1,579.47)	319,376.53	319,376.53	
Purchased Professional - Educational Services	440,960.00	87,894.77	528,854.77	519,720.72	9,134.05
Total Undistributed Expenditures - Other Support Services - Students - Related Services	761,916.00	86,315.30	848,231.30	839,097.25	9,134.05

(Continued)

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 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>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Other Support Services - Students - Extraordinary Service: Purchased Professional- Educational Services	\$ 178,500.00	\$ 13,435.50	\$ 191,935.50	\$ 156,465.50	\$ 35,470.00
Total Undistr buted Expenditures - Extraordinary Service	178,500.00	13,435.50	191,935.50	156,465.50	35,470.00
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	385,024.00	(18,874.78)	366,149.22	365,915.45	233.77
Salaries of Secretarial and Clerical Assistants	83,221.00	5,991.98	89,212.98	89,212.98	
Other Purchased Services	3,000.00		3,000.00	2,339.31	660.69
Supplies and Materials	12,775.00	(1,351.21)	11,423.79	10,766.03	657.76
Other Objects	8,000.00		8,000.00	7,390.00	610.00
Total Undistr buted Expenditures - Guidance	492,020.00	(14,234.01)	477,785.99	475,623.77	2,162.22
Undistributed Expenditures - Child Study Teams					
Salaries of Other Professional Staff	730,891.00	(9,672.35)	721,218.65	720,309.86	908.79
Salaries of Secretarial and Clerical Assistants	96,587.00	(1,680.35)	94,906.65	94,906.65	
Purchased Professional- Educational Services	11,000.00	7,830.00	18,830.00	18,830.00	
Residential Costs	9,000.00	(9,000.00)			
Miscellaneous Purchased Services (400-500 Series other than Residential Costs)	11,500.00	98.51	11,598.51	11,598.51	
Supplies and Materials	13,347.00	(2,928.51)	10,418.49	10,412.69	5.80
Total Undistr buted Expenditures - Child Study Teams	872,325.00	(15,352.70)	856,972.30	856,057.71	914.59
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	188,106.00	11,369.56	199,475.56	199,475.22	0.34
Salaries of Other Professional Staff	40,200.00	(9,589.28)	30,610.72	30,610.72	
Salaries of Secretarial and Clerical Assistants	37,553.00	(1,077.92)	36,475.08	36,475.08	
Other Purchased Services		89.00	89.00	89.00	
Other Objects	2,100.00	(195.00)	1,905.00	1,905.00	
Total Undistr buted Expenditures - Improvement of Instruction Services	267,959.00	596.36	268,555.36	268,555.02	0.34

(Continued)

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 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>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Educational Media Services / School					
Library:					
Salaries	\$ 213,919.00	\$ 3,014.86	\$ 216,933.86	\$ 211,370.24	\$ 5,563.62
Other Purchased Services	82,600.00	44,588.97	127,188.97	126,175.11	1,013.86
Travel		95.00	95.00	95.00	
Supplies and Materials	28,765.00	(4,254.69)	24,510.31	20,404.96	4,105.35
Other Objects	300.00		300.00	65.00	235.00
Total Undistributed Expenditures - Educational Media Services / School Library	325,584.00	43,444.14	369,028.14	358,110.31	10,917.83
Undistributed Expenditures - Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	47,027.00	2,841.81	49,868.81	49,868.73	0.08
Salaries - Other Professional Staff	6,780.00	(1,304.33)	5,475.67	5,475.67	
Salaries of Secretarial and Clerical Assistants	9,148.00	217.26	9,365.26	9,365.26	
Purchased Professional- Educational Services	15,000.00	(5,348.12)	9,651.88		9,651.88
Other Purchased Services	900.00		900.00	800.00	100.00
Travel	27,500.00	(2,351.10)	25,148.90	14,081.36	11,067.54
Supplies and Materials	5,700.00	5,348.12	11,048.12	2,266.43	8,781.69
Other Objects	2,750.00		2,750.00	1,100.00	1,650.00
Total Undistributed Expenditures - Instructional Staff Training Services	114,805.00	(596.36)	114,208.64	82,957.45	31,251.19

(Continued)

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 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>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Support Services - General Administration:					
Salaries	\$ 219,644.00	\$ 33,035.38	\$ 252,679.38	\$ 252,679.38	
Legal Services	60,000.00	(17,835.64)	42,164.36	32,802.81	\$ 9,361.55
Audit Fees	38,000.00	250.00	38,250.00	38,250.00	
Architectural/Engineering Services	10,000.00	45,490.00	55,490.00	55,487.01	2.99
Other Purchased Professional Services	2,000.00	(393.65)	1,606.35	650.00	956.35
Communications/Telephone	76,500.00	(6,810.48)	69,689.52	29,044.09	40,645.43
BOE Other Purchased Services	2,500.00	672.00	3,172.00	2,387.86	784.14
Other Purchased Services	100,670.00	1,036.49	101,706.49	101,706.49	
General Supplies	4,000.00		4,000.00	2,201.37	1,798.63
BOE In-House Training and Meeting Supplies	3,500.00		3,500.00	3,000.00	500.00
Judgments Against District		126,666.66	126,666.66	46,666.62	80,000.04
Miscellaneous Expenditures	22,627.00	(6,666.66)	15,960.34	8,290.87	7,669.47
BOE Membership Dues and Fees	15,000.00		15,000.00	14,554.95	445.05
Total Undistributed Expenditures - Support Services - General Administration	554,441.00	175,444.10	729,885.10	587,721.45	142,163.65
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals/Assistant Principals	997,414.00	(33,035.38)	964,378.62	957,416.90	6,961.72
Salaries of Other Professional Staff	136,283.00	(17,064.11)	119,218.89	108,051.00	11,167.89
Salaries of Secretarial and Clerical Assistants	430,668.00	3,403.68	434,071.68	431,148.32	2,923.36
Other Purchased Services	20,990.00		20,990.00	20,705.90	284.10
Travel	7,750.00		7,750.00	4,066.70	3,683.30
Supplies and Materials	38,125.00	6,293.90	44,418.90	37,612.90	6,806.00
Other Objects	14,415.00	91,028.81	105,443.81	11,588.09	93,855.72
Total Undistributed Expenditures - Support Services - School Administration	1,645,645.00	50,626.90	1,696,271.90	1,570,589.81	125,682.09

(Continued)

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

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures- Support Services- Central Services:					
Salaries	\$ 327,520.00	\$ 7,153.35	\$ 334,673.35	\$ 311,969.06	\$ 22,704.29
Purchased Technical Services	37,938.00		37,938.00	37,677.10	260.90
Miscellaneous Purchased Services	9,600.00	(1,337.61)	8,262.39	4,050.15	4,212.24
Supplies and Materials	15,200.00	47,071.35	62,271.35	28,941.54	33,329.81
Miscellaneous Expenditures	3,000.00	6,653.31	9,653.31	9,653.31	
Total Undistributed Expenditures- Support Services- Central Services	393,258.00	59,540.40	452,798.40	392,291.16	60,507.24
Undistributed Expenditures- Support Services- Administration					
Information Technology:					
Salaries	182,246.00	9,885.33	192,131.33	171,891.92	20,239.41
Purchased Technical Services	17,000.00	(12,421.53)	4,578.47	1,687.50	2,890.97
Other Purchased Services	2,900.00	2,536.20	5,436.20	4,896.20	540.00
Total Undistributed Expenditures- Support Services- Administration Information Technology	202,146.00	-	202,146.00	178,475.62	23,670.38
Undistributed Expenditures - Required Maintenance for School Facilities:					
Salaries	236,725.00	7,709.45	244,434.45	244,434.45	
Cleaning, Repair and Maintenance Services	219,800.00	(53,647.27)	166,152.73	131,830.06	34,322.67
General Supplies	101,300.00	(1,125.00)	100,175.00	47,904.18	52,270.82
Other Objects	1,700.00	1,125.00	2,825.00	2,307.00	518.00
Total Undistributed Expenditures - Required Maintenance for School Facilities	559,525.00	(45,937.82)	513,587.18	426,475.69	87,111.49

(Continued)

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 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>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Custodial Services:					
Salaries	\$ 1,010,317.00	\$ (19,037.41)	\$ 991,279.59	\$ 991,279.59	
Salaries of Non-Instructional Aides	184,807.00	120,501.74	305,308.74	305,308.74	
Cleaning, Repair, and Maintenance Service	57,965.00	(7,989.82)	49,975.18	45,485.83	\$ 4,489.35
Other Purchased Property Services	65,444.00		65,444.00	59,786.49	5,657.51
Insurance	71,058.00	(170.00)	70,888.00	70,180.00	708.00
Miscellaneous Purchased Services	31,318.00	170.00	31,488.00	31,487.96	0.04
General Supplies	126,299.00		126,299.00	82,522.06	43,776.94
Energy (Electricity)	400,000.00		400,000.00	348,721.64	51,278.36
Energy (Natural Gas)	250,000.00		250,000.00	107,262.68	142,737.32
Other Objects	5,700.00		5,700.00	585.00	5,115.00
Total Undistributed Expenditures - Custodial Services	2,202,908.00	93,474.51	2,296,382.51	2,042,619.99	253,762.52
Undistributed Expenditures - Care & Upkeep of Grounds:					
Salaries	180,690.00	(3,031.33)	177,658.67	177,658.67	
Cleaning, Repair, and Maintenance Service	105,440.00	(45,072.72)	60,367.28	49,782.28	10,585.00
General Supplies	77,600.00		77,600.00	48,240.30	29,359.70
Miscellaneous Expenditures	4,050.00		4,050.00	3,340.07	709.93
	367,780.00	(48,104.05)	319,675.95	279,021.32	40,654.63
Undistributed Expenditures - Security:					
Salaries	49,440.00	7,367.36	56,807.36	56,807.36	-

(Continued)

TOWNSHIP OF HADDON SCHOOL DISTRICT

Required Supplementary Information
Budgetary Comparison Schedule
General Fund

For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Student Transportation Services:					
Salaries of Non-Instructional Aides	\$ 107,288.00	\$ 7,641.07	\$ 114,929.07	\$ 112,031.78	\$ 2,897.29
Salaries for Pupil Transportation (Between Home & School) - Regular	255,388.00	(4,917.17)	250,470.83	250,470.83	
Salaries for Pupil Transportation (Between Home & School) - Special	130,350.00	70,490.18	200,840.18	200,840.18	
Salaries for Pupil Transportation- Other than Between Home & School	40,000.00	(34,474.84)	5,525.16	1,251.98	4,273.18
Salaries for Non- Public Transportation		1,683.15	1,683.15	1,683.15	
Cleaning, Repair, and Maintenance Service	1,000.00		1,000.00		1,000.00
Contracted Services (Special Educ. Students) - Joint Agreements	5,000.00		5,000.00		5,000.00
Contracted Services - (Special Education Students) -ESCs & CTSA's	284,500.00	(34,795.97)	249,704.03	220,596.65	29,107.38
Contracted Services - Aid In Lieu of Payments - Nonpublic Schools	45,000.00		45,000.00	39,008.43	5,991.57
Contracted Services (Between Home and School) - Joint Agreements		9,048.00	9,048.00	7,176.00	1,872.00
Miscellaneous Purchased Services-Transportation	26,041.00	17,678.34	43,719.34	43,719.34	
Supplies and Materials	250.00	35.74	285.74	285.74	
Transportation Supplies	124,200.00	(32,388.50)	91,811.50	49,929.98	41,881.52
Other Objects	500.00		500.00		500.00
Total Undistributed Expenditures - Student Transportation Services	1,019,517.00	-	1,019,517.00	926,994.06	92,522.94
Undistributed Expenditures - Unallocated Benefits - Employee Benefits:					
Social Security Contributions - Other	403,050.00	124,196.45	527,246.45	527,246.45	
Other Retirement Contributions - PERS	496,432.00	(71,582.24)	424,849.76	424,849.76	
Unemployment Compensation	5,000.00	(4,523.45)	476.55		476.55
Workers Compensation	174,941.00		174,941.00	166,317.00	8,624.00
Health Benefits	5,079,910.00	(303,201.37)	4,776,708.63	4,559,642.00	217,066.63
Tuition Reimbursements	50,000.00		50,000.00	41,800.50	8,199.50
Other Employee Benefits	425,301.00	(24,738.39)	400,562.61	400,562.61	
Total Undistributed Expenditures - Unallocated Benefits - Employee Benefits	6,634,634.00	(279,849.00)	6,354,785.00	6,120,418.32	234,366.68

(Continued)

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

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
On-Behalf T.P.A.F. Post Retirement Medical Contributions (non-budgeted)				\$ 1,282,128.00	\$ (1,282,128.00)
On-Behalf T.P.A.F. Non-Contributory Insurance (non-budgeted)				51,092.00	
On-Behalf T.P.A.F. Pension Contributions (non-budgeted)				1,076,764.00	(1,076,764.00)
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				935,081.21	(935,081.21)
Total On-behalf Contributions	\$ -	\$ -	\$ -	3,345,065.21	(3,293,973.21)
Total Undistributed Expenditures	18,709,955.00	1,706.40	18,711,661.40	20,734,638.04	(895,120.64)
Total Current Expense	32,174,851.00	(13,156.00)	32,161,695.00	33,818,546.57	(528,995.57)
Capital Outlay:					
Undistributed Expenditures:					
Required Maintenance for School Facilities - Equipment	46,000.00		46,000.00	43,737.45	2,262.55
Student Transportation:					
Non-Instructional Equipment	39,808.00		39,808.00	39,692.94	115.06
School Buses - Regular	130,000.00		130,000.00	130,000.00	
Total Equipment	215,808.00	-	215,808.00	213,430.39	2,377.61
Facilities Acquisition and Construction Services:					
Construction Services	478,700.00		478,700.00	478,700.00	-
Total Capital Outlay	694,508.00	-	694,508.00	692,130.39	2,377.61
Transfer of Funds to Charter Schools	44,144.00	13,156.00	57,300.00	44,698.00	12,602.00
Total Expenditures	32,913,503.00	-	32,913,503.00	34,555,374.96	(514,015.96)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,225,555.00)	-	(2,225,555.00)	(108,444.18)	4,272,998.74

(Continued)

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 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>
EXPENDITURES (CONT'D):					
Other Financing Sources (Uses):					
Capital Reserve Transferred to Capital Projects Fund				\$ (425,000.00)	\$ 425,000.00
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ (2,225,555.00)	\$ -	\$ (2,225,555.00)	(533,444.18)	4,697,998.74
Fund Balances, July 1	5,677,705.99	-	5,677,705.99	5,677,705.99	-
Fund Balances, June 30	<u>\$ 3,452,150.99</u>	<u>\$ -</u>	<u>\$ 3,452,150.99</u>	<u>\$ 5,144,261.81</u>	<u>\$ 4,697,998.74</u>
RECAPITULATION:					
Restricted Fund Balance:					
Capital Reserve			\$ 735,873.46		
Maintenance Reserve			25,299.30		
Current Expense Emergency Reserve			126,496.50		
Excess Surplus (2015-16)			1,403,458.25		
Reserve for Excess Surplus (2014-15) - Designated for Subsequent Year's Expenditures			<u>2,021,804.00</u>		
				\$ 4,312,931.51	
Assigned Fund Balance:					
Year-End Encumbrances				74,276.10	
Unassigned Fund Balance				<u>757,054.20</u>	
				5,144,261.81	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP Basis				<u>(799,269.00)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 4,344,992.81</u>	

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Special Revenue Fund
 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	\$ 382,926.00	\$ 127,394.00	\$ 510,320.00	\$ 434,519.65	\$ (75,800.35)
Total - State Sources	382,926.00	127,394.00	510,320.00	434,519.65	(75,800.35)
Federal Sources:					
No Child Left Behind					
Title I	124,922.00	37,187.00	162,109.00	155,202.70	(6,906.30)
Title IIA	74,611.00	15,103.00	89,714.00	58,748.49	(30,965.51)
Title III		4,478.00	4,478.00	4,478.00	
I.D.E.A., Part B	482,312.00	209,391.00	691,703.00	605,339.16	(86,363.84)
I.D.E.A., Part B, Preschool Incentive		16,359.00	16,359.00	16,359.00	
Total - Federal Sources	681,845.00	282,518.00	964,363.00	840,127.35	(124,235.65)
Total Revenues	1,064,771.00	409,912.00	1,474,683.00	1,274,647.00	(200,036.00)

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Special Revenue Fund
 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> (Continued)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 124,922.00	\$ 78,761.00	\$ 203,683.00	\$ 158,243.96	\$ 45,439.04
Purchased Professional - Technical Services		29,475.00	29,475.00	23,580.00	5,895.00
Other Purchased Services (400-500 series)	556,923.00	(488.00)	556,435.00	556,435.00	
General Supplies		12,654.00	12,654.00	6,939.74	5,714.26
Textbooks	52,048.00	7,679.00	59,727.00	59,659.25	67.75
Total Instruction	733,893.00	128,081.00	861,974.00	804,857.95	57,116.05
Support Services:					
Salaries		88,139.73	88,139.73	58,219.56	29,920.17
Personal Services - Employee Benefits		60,384.77	60,384.77	31,702.16	28,682.61
Purchased Professional - Technical Services		51,900.00	51,900.00	46,704.49	5,195.51
Other Purchased Services (400-500 series)		42,792.00	42,792.00	16,522.00	26,270.00
Supplies and Materials		69,700.50	69,700.50	63,324.90	6,375.60
Other Objects	330,878.00	(31,086.00)	299,792.00	253,315.94	46,476.06
Total Support Services	330,878.00	281,831.00	612,709.00	469,789.05	142,919.95
Total Expenditures	1,064,771.00	409,912.00	1,474,683.00	1,274,647.00	200,036.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to RSI
 For the Fiscal Year Ended June 30, 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	\$ 34,446,930.78	\$ 1,274,647.00
Differences - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	794,207.00	
State aid payment is recognized as revenue for budgetary purposes, not recognized for GAAP statements until subsequent year	(799,269.00)	
	\$ 34,441,868.78	\$ 1,274,647.00
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 34,441,868.78	\$ 1,274,647.00
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 34,555,374.96	\$ 1,274,647.00
Encumbrances for goods or services ordered but not received are reported in the year the orders are placed for budgetary purposes, but in the year the goods or services are received for financial reporting purposes.	-	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	\$ 34,555,374.96	\$ 1,274,647.00

REQUIRED SUPPLEMENTARY INFORMATION
PART III

TOWNSHIP OF HADDON 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

	<u>Measurement Date Ending June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.0466823489%	0.0447296763%	0.0419050510%
School District's Proportionate Share of the Net Pension Liability	\$ 10,479,252.00	\$ 8,374,619.00	\$ 8,008,888.00
School District's Covered-Employee Payroll	\$ 3,261,869.00	\$ 3,085,961.00	\$ 2,963,026.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	321.27%	271.38%	270.29%
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.

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

	<u>Fiscal Year Ended June 30,</u>		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 436,926.00	\$ 401,343.00	\$ 378,885.00
Contributions in Relation to the Contractually Required Contribution	<u>(436,926.00)</u>	<u>(401,343.00)</u>	<u>(378,885.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered-Employee Payroll	\$ 3,083,552.00	\$ 3,261,869.00	\$ 3,085,961.00
Contributions as a Percentage of School District's Covered-Employee Payroll	14.17%	12.30%	12.28%

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.

TOWNSHIP OF HADDON 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

	<u>Measurement Date Ending June 30.</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
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>83,753,784.00</u>	<u>67,682,649.00</u>	<u>64,657,369.00</u>
	<u>\$ 83,753,784.00</u>	<u>\$ 67,682,649.00</u>	<u>\$ 64,657,369.00</u>
School District's Covered-Employee Payroll	\$ 13,265,514.00	\$ 13,330,898.00	\$ 12,779,082.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	0%	0%	0%
State's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	631.36%	507.71%	505.96%
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.

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

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.

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

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

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

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

	No Child Left Behind			I.D.E.A. Part B		Total Carried Forward
	<u>Title I</u>	<u>Title IIA</u>	<u>Title III</u>	<u>Basic</u>	<u>Preschool Incentive</u>	
REVENUES:						
Federal Sources	\$ 155,202.70	\$ 58,748.49	\$ 4,478.00	\$ 605,339.16	\$ 16,359.00	\$ 840,127.35
State Sources						
Total Revenues	155,202.70	58,748.49	4,478.00	605,339.16	16,359.00	840,127.35
EXPENDITURES:						
Instruction:						
Salaries of Teachers	119,522.96			38,721.00		158,243.96
Purchased Professional - Technical Services				23,580.00		23,580.00
Other Purchased Services (400-500 series)				540,076.00	16,359.00	556,435.00
General Supplies	6,939.74					6,939.74
Textbooks						
Total Instruction	126,462.70		-	602,377.00	16,359.00	745,198.70
Support Services:						
Salaries						
Personal Services - Employee Benefits	28,740.00			2,962.16		31,702.16
Purchased Professional - Technical Services		46,704.49				46,704.49
Other Purchased Services (400-500 series)		12,044.00	4,478.00			16,522.00
Supplies and Materials						
Other Objects						
Total Support Services	28,740.00	58,748.49	4,478.00	2,962.16	-	94,928.65
Total Expenditures	155,202.70	58,748.49	4,478.00	605,339.16	16,359.00	840,127.35
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

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

	Total Brought Forward	N.J. Nonpublic Auxiliary Services Ch. 192		N.J. Nonpublic Handicapped Services Ch. 193			Total Carried Forward
		Compensatory Education	Home Instruction	Supplemental Instruction	Examination and Classification	Corrective Speech	
REVENUES:							
Federal Sources	\$ 840,127.35						\$ 840,127.35
State Sources		\$ 117,594.00	\$ 18,703.46	\$ 46,777.50	\$ 67,147.78	\$ 3,093.20	253,315.94
Total Revenues	840,127.35	117,594.00	18,703.46	46,777.50	67,147.78	3,093.20	1,093,443.29
EXPENDITURES:							
Instruction:							
Salaries of Teachers	158,243.96						158,243.96
Purchased Professional - Technical Services	23,580.00						23,580.00
Other Purchased Services (400-500 series)	556,435.00						556,435.00
General Supplies	6,939.74						6,939.74
Textbooks							
Total Instruction	745,198.70	-	-	-	-	-	745,198.70
Support Services:							
Salaries							
Personal Services - Employee Benefits	31,702.16						31,702.16
Purchased Professional - Technical Services	46,704.49						46,704.49
Other Purchased Services (400-500 series)	16,522.00						16,522.00
Supplies and Materials							
Other Objects		117,594.00	18,703.46	46,777.50	67,147.78	3,093.20	253,315.94
Total Support Services	94,928.65	117,594.00	18,703.46	46,777.50	67,147.78	3,093.20	348,244.59
Total Expenditures	840,127.35	117,594.00	18,703.46	46,777.50	67,147.78	3,093.20	1,093,443.29
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

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

	<u>Total Brought Forward</u>	<u>Security Aid Program</u>	<u>Nonpublic Textbook Aid, Ch. 194, L. 1979</u>	<u>Nonpublic Nursing Aid</u>	<u>Nonpublic Technology Aid</u>	<u>Total</u>
REVENUES:						
Federal Sources	\$ 840,127.35					\$ 840,127.35
State Sources	253,315.94	\$ 26,924.80	\$ 59,659.25	\$ 67,664.78	\$ 26,954.88	434,519.65
Total Revenues	1,093,443.29	26,924.80	59,659.25	67,664.78	26,954.88	1,274,647.00
EXPENDITURES:						
Instruction:						
Salaries of Teachers	158,243.96					158,243.96
Purchased Professional - Technical Services	23,580.00					23,580.00
Other Purchased Services (400-500 series)	556,435.00					556,435.00
General Supplies	6,939.74					6,939.74
Textbooks			59,659.25			59,659.25
Total Instruction	745,198.70	-	59,659.25	-	-	804,857.95
Support Services:						
Salaries				58,219.56		58,219.56
Personal Services - Employee Benefits	31,702.16					31,702.16
Purchased Professional - Technical Services	46,704.49					46,704.49
Other Purchased Services (400-500 series)	16,522.00					16,522.00
Supplies and Materials		26,924.80		9,445.22	26,954.88	63,324.90
Other Objects	253,315.94					253,315.94
Total Support Services	348,244.59	26,924.80	-	67,664.78	26,954.88	469,789.05
Total Expenditures	1,093,443.29	26,924.80	59,659.25	67,664.78	26,954.88	1,274,647.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CAPITAL PROJECTS FUND

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Capital Projects Fund
 Summary Statement of Project Expenditures
 For the Fiscal Year Ended June 30, 2016

<u>Project Title / Issue</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Other Financing Sources (Uses)</u>	<u>Unexpended Balance June 30, 2016</u>
			<u>Prior Years</u>	<u>Current Year</u>	<u>Interfund Transfer</u>	
2014 Bonds: Various Renovations, Alterations and Improvements to the Edison Elementary School, Jennings Elementary School, Stoy Elementary School, Strawbridge Elementary School, Van Sciver Elementary School and Haddon Township High School including Acquisition and Installation of Furniture & Equipment	December 3, 2014	\$ 40,221,527.00	\$ 7,574,453.07	\$ 8,286,531.77	\$ 425,000.00	\$ 24,785,542.16

TOWNSHIP OF HADDON SCHOOL DISTRICT
CAPITAL PROJECTS FUND

Summary Statement of Project Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
 For the Fiscal Year Ended June 30, 2016

Revenues and Other Financing Sources

Transfer from Capital Reserve	<u>\$ 425,000.00</u>
	<u>425,000.00</u>

Expenditures and Other Financing Uses

Other Purchased Professional and Technical Services	938,250.54
Construction Services	<u>7,348,281.23</u>
	<u>8,286,531.77</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,861,531.77)
---	----------------

Other Financing Sources (Uses):

Interfund Transfer	<u>-</u>
--------------------	----------

Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u><u>\$ (7,861,531.77)</u></u>
---	---------------------------------

TOWNSHIP OF HADDON SCHOOL DISTRICT
CAPITAL PROJECTS FUND
Statement of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Renovations, Alterations and Improvements to Various Schools
From Inception and for the Fiscal Year Ended June 30, 2016

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources--SCC Grant	\$ 9,097,786.00		\$ 9,097,786.00	\$ 9,097,786.00
Bond Proceeds and Transfers	31,123,000.00		31,123,000.00	31,123,000.00
Transfer from Capital Outlay	741.00		741.00	741.00
Transfer from Capital Reserve		\$ 425,000.00	425,000.00	425,000.00
Total Revenues	\$ 40,221,527.00	\$ 425,000.00	40,646,527.00	40,646,527.00
Expenditures and Other Financing Uses				
Other Purchased Professional and Technical Services	2,987,295.77	938,250.54	3,925,546.31	3,925,546.31
Construction Services	4,587,157.30	7,348,281.23	11,935,438.53	11,935,438.53
Total Expenditures	7,574,453.07	8,286,531.77	15,860,984.84	15,860,984.84
Excess (Deficiency) of Revenues Over (Under) Expenditures	32,647,073.93	(7,861,531.77)	24,785,542.16	24,785,542.16
Other Financing Sources (Uses): Interfund Transfer	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 32,647,073.93	\$ (7,861,531.77)	\$ -	\$ 24,785,542.16

Additional Project Information:

Project Number	G5-6209 to 6214
Grant Date	May 2, 2014
Bond Authorization Date	October 16, 2014
Bonds Authorized	\$ 31,123,000.00
Bonds Issued	\$ 31,123,000.00
Original Authorized Cost	\$ 40,221,527.00
Additional Authorized Cost	\$ 425,000.00
Revised Authorized Cost	\$ 40,646,527.00
Percentage Increase over Original Authorized Cost	1.06%
Percentage Completion	39.02%
Original Target Completion Date	9/1/2016
Revised Target Completion Date	9/1/2017

PROPRIETARY FUNDS

TOWNSHIP OF HADDON SCHOOL DISTRICT
Enterprise Fund
Combining Statement of Net Position
June 30, 2016

	<u>Food Service</u>	<u>Latchkey Program</u>	<u>Adult School</u>	<u>Summer Recreation</u>	<u>Kindergarten Care</u>	<u>Total</u>
ASSETS:						
Current Assets:						
Cash and Cash Equivalents		\$ 257,564.19	\$ 14,803.89	\$ 163,268.67	\$ 291,371.30	\$ 727,008.05
Accounts Receivable:						
State	\$ 202.27					202.27
Federal	6,693.23					6,693.23
Other	39,689.20					39,689.20
Inventories	4,869.28					4,869.28
Total Current Assets	51,453.98	257,564.19	14,803.89	163,268.67	291,371.30	778,462.03
Noncurrent Assets:						
Furniture, Machinery and Equipment	185,281.00					185,281.00
Less Accumulated Depreciation	164,830.05					164,830.05
Total Noncurrent Assets	20,450.95	-	-	-	-	20,450.95
Total Assets	71,904.93	257,564.19	14,803.89	163,268.67	291,371.30	798,912.98
LIABILITIES:						
Current Liabilities:						
Cash Deficit	371,762.49					371,762.49
Unearned Revenue	6,860.06			128,385.40		135,245.46
Total Current Liabilities	378,622.55	-	-	128,385.40	-	507,007.95
Total Liabilities	378,622.55	-	-	128,385.40	-	507,007.95
NET POSITION:						
Net Investment in Capital Assets	20,450.95					20,450.95
Unrestricted (Deficit)	(327,168.57)	257,564.19	14,803.89	34,883.27	291,371.30	271,454.08
Total Net Position	\$ (306,717.62)	\$ 257,564.19	\$ 14,803.89	\$ 34,883.27	\$ 291,371.30	\$ 291,905.03

TOWNSHIP OF HADDON SCHOOL DISTRICT
Enterprise Fund
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2016

	<u>Food Service</u>	<u>Latchkey Program</u>	<u>Adult School</u>	<u>Summer Recreation</u>	<u>Kindergarten Care</u>	<u>Total</u>
OPERATING REVENUES:						
Charges for Services:						
Daily Sales - Reimbursable Programs	\$ 145,047.38					\$ 145,047.38
Daily Sales - Non-Reimbursable Programs	130,403.21					130,403.21
Community Service Activities		\$ 293,480.77	\$ 36,851.50	\$ 100,800.35	\$ 145,491.47	576,624.09
Total Operating Revenues	275,450.59	293,480.77	36,851.50	100,800.35	145,491.47	852,074.68
OPERATING EXPENSES:						
Salaries	205,017.04	213,123.49	22,248.11	63,899.88	47,166.56	551,455.08
Employee Benefits	48,731.56	8,541.67	1,698.53	4,861.88	3,555.07	67,388.71
Other Purchased Services		29,278.54	14,850.19			44,128.73
General Supplies	29,166.56	3,878.53	18.95	11,554.05	10,097.94	54,716.03
Depreciation	3,245.76					3,245.76
Miscellaneous	35,790.57			500.00		36,290.57
Cost of Sales-Reimbursable Programs	118,179.00					118,179.00
Cost of Sales-Non-Reimbursable Programs	94,178.90					94,178.90
Total Operating Expenses	534,309.39	254,822.23	38,815.78	80,815.81	60,819.57	969,582.78
Operating Income / (Loss)	(258,858.80)	38,658.54	(1,964.28)	19,984.54	84,671.90	(117,508.10)
NONOPERATING REVENUES (EXPENSES):						
State Sources:						
State School Lunch Program	4,095.64					4,095.64
Federal Sources:						
National School Lunch Program	128,243.15					128,243.15
National Breakfast Program	1,401.88					1,401.88
Food Distribution Program	33,792.69					33,792.69
Loss on Disposal of Capital Asset	(915.99)					(915.99)
Food Service Company Guarantee	37,579.00					37,579.00
Total Nonoperating Revenues (Expenses)	204,196.37	-	-	-	-	204,196.37
Change in Net Position	(54,662.43)	38,658.54	(1,964.28)	19,984.54	84,671.90	86,688.27
Net Position (Deficit) -- July 1	(252,055.19)	218,905.65	16,768.17	14,898.73	206,699.40	205,216.76
Net Position (Deficit) -- June 30	\$ (306,717.62)	\$ 257,564.19	\$ 14,803.89	\$ 34,883.27	\$ 291,371.30	\$ 291,905.03

TOWNSHIP OF HADDON SCHOOL DISTRICT

Enterprise Fund

Combining Statement of Cash Flows

For the Fiscal Year Ended June 30, 2016

	<u>Food Service</u>	<u>Latchkey Program</u>	<u>Adult School</u>	<u>Summer Recreation</u>	<u>Kindergarten Care</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts from Customers	\$ 280,200.45	\$ 295,472.10	\$ 36,851.50	\$ 138,553.50	\$ 145,491.47	\$ 896,569.02
Receipts from Food Management Company	16,392.64					16,392.64
Payments to Employees	(205,017.04)	(213,123.49)	(22,248.11)	(63,899.88)	(47,166.56)	(551,455.08)
Payments for Employee Benefits	(48,731.56)	(8,541.67)	(1,698.53)	(4,861.88)	(3,555.07)	(67,388.71)
Payments to Vendors	(241,733.45)	(33,413.60)	(14,869.14)	(12,054.05)	(10,097.94)	(312,168.18)
Net Cash Provided by (Used for) Operating Activities	<u>(198,888.96)</u>	<u>40,393.34</u>	<u>(1,964.28)</u>	<u>57,737.69</u>	<u>84,671.90</u>	<u>(18,050.31)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:						
State Sources	4,103.54					4,103.54
Federal Sources	130,333.78					130,333.78
Net Cash Provided by Non-Capital Financing Activities	<u>134,437.32</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>134,437.32</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(64,451.64)	40,393.34	(1,964.28)	57,737.69	84,671.90	116,387.01
Cash and Cash Equivalents -- July 1	(307,310.85)	217,170.85	16,768.17	105,530.98	206,699.40	238,858.55
Cash and Equivalents (Deficit) -- June 30	<u>\$ (371,762.49)</u>	<u>\$ 257,564.19</u>	<u>\$ 14,803.89</u>	<u>\$ 163,268.67</u>	<u>\$ 291,371.30</u>	<u>\$ 355,245.56</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)						
by Operating Activities:						
Operating Income (Loss)	\$ (258,858.80)	\$ 38,658.54	\$ (1,964.28)	\$ 19,984.54	\$ 84,671.90	\$ (117,508.10)
Adjustments to Reconcile Operating Income (Loss) to Net Cash						
Provided by (used for) Operating Activities:						
Depreciation and Net Amortization	3,245.76					3,245.76
Food Service Company Guarantee	37,579.00					37,579.00
Federal Commodities	33,792.69					33,792.69
(Increase) Decrease in Accounts Receivable-Other, net	(23,226.81)	1,991.33		3,607.50		(17,627.98)
(Increase) Decrease in Inventories	1,719.14					1,719.14
Increase (Decrease) in Accounts Payable		(256.53)				(256.53)
Increase (Decrease) in Unearned Revenue	6,860.06			34,145.65		41,005.71
Total Adjustments	<u>59,969.84</u>	<u>1,734.80</u>	<u>-</u>	<u>37,753.15</u>	<u>-</u>	<u>99,457.79</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (198,888.96)</u>	<u>\$ 40,393.34</u>	<u>\$ (1,964.28)</u>	<u>\$ 57,737.69</u>	<u>\$ 84,671.90</u>	<u>\$ (18,050.31)</u>

FIDUCIARY FUNDS

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Fiduciary Net Position
 June 30, 2016

	Private Purpose Trust Fund	Agency Funds		
	Unemployment Compensation Trust	Student Activity	Payroll	Total
ASSETS:				
Cash and Cash Equivalents	\$ 509,117.68	\$ 214,310.07	\$ 162,858.22	\$ 886,285.97
LIABILITIES:				
Payable to District (General Fund)			\$ 15,784.08	15,784.08
Payable to Student Groups		\$ 214,310.07		214,310.07
Payroll Deductions and Withholdings			147,074.14	147,074.14
Total Liabilities	-	\$ 214,310.07	\$ 162,858.22	377,168.29
NET POSITON:				
Held in Trust for Unemployment Claims and Other Purposes	509,117.68			509,117.68
Total Net Position	\$ 509,117.68			\$ 509,117.68

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

	Private Purpose Trust Fund Unemployment Compensation Trust
ADDITIONS:	
Contributions:	
Plan Member	\$ 27,482.45
Investment Earnings:	
Interest	<u>1,566.40</u>
Total Additions	29,048.85
DEDUCTIONS:	
Unemployment Claims	<u>53,605.26</u>
Change in Net Position	(24,556.41)
Net Position -- July 1	<u>533,674.09</u>
Net Position -- June 30	<u><u>\$ 509,117.68</u></u>

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Fiduciary Funds
 Student Activity Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 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>
ELEMENTARY SCHOOLS:				
Edison School	\$ 1,799.19	\$ 1,075.11	\$ 802.02	\$ 2,072.28
Jennings School	774.21	1,788.12	1,744.37	817.96
Stoy School	1,597.70	1,200.56	995.95	1,802.31
Strawbridge School	8,358.14	1,354.89	959.33	8,753.70
Van Sciver School	4,923.58	2,117.75	3,706.17	3,335.16
Total Elementary Schools	17,452.82	7,536.43	8,207.84	16,781.41
SENIOR HIGH SCHOOLS:				
Haddon Township	173,886.64	408,002.38	384,830.14	197,058.88
COMMUNITY ACTIVITIES:				
Community Activity	200.50			200.50
Peace Night	268.35	0.93		269.28
	468.85	0.93	-	469.78
Total Student Activity	\$ 191,808.31	\$ 415,539.74	\$ 393,037.98	\$ 214,310.07

TOWNSHIP OF HADDON 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>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2016</u>
ASSETS:				
Cash and Cash Equivalents	\$ 143,577.33	\$ 21,611,514.86	\$ 21,592,233.97	\$ 162,858.22
Total Assets	<u>\$ 143,577.33</u>	<u>\$ 21,611,514.86</u>	<u>\$ 21,592,233.97</u>	<u>\$ 162,858.22</u>
LIABILITIES:				
Payroll Deductions and Withholdings Due General Fund	\$ 139,405.95 4,171.38	\$ 21,597,441.35 14,073.51	\$ 21,589,773.16 2,460.81	\$ 147,074.14 15,784.08
Total Liabilities	<u>\$ 143,577.33</u>	<u>\$ 21,611,514.86</u>	<u>\$ 21,592,233.97</u>	<u>\$ 162,858.22</u>

LONG-TERM DEBT

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Schedule of Serial Bonds
 For the Fiscal Year Ended June 30, 2016

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance June 30, 2015</u>	<u>Issued</u>	<u>Paid</u>	<u>Balance June 30, 2016</u>
			<u>Date</u>	<u>Amount</u>					
School District	12-3-14	\$ 31,123,000.00	8-1-16	\$ 675,000.00	3.000%				
			8-1-17	675,000.00	3.000%				
			8-1-18	675,000.00	3.000%				
			8-1-19	675,000.00	3.000%				
			8-1-20	675,000.00	3.000%				
			8-1-21	675,000.00	3.000%				
			8-1-22	1,200,000.00	3.000%				
			8-1-23	1,225,000.00	3.000%				
			8-1-24	1,250,000.00	3.000%				
			8-1-25	1,275,000.00	3.000%				
			8-1-26	1,300,000.00	3.000%				
			8-1-27	1,325,000.00	3.000%				
			8-1-28	1,335,000.00	3.000%				
			8-1-29	1,345,000.00	3.125%				
			8-1-30	1,350,000.00	3.250%				
			8-1-31	1,350,000.00	3.250%				
			8-1-32	1,350,000.00	3.500%				
			8-1-33	1,350,000.00	3.500%				
			8-1-34	1,330,000.00	3.500%				
			8-1-35	1,300,000.00	3.500%				
			8-1-36	1,250,000.00	4.000%				
			8-1-37	1,200,000.00	4.000%				
			8-1-38	1,150,000.00	4.000%				
			8-1-39	1,100,000.00	4.000%				
			8-1-40	1,000,000.00	4.000%				
			8-1-41	900,000.00	4.000%				
			8-1-42	800,000.00	4.000%				
			8-1-43	700,000.00	4.000%				
			8-1-44	688,000.00	4.000%	\$ 31,123,000.00			\$ 31,123,000.00

(Continued)

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Schedule of Serial Bonds
 For the Fiscal Year Ended June 30, 2016

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance June 30, 2015</u>	<u>Issued</u>	<u>Paid</u>	<u>Balance June 30, 2016</u>
			<u>Date</u>	<u>Amount</u>					
School District	1-15-15	\$ 5,680,000.00	4-15-17	\$ 755,000.00	3.000%				
			4-15-18	775,000.00	3.000%				
			4-15-19	800,000.00	3.000%				
			4-15-20	820,000.00	4.000%				
			4-15-21	860,000.00	4.000%				
			4-15-22	880,000.00	4.000%				
						\$ 5,625,000.00		\$ 735,000.00	\$ 4,890,000.00
						\$ 36,748,000.00	\$ -	\$ 735,000.00	\$ 36,013,000.00

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Debt Service Fund
 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:					
Local Sources:					
Local Tax Levy	\$ 2,148,890.00	\$ -	\$ 2,148,890.00	\$ 2,148,890.00	\$ -
EXPENDITURES:					
Regular Debt Service:					
Interest	1,413,890.00		1,413,890.00	1,413,889.51	0.49
Redemption of Principal	735,000.00		735,000.00	735,000.00	
Total Regular Debt Service	2,148,890.00	-	2,148,890.00	2,148,889.51	0.49
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	0.49	0.49
Fund Balance, July 1	28,583.18	-	28,583.18	28,583.18	-
Fund Balance, June 30	\$ 28,583.18	\$ -	\$ 28,583.18	\$ 28,583.67	\$ 0.49
<u>Recapitulation</u>					
Restricted Fund Balance				<u>\$ 28,583.67</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.

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Net Position/Net Assets by Component
 Last Ten Fiscal Years (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>
Governmental Activities:										
Net Investment in Capital Assets	\$ 14,485,629	\$ (17,940,083)	\$ 13,649,120	\$ 13,472,565	\$ 13,421,492	\$ 13,276,372	\$ 13,236,925	\$ 13,238,101	\$ 13,258,256	\$ 13,290,313
Restricted	19,230,002	27,568,417	2,909,136	3,163,177	3,289,645	1,238,648	150,415	1,248,803	1,594,341	1,522,539
Unrestricted (Deficit)	(24,100,051)	(369,424)	(6,588,812)	1,308,626	(242,668)	6,862	(473,454)	(492,571)	(263,517)	2,666
Total Governmental Activities Net Position/Net Assets	\$ 9,615,580	\$ 9,258,909	\$ 9,969,444	\$ 17,944,367	\$ 16,468,469	\$ 14,521,882	\$ 12,913,886	\$ 13,994,332	\$ 14,589,080	\$ 14,815,517
Business-type Activities:										
Net Investment in Capital Assets	\$ 20,451	\$ 24,613	\$ 44,591	\$ 46,657	\$ 47,283	\$ 53,580	\$ 44,957	\$ 50,992	\$ 57,150	\$ 63,308
Unrestricted	271,454	180,604	132,877	137,373	152,886	191,791	187,216	200,447	141,556	58,133
Total Business-type Activities Net Position/Net Assets	\$ 291,905	\$ 205,217	\$ 177,468	\$ 184,030	\$ 200,169	\$ 245,371	\$ 232,174	\$ 251,439	\$ 198,706	\$ 121,441
District-wide:										
Net Investment in Capital Assets	\$ 14,506,080	\$ (17,915,471)	\$ 13,693,711	\$ 13,519,222	\$ 13,468,775	\$ 13,329,952	\$ 13,281,882	\$ 13,289,093	\$ 13,315,406	\$ 13,353,621
Restricted	19,230,002	27,568,417	2,909,136	3,163,177	3,289,645	1,238,648	150,415	1,248,803	1,594,341	1,522,539
Unrestricted	(23,828,597)	(188,820)	(6,455,935)	1,445,998	(89,782)	198,653	(286,238)	(292,125)	(121,961)	60,799
Total District-wide Net Position/Net Assets	\$ 9,907,485	\$ 9,464,126	\$ 10,146,912	\$ 18,128,397	\$ 16,668,638	\$ 14,767,253	\$ 13,146,060	\$ 14,245,771	\$ 14,787,786	\$ 14,936,958

* District implemented GASB 63

** District implemented GASB 68

Source: District Records (Exhibit A-1)

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Changes in Net Position/Net Assets
 Last Ten Fiscal Years (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>
Expenses										
Governmental Activities:										
Instruction:										
Regular	\$ 10,649,175	\$ 10,896,630	\$ 10,495,802	\$ 10,151,839	\$ 10,227,029	\$ 9,986,478	\$ 11,105,807	\$ 10,673,361	\$ 10,229,020	\$ 10,043,424
Special Education	2,169,891	2,211,967	1,989,092	1,903,544	1,765,179	1,584,967	1,672,145	1,590,708	1,397,476	1,290,823
Other Special Education	391,636	412,494	320,616	317,574	189,804	175,242	362,412	352,149	277,584	195,614
Other Instruction	738,093	669,594	666,582	600,140	590,472	552,275	733,355	701,887	678,301	616,388
Community Service Programs							128,108	122,709	112,046	153,709
Support Services:										
Tuition	1,269,544	1,483,534	1,779,404	1,598,455	1,517,731	1,586,004	2,316,315	1,879,906	1,891,274	1,659,079
Student and Instruction Related Services	3,892,246	3,607,235	3,731,409	3,420,105	3,144,491	3,194,898	3,370,838	3,279,634	3,116,040	2,528,267
School Administrative Services	2,200,878	2,169,430	2,074,540	2,165,879	2,045,957	1,920,988	2,166,351	2,073,442	2,078,088	1,958,601
General and Business Administrative Services	587,721	511,202	474,222	659,546	538,098	488,545	482,896	490,724	499,635	459,082
Plant Operations and Maintenance	3,233,096	3,439,609	3,182,604	2,946,659	2,883,911	2,971,026	3,294,675	3,153,172	3,178,751	3,504,518
Pupil Transportation	1,008,561	986,193	1,025,607	845,186	809,549	799,698	801,929	778,599	791,294	716,773
Unallocated Benefits	13,978,172	11,748,431	8,005,691	7,747,276	7,513,136	7,299,838	7,185,158	6,477,462	7,401,411	6,178,294
Special Schools					20,078	22,784	57,719	55,160	48,010	36,487
Charter Schools	44,698	50,442	8,367	5,554		24,519	14,672			
Capital Outlay	53,700	53,700	481,101	53,700	44,129	63,742	6,963	193,581	268,696	282,395
Interest on Long-term Debt	1,190,757	758,344	312,504	340,890	367,002	395,186	419,196	443,945	471,121	497,255
Amortization of Bond Issuance Costs					16,881	17,441	17,441	127,704	19,080	127,645
Unallocated Depreciation	132,909	130,542	130,542	130,541	132,122	131,393	112,017	19,080	127,704	19,080
Total Governmental Activities Expenses	41,541,077	39,129,347	34,678,081	32,886,888	31,805,569	31,215,022	34,247,996	32,413,222	32,585,529	30,267,434
Business-type Activities:										
Food Service	534,309	605,555	507,069	570,726	693,412	668,801	720,021	738,855	693,636	667,237
Other	435,273	372,235	342,393	316,120	257,024	259,755	277,014	259,094	181,870	183,589
Total Business-type Activities Expense	969,583	977,790	849,462	886,846	950,436	928,556	997,034	997,949	875,506	850,827
Total District Expenses	\$ 42,510,660	\$ 40,107,138	\$ 35,527,543	\$ 33,773,734	\$ 32,756,005	\$ 32,143,578	\$ 35,245,030	\$ 33,411,171	\$ 33,461,035	\$ 31,118,260

(Continued)

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Changes in Net Position/Net Assets
 Last Ten Fiscal Years (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>
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction: Tuition	\$ 115,463	\$ 152,135	\$ 119,195	\$ 145,314	\$ 124,912	\$ 151,567	\$ 89,550	\$ 28,703	\$ 72,719	\$ 54,350
Operating Grants and Contributions	<u>8,605,779</u>	<u>6,910,520</u>	<u>3,554,471</u>	<u>3,909,851</u>	<u>3,557,041</u>	<u>3,333,773</u>	<u>3,624,232</u>	<u>3,146,259</u>	<u>4,178,698</u>	<u>3,221,425</u>
Total Governmental Activities Program Revenues	<u>8,721,242</u>	<u>7,062,655</u>	<u>3,673,666</u>	<u>4,055,165</u>	<u>3,681,953</u>	<u>3,485,340</u>	<u>3,713,782</u>	<u>3,174,962</u>	<u>4,251,417</u>	<u>3,275,775</u>
Business-type activities:										
Charges for services										
Food Service	275,451	233,870	257,409	256,920	271,629	274,682	336,691	362,543	380,197	371,749
Other	576,624	543,180	423,627	383,168	258,079	278,110	273,812	282,588	215,823	173,100
Operating Grants and Contributions	<u>205,112</u>	<u>228,489</u>	<u>161,864</u>	<u>224,823</u>	<u>190,525</u>	<u>170,952</u>	<u>144,864</u>	<u>132,114</u>	<u>118,561</u>	<u>103,180</u>
Total Business-type Activities Program Revenues	<u>1,057,187</u>	<u>1,005,539</u>	<u>842,900</u>	<u>864,910</u>	<u>720,234</u>	<u>723,744</u>	<u>755,367</u>	<u>777,245</u>	<u>714,580</u>	<u>648,029</u>
Total District Program Revenues	<u>\$ 9,778,429</u>	<u>\$ 8,068,194</u>	<u>\$ 4,516,567</u>	<u>\$ 4,920,075</u>	<u>\$ 4,402,187</u>	<u>\$ 4,209,084</u>	<u>\$ 4,469,149</u>	<u>\$ 3,952,207</u>	<u>\$ 4,965,997</u>	<u>\$ 3,923,804</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (32,819,835)	\$ (32,066,692)	\$ (31,004,415)	\$ (28,831,723)	\$ (28,123,617)	\$ (27,729,682)	\$ (30,534,214)	\$ (29,238,260)	\$ (28,334,112)	\$ (26,991,658)
Business-type Activities	<u>87,604</u>	<u>27,749</u>	<u>(6,562)</u>	<u>(21,936)</u>	<u>(230,202)</u>	<u>(204,812)</u>	<u>(241,667)</u>	<u>(220,704)</u>	<u>(160,926)</u>	<u>(202,798)</u>
Total District-wide Net Expense	<u>\$ (32,732,231)</u>	<u>\$ (32,038,943)</u>	<u>\$ (31,010,977)</u>	<u>\$ (28,853,659)</u>	<u>\$ (28,353,818)</u>	<u>\$ (27,934,494)</u>	<u>\$ (30,775,881)</u>	<u>\$ (29,458,964)</u>	<u>\$ (28,495,038)</u>	<u>\$ (27,194,456)</u>

(Continued)

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Changes in Net Position/Net Assets
 Last Ten Fiscal Years (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 Revenues and Other Changes in Net Position/Net Assets										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 22,083,141	\$ 21,650,138	\$ 21,225,626	\$ 20,809,437	\$ 20,659,459	\$ 20,500,988	\$ 19,818,314	\$ 19,056,071	\$ 18,712,714	\$ 18,335,228
Taxes Levied for Debt Service	2,148,890	998,763	1,001,838	997,853	993,436	983,028	980,819	1,101,375	938,212	1,027,245
Unrestricted Grants and Contributions	8,600,726	8,559,238	8,520,415	8,477,913	8,431,887	7,830,296	8,720,089	8,691,296	8,493,970	8,254,592
Miscellaneous Income	348,566	175,369	184,612	182,956	170,422	241,374	156,403	120,694	199,686	263,186
Other		(14,247)	105,890			2	545	(11,328)	3,243	4,335
Disposal / Deletion of Assets	(4,817)	(13,104)						(40,595)	(150)	
Transfers				(5,796)	(185,000)	(218,009)	(222,402)	(274,000)	(240,000)	(206,195)
Total Governmental Activities	33,176,506	31,356,158	31,038,380	30,462,364	30,070,204	29,337,678	29,453,768	28,643,513	28,107,675	27,678,391
Business-type Activities:										
Cancellation of Accounts Receivable								(563)	(1,810)	
Disposal / Deletion of Assets	(916)									
Transfers				5,796	185,000	218,009	222,402	274,000	240,000	206,195
Total Business-type Activities	(916)	-	-	5,796	185,000	218,009	222,402	273,437	238,191	206,195
Total District-wide	\$ 33,175,590	\$ 31,356,158	\$ 31,038,380	\$ 30,468,160	\$ 30,255,204	\$ 29,555,687	\$ 29,676,170	\$ 28,916,950	\$ 28,345,865	\$ 27,884,586
Change in Net Position/Net Assets										
Governmental Activities	\$ 356,671	\$ (710,534)	\$ 33,965	\$ 1,630,640	\$ 1,946,587	\$ 1,607,996	\$ (1,080,447)	\$ (594,747)	\$ (226,437)	\$ 686,733
Business-type Activities	86,688	27,749	(6,562)	(16,140)	(45,202)	13,197	(19,265)	52,733	77,264	3,397
Total District	\$ 443,359	\$ (682,786)	\$ 27,403	\$ 1,614,501	\$ 1,901,385	\$ 1,621,193	\$ (1,099,711)	\$ (542,014)	\$ (149,173)	\$ 690,130

* District implemented GASB 63

** District implemented GASB 68

Source: District Records (Exhibit A-2)

TOWNSHIP OF HADDON 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 (A)</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Fund:										
Reserved							\$ 122,395	\$ 109,593	\$ 116,060	\$ 241,055
Capital Reserve							1	1	1	1
Unreserved							(83,418)	987,947	1,674,267	1,559,866
Non-Spendable:										
Prepaid Expenses					\$ 158	\$ 1,564				
Restricted:										
Capital Reserve	\$ 735,873	\$ 959,198	\$ 1,105,876	\$ 950,000	950,000	950,000				
Maintenance Reserve	25,299	25,220	25,138	25,000	25,000	25,000				
Current Expense Emergency Reserve	126,497	126,101	125,691	125,000	125,000	125,000				
Excess Surplus	604,189	1,227,597	1,652,429	2,063,176	2,051,361	138,174				
Designated for Subsequent Year's Expenditures	2,021,804	95,686			138,174					
Assigned:										
Designated for Subsequent Year's Expenditures		1,652,429	2,108,138	2,051,361	528,799	268,637				
Other Purposes	74,276	57,308	167,990	12,309		258,950				
Unassigned	757,054	739,959	(24,927)	(82,433)	(157,244)	113,125				
Total General Fund	\$ 4,344,993	\$ 4,883,499	\$ 5,160,335	\$ 5,144,413	\$ 3,661,248	\$ 1,880,449	\$ 38,979	\$ 1,097,540	\$ 1,790,327	\$ 1,800,922
All Other Governmental Funds:										
Unreserved, Reported in:										
Capital Projects Fund							\$ 145,940	\$ 151,640	\$ 151,640	\$ 163,400
Debt Service Fund							4,476	14,891	30,266	65,648
Restricted:										
Capital Projects Fund	\$ 15,687,756	\$ 23,549,288								
Debt Service Fund	28,584	28,583	\$ 1	\$ 1	\$ 110	\$ 474				
Total All Other Governmental Funds	\$ 15,716,340	\$ 23,577,871	\$ 1	\$ 1	\$ 110	\$ 474	\$ 150,415	\$ 166,531	\$ 181,906	\$ 229,047

(A) The District Implemented GASB 54

Source: District Records (Exhibit B-1)

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

	Fiscal Year Ended June 30,									
	<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>
Revenues										
Tax Levy	\$ 24,232,031	\$ 22,648,901	\$ 22,227,464	\$ 21,807,290	\$ 21,652,895	\$ 21,484,016	\$ 20,799,133	\$ 20,157,446	\$ 19,650,926	\$ 19,362,473
Tuition Charges	115,463	152,135	119,195	145,314	124,912	151,567	89,550	28,703	72,719	54,350
Miscellaneous	348,566	175,369	290,502	185,606	170,422	241,374	156,403	123,690	202,929	267,521
State Sources	12,291,834	11,676,195	11,274,890	11,573,682	10,757,200	10,055,793	9,759,655	11,083,293	12,033,277	10,786,995
Federal Sources	877,512	868,015	799,995	814,082	1,231,727	1,108,276	2,584,666	754,262	639,391	689,022
Total Revenue	37,865,406	35,520,614	34,712,046	34,525,974	33,937,156	33,041,025	33,389,407	32,147,394	32,599,242	31,160,361
Expenditures										
Instruction										
Regular Instruction	10,589,146	10,850,112	10,449,700	10,105,823	10,183,644	9,943,529	11,060,863	10,612,733	10,165,182	9,971,600
Special Education Instruction	2,169,891	2,211,967	1,989,092	1,903,544	1,765,179	1,584,967	1,672,145	1,590,708	1,397,476	1,290,823
Other Special Instruction	391,636	412,494	320,616	317,574	189,804	175,242	362,412	352,149	277,584	195,614
Other Instruction	738,093	669,594	666,582	600,140	590,472	552,275	733,355	701,887	678,301	616,388
Adult / Continuing Education Programs							128,108	122,709	112,046	153,709
Support Services:										
Tuition	1,269,544	1,483,534	1,779,404	1,598,455	1,517,731	1,586,004	2,316,315	1,879,906	1,891,274	1,659,079
Student and Instruction Related Services	3,891,557	3,606,545	3,730,719	3,419,415	3,143,648	3,193,402	3,367,924	3,276,447	3,112,847	2,524,769
School Administrative Services	2,199,576	2,168,128	2,073,238	2,164,577	2,045,870	1,920,988	2,166,351	2,072,862	2,076,964	1,957,477
Other Administrative Services	587,721	511,202	474,222	659,546	538,098	487,747	482,098	489,685	497,642	456,205
Plant Operations and Maintenance	2,831,849	3,026,987	2,772,427	2,537,385	2,440,691	2,500,542	2,821,509	2,677,661	2,705,137	3,030,271
Pupil Transportation	926,994	917,292	961,270	786,966	758,060	752,043	760,835	742,473	752,532	680,802
Unallocated Benefits	9,497,186	8,596,928	7,841,251	7,837,939	7,544,357	7,190,165	7,193,143	6,620,666	7,274,376	6,153,821
Special Schools					20,078	22,784	57,719	55,160	48,010	36,487
Charter Schools	44,698	50,442	8,367	5,554		24,519	14,672			
Capital Outlay	8,978,662	7,852,927	627,399	99,592	240,290	210,142	113,181	193,581	383,096	375,496
Debt Service:										
Principal	735,000	785,000	705,000	675,000	645,000	615,000	595,000	752,000	590,000	653,000
Interest and Other Charges	1,413,890	185,181	296,838	322,963	348,800	372,140	396,598	426,606	454,512	483,579
Total Expenditures	46,265,443	43,328,334	34,696,124	33,034,473	31,971,723	31,131,488	34,242,227	32,567,231	32,416,978	30,239,120
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,400,037)	(7,807,719)	15,923	1,491,502	1,965,434	1,909,537	(852,820)	(419,838)	182,264	921,242
Other Financing Sources (Uses)										
Bond Proceeds		31,123,000								
Refund of Prior Year Revenue		(14,247)								
Accounts Receivable/Payable Canceled				(2,650)		2	545	(14,324)		
Transfers In/Out				(5,796)	(185,000)	(218,009)	(222,402)	(274,000)	(240,000)	(206,195)
Total Other Financing Sources (Uses)	-	31,108,753	-	(8,446)	(185,000)	(218,007)	(221,857)	(288,324)	(240,000)	(206,195)
Net Change in Fund Balances	\$ (8,400,037)	\$ 23,301,034	\$ 15,923	\$ 1,483,056	\$ 1,780,434	\$ 1,691,530	\$ (1,074,677)	\$ (708,162)	\$ (57,736)	\$ 715,047
Debt Service as a Percentage of Noncapital Expenditures	5.8%	2.7%	2.9%	3.0%	3.1%	3.2%	2.9%	3.6%	3.3%	3.8%

Source: District Records (Exhibit B-2)

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

	Fiscal Year Ended June 30,									
	<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>
Refunds of Prior Year Expenses	\$ 27,218.84	\$ 12,447.37	\$ 1,636.05	\$ 890.40	\$ 795.01	\$ 20,518.04	\$ 19,427.35	\$ 12,136.00	\$ 9,792.00	\$ 10,080.00
Transportation Jointures		175.00				5,078.32				
Use of Facilities Fees					750.00		3,130.00		2,690.00	4,704.00
Athletic Event Receipts	57,868.37	15,148.50	17,161.00	44,803.00	44,348.04	36,656.00				
Recycling Refund								38.38		
Camp Fees	950.00	530.00	1,040.00	1,705.00	1,010.00	600.00	1,430.00	1,130.00		
Sale of Obsolete Equipment	7,810.00	4,256.03	417.33	13,126.00					205.00	100.00
Services Provided for Other LEAs				29,780.00	28,648.50	76,618.52				
Summer School										
Restitution					1,720.00			400.00		1,900.00
Township Share of Prior Years Community Activities							84,831.03	70,383.96	65,919.64	91,586.99
Interest on Investments	99,322.95	75,752.66	27,679.19	42,585.70	48,664.61	42,723.90	38,420.71	24,880.73	91,958.84	115,651.00
Escrow Refund	3,878.57									
Participation Fees			43,295.00	47,492.00	38,530.00	48,830.00				
NJDEP Refund	205.00									
Colonial Conference Receipts	26,836.00	25,109.00	23,365.00							
Insurance Award	500.00		1,000.00							
Donations						7,500.00				
Obligations	5,583.27	565.70	736.84	2,164.34	814.17	856.90	1,582.84	1,918.00	1,968.50	2,160.17
Cancellation of Prior Year Accounts Payable			105,889.88							
NJ SLSTATE Other					247.54					
Waste Oil Refund	396.06									
Camden County College - Teacher Reimbursement			696.00							
Settlements			26,016.42							
Utilities Program	6,900.00									
Installment Payment - Track	24,000.00									
PSE&G Smart Start Building Rebates						450.00				
Tuition Reimbursement	38,998.23	17,331.55	36,195.70							
Prior Year Tuition Refund							4,869.23	2,841.00		4,033.00
High School Plus Program		652.50								
Capital One - PCS Wireless		680.00								
ATOD Program		11,850.00								
Homeless Student Tuition - Paid by State										8,195.00
Burlington County Insurance Pool	1,500.00									
E-Rate Refunds	14,346.86	10,754.91								798.40
CPR Training	5,000.00									
Safety Incentive Award								600.00		3,722.00
Miscellaneous	27,251.88	115.45	5,373.25	3,059.71	4,894.25	1,431.31	2,348.26	2,254.12	4,296.37	769.77
Transportation Refund									12,076.21	
	<u>\$ 348,566.03</u>	<u>\$ 175,368.67</u>	<u>\$ 290,501.66</u>	<u>\$ 185,606.15</u>	<u>\$ 170,422.12</u>	<u>\$ 241,262.99</u>	<u>\$ 156,039.42</u>	<u>\$ 116,582.19</u>	<u>\$ 188,906.56</u>	<u>\$ 243,700.33</u>

Source: District Records

Revenue Capacity Information

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

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Assessed Value and Actual Value of Taxable Property
 Last Ten 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	\$ 4,656,800.00	\$ 1,057,568,500.00	\$ -	\$ 126,514,300.00	\$ 5,096,700.00	\$ 62,080,700.00	\$ 1,255,917,000.00	\$ 959,026.00	\$ 1,256,876,026.00	\$ 124,266,600.00	\$ 1,339,604,304.00	\$ 1.947
2015	4,558,100.00	1,056,627,600.00	-	128,826,400.00	5,096,700.00	62,080,700.00	1,257,189,500.00	973,690.00	1,258,163,190.00	116,085,200.00	1,323,356,671.00	1.847
2014	4,565,300.00	1,055,636,700.00	-	131,255,600.00	5,096,700.00	62,080,700.00	1,258,635,000.00	941,400.00	1,259,576,400.00	116,049,200.00	1,311,337,027.00	1.798
2013	4,613,500.00	1,054,594,000.00	-	131,887,000.00	5,233,900.00	62,080,700.00	1,258,409,100.00	1,094,495.00	1,259,503,595.00	115,520,900.00	1,332,462,565.00	1.748
2012	5,115,300.00	1,053,947,500.00	-	133,519,600.00	5,233,900.00	62,080,700.00	1,259,897,000.00	930,916.00	1,260,827,916.00	114,184,500.00	1,380,581,595.00	1.723
2011 (A)	5,046,200.00	1,053,505,100.00	-	134,574,000.00	5,233,900.00	62,080,700.00	1,260,439,900.00	916,736.00	1,261,356,636.00	113,861,900.00	1,381,918,051.00	1.709
2010	2,725,000.00	566,764,500.00	-	78,116,000.00	3,349,400.00	32,174,000.00	683,128,900.00	509,303.00	683,638,203.00	105,521,700.00	1,406,703,004.00	3.092
2009	2,658,600.00	565,633,300.00	-	78,203,000.00	3,557,000.00	32,174,000.00	682,225,900.00	473,486.00	682,699,386.00	105,874,800.00	1,429,817,504.00	2.999
2008	2,848,700.00	564,026,900.00	-	78,165,400.00	4,262,200.00	32,160,900.00	681,464,100.00	465,861.00	681,929,961.00	105,702,900.00	1,440,888,816.00	2.919
2007	2,677,100.00	562,685,200.00	-	78,238,900.00	4,323,300.00	32,160,900.00	680,085,400.00	457,942.00	680,543,342.00	105,137,800.00	1,351,173,731.00	2.866

(A) Reassessment

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

(2) Tax rates are per \$100

Source: Camden County Board of Taxation

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

Year Ended Dec. 31	District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	<u>Basic Rate</u>	General Obligation Debt <u>Service (2)</u>	Total Direct School <u>Tax Rate</u>	<u>Special Districts</u>	Township of <u>Haddon</u>	Camden <u>County</u>	
2016	\$ 1.776	\$ 0.171	\$ 1.947	\$ 0.773	\$ 0.637	\$ 0.928	\$ 4.285
2015	1.768	0.079	1.847	0.721	0.637	0.915	4.120
2014	1.719	0.079	1.798	0.720	0.637	0.904	4.059
2013	1.669	0.079	1.748	0.365	0.608	0.915	3.636
2012	1.645	0.078	1.723	0.347	0.578	0.847	3.495
2011	1.631	0.078	1.709	0.345	0.614	0.757	3.115
2010	2.948	0.144	3.092	0.868	1.080	1.371	6.411
2009	2.847	0.152	2.999	0.861	1.081	1.313	6.254
2008	2.769	0.150	2.919	0.864	1.094	1.267	6.144
2007	2.722	0.144	2.866	0.799	0.975	1.288	5.928

Source: Municipal Tax Collector

TOWNSHIP OF HADDON SCHOOL DISTRICT

Principal Property Tax Payers
Current Year and Ten 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>
Haddon View Assoc	\$ 36,852,000	1	2.93%	\$ 19,981,800	1	2.93%
St. Joseph the Worker Parish	26,147,200	2	2.08%			
Rohrer Tower	18,664,000	3	1.48%	18,843,200	2	2.76%
Kimco Realty Corp	18,555,900	4	1.48%	9,819,200	3	1.44%
Haddon Hills % Goldberg	17,711,100	5	1.41%	8,209,000	4	1.20%
Commonwealth/Media Real Estate	7,500,000	6	0.60%	4,579,400	5	0.67%
National Church Residences of Haddon Township	5,957,600	7	0.47%			
Lawland Associates	5,300,000	8	0.42%	1,734,000	10	0.25%
Venice Realty LLC	3,684,200	9	0.29%			
ILCL Center Assoc	3,500,000	10	0.28%	2,530,300	8	0.37%
First States Investors 3300 LLC				3,306,990	6	0.48%
FW NJ-Westmont Shopping Ctr. LLC				2,531,200	7	0.37%
Collingswood-W Investment LLC				1,807,500	9	0.27%
Total	\$ 143,872,000		11.45%	\$ 73,342,590		10.76%

Source: District CAFR & Municipal Tax Assessor

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

<u>Fiscal Year Ended June 30,</u>	<u>School District Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2016	\$ 24,232,031	\$ 24,232,031	100.00%	
2015	22,648,901	22,648,901	100.00%	
2014	22,227,464	22,227,464	100.00%	-
2013	21,807,290	21,807,290	100.00%	-
2012	21,652,895	21,652,895	100.00%	-
2011	21,484,016	21,484,133	100.00%	-
2010	20,799,133	20,799,133	100.00%	-
2009	20,157,446	20,157,446	100.00%	-
2008	19,650,926	19,650,926	100.00%	-
2007	19,362,473	19,362,473	100.00%	-

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

Source: District Records

Debt Capacity Information

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

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

Fiscal Year Ended <u>June 30,</u>	Governmental Activities				Business-Type <u>Activities</u>		Percentage of Personal Income (2)	Per Capita Personal Income (3)
	General Obligation Bonds (1)	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2015	\$ 36,013,000	-	-	-	-	\$ 36,013,000	N/A	N/A
2014	36,748,000	-	-	-	-	36,748,000	5.38%	\$ 2,527
2013	6,730,000	-	-	-	-	6,730,000	1.01%	462
2012	7,435,000	-	-	-	-	7,435,000	1.13%	510
2011	8,110,000	-	-	-	-	8,110,000	1.25%	553
2010	9,370,000	-	-	-	-	9,370,000	1.51%	638
2009	9,370,000	-	-	-	-	9,370,000	1.55%	637
2008	11,307,000	-	-	-	-	11,307,000	1.87%	787
2007	11,960,000	-	-	-	-	11,960,000	2.04%	833
2006	12,223,000	-	-	-	-	12,223,000	2.15%	850

N/A - Information not Available

Sources:

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable (2)	Per Capita (3)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2016	\$ 36,013,000	-	\$ 36,013,000	2.87%	Unavailable
2015	36,748,000	-	36,748,000	2.92%	\$ 2,527
2014	6,730,000	-	6,730,000	0.53%	462
2013	7,435,000	-	7,435,000	0.59%	510
2012	8,110,000	-	8,110,000	0.64%	553
2011	8,755,000	-	8,755,000	0.69%	596
2010	9,370,000	-	9,370,000	1.51%	637
2009	9,965,000	-	9,965,000	1.73%	694
2008	10,717,000	-	10,717,000	1.86%	747
2007	11,307,000	-	11,307,000	1.97%	786

Sources:

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

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

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Haddon Township</u>	<u>Debt Authorized But Not Issued</u>
Municipal Debt: (1)					
Haddon Township School District	\$ 36,748,000.00	\$ 36,748,000.00			
Haddon Township Water, Sewer Utility	13,308,841.16	13,308,841.16			
Haddon Township	<u>26,433,772.47</u>	<u>50,000.00</u>	<u>\$ 26,383,772.47</u>	<u>\$ 26,383,772.47</u>	
	<u>76,490,613.63</u>	<u>50,106,841.16</u>	<u>26,383,772.47</u>	<u>26,383,772.47</u>	<u>\$ -</u>
Overlapping Debt Apportioned to the Municipality:					
County of Camden: (2)					
General:					
Bonds	35,695,000.00	12,761,633.00 (3)	22,933,367.00	818,043.78	204,000.00
Loan Agreement	269,003,014.00		269,003,014.00	9,595,461.55	
Bonds Issued by Other Public Bodies Guaranteed by the County	<u>471,754,632.00</u>	<u>471,754,632.00 (4)</u>			<u>(4)</u>
	<u>776,452,646.00</u>	<u>484,516,265.00</u>	<u>291,936,381.00</u>	<u>10,413,505.33</u>	<u>204,000.00</u>
	<u>\$ 852,943,259.63</u>	<u>\$ 534,623,106.16</u>	<u>\$ 318,320,153.47</u>	<u>\$ 36,797,277.80</u>	<u>\$ 204,000.00</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 Issuer's share of the total 2015 Net Valuation on which County taxes are apportioned, which is 3.57%.
The source for this computation was the 2015 Camden County Abstract of Ratables.

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

Legal Debt Margin Calculation for Fiscal Year 2016

	Equalized valuation basis (1)
	2015 \$ 1,322,382,981
	2014 1,310,395,627
	2013 <u>1,331,368,070</u>
	[A] \$ 3,964,146,678
Average equalized valuation of taxable property	[A/3] \$ 1,321,382,226
Debt limit (4% of average equalization value) (2)	[B] \$ 52,855,289 (1)
Total Net Debt Applicable to Limit	[C] <u>36,013,000</u>
Legal Debt Margin	[B-C] \$ <u>16,842,289</u>

	Fiscal Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Debt limit	\$ 52,855,289.04	\$ 53,618,858.35	\$ 53,618,858.35	\$ 55,557,942.60	\$ 56,220,520.45	\$ 57,012,808.99	\$ 56,273,103.49	\$ 53,844,303.88	\$ 49,158,724.32	\$ 43,821,392.08
Total net debt applicable to limit (3)	<u>36,013,000.00</u>	<u>36,803,000.00</u>	<u>6,730,000.00</u>	<u>7,435,000.00</u>	<u>8,110,000.00</u>	<u>8,755,000.00</u>	<u>9,370,000.00</u>	<u>9,965,000.00</u>	<u>10,717,000.00</u>	<u>11,307,000.00</u>
Legal debt margin	<u>\$ 16,842,289.04</u>	<u>\$ 16,815,858.35</u>	<u>\$ 48,122,942.60</u>	<u>\$ 48,110,520.45</u>	<u>\$ 48,257,808.99</u>	<u>\$ 46,903,103.49</u>	<u>\$ 43,879,303.88</u>	<u>\$ 38,441,724.32</u>	<u>\$ 32,514,392.08</u>	<u>\$ 26,513,369.75</u>
Total net debt applicable to the limit as a percentage of debt limit	68.14%	68.64%	12.55%	13.38%	14.43%	15.36%	16.65%	18.51%	21.80%	25.80%

Sources:

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

Demographic and Economic Information

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

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

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2015	14,543	Unavailable	Unavailable	4.0%
2014	14,556	\$ 682,472,616	\$ 46,886	4.8%
2013	14,592	665,079,032	45,077	4.7%
2012	14,656	660,488,391	44,742	7.2%
2011	14,680	649,281,720	44,115	7.1%
2010	14,699	620,612,080	41,993	7.3%
2009	14,369	604,015,284	41,641	6.9%
2008	14,351	603,545,656	41,373	4.4%
2007	14,387	586,960,826	40,006	3.3%
2006	14,423	567,891,202	38,598	3.6%

Source:

- (1) Population information provided by the NJ Dept of Labor and Workforce Development
- (2) Personal income has been estimated based upon the municipal population and per capita personal income presented
- (3) Per capita personal income by municipality-estimated based upon the 2010 Census published by the US Bureau of Economic Analysis
- (4) Unemployment data provided by the NJ Dept of Labor and Workforce Development

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

<u>Employer</u>	<u>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>
Information is not available		1				
		2				
		3				
		4				
		5				
		6				
		7				
		8				
		9				
		10				
	-			-		

Source: Individual Employers

Operating Information

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

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

<u>Function/Program</u>	Fiscal Year Ended June 30,									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011 (A)</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Instruction										
Regular	128.0	128.2	128.0	127.0	124.2	121.4	151.5	150.5	141.5	141.8
Special education	58.0	57.0	45.0	45.0	40.1	39.7	33.0	32.0	31.1	30.1
Other special education	-	-	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition			-	-	-	-	-	-	-	-
Student & instruction related services	31.0	30.6	37.8	36.3	36.9	36.4	28.0	27.0	26.8	26.8
General administrative services	2.0	2.0	2.0	2.0	2.0	3.0	2.0	2.0	2.0	2.0
School administrative services	17.0	17.0	17.0	17.0	17.5	17.7	26.5	26.5	27.0	27.0
Business administrative services	6.0	6.0	6.0	6.0	6.0	6.0	7.0	7.0	7.0	6.5
Plant operations and maintenance	30.5	30.5	30.0	30.0	31.7	31.0	30.0	26.5	27.7	27.2
Pupil transportation	17.0	17.0	17.0	18.2	18.7	18.7	23.0	22.0	19.0	19.0
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-
Community Education and Recreation	-	-	-	-	-	-	-	-	-	-
Total	<u>289.5</u>	<u>288.3</u>	<u>282.8</u>	<u>281.5</u>	<u>277.1</u>	<u>273.9</u>	<u>301.0</u>	<u>293.5</u>	<u>282.1</u>	<u>280.4</u>

Source: District Records

(A) During 2010-11 school year, the District changed employee count to align with N.J.D.O.E. budget schedule for budgeted full-time equivalents.

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

Fiscal Year Ended June 30.	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2016	2,079	\$ 35,137,892	\$ 16,901	1.47%	147 (a)	1:17.8	1:15.9	1:12.5	2,084	1,967	3.22%	94.39%
2015	2,116	34,505,226	16,657	3.92%	147 (a)	1:17.8	1:16.3	1:16.5	2,019	1,979	1.17%	94.18%
2014	2,063	33,066,887	16,029	5.85%	145 (a)	1:17.1	1:16.6	1:15.2	2,063	1,967	-2.18%	95.35%
2013	2,109	31,936,918	15,143	4.21%	143 (a)	1:17.5	1:17.5	1:16.8	2,109	1,981	-0.28%	93.93%
2012	2,115	30,734,757	14,532	2.44%	141 (a)	1:20.5	1:19.8	1:17.6	2,115	2,092	0.24%	98.91%
2011	2,110	29,931,815	14,186	-7.07%	139 (a)	1:20.7	1:18.0	1:17.0	2,110	2,005	-2.81%	95.02%
2010	2,171	33,140,635	15,265	6.45%	199	1:20.5	1:15.5	1:13.2	2,171	2,070	-0.14%	95.35%
2009	2,174	31,174,802	14,340	-2.52%	198	1:20.6	1:15.7	1:13.2	2,174	2,073	3.32%	95.35%
2008	2,106	30,980,239	14,710	8.39%	199	1:13.5	1:8.2	1:9.8	2,106	2,014	-0.52%	95.63%
2007	2,117	28,732,134	13,572	5.68%	189	1:14.6	1:8.4	1:10.8	2,117	1,999	-1.40%	94.43%

(a) Teaching staff includes only Full-time equivalents of instructional, certificated staff.

Sources: District Records

TOWNSHIP OF HADDON SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
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>
<u>District Building</u>										
<u>Elementary</u>										
Thomas Edison (1930, 2002)										
Square Feet	22,615	22,615	22,615	22,615	22,615	22,615	22,615	22,615	22,615	22,615
Capacity (students)	154	154	154	154	154	154	154	154	154	154
Enrollment	156	152	158	158	160	191	191	185	185	133
Clyde Jennings (1924, 2002)										
Square Feet	23,922	23,922	23,922	23,922	23,922	23,922	23,922	23,922	23,922	23,922
Capacity (students)	135	135	135	135	135	135	135	135	135	135
Enrollment	116	106	102	102	103	132	132	145	145	144
Stoy (1928, 1955)										
Square Feet	22,345	22,345	22,345	22,345	22,345	22,345	22,345	22,345	22,345	22,345
Capacity (students)	186	186	186	186	186	186	186	186	186	186
Enrollment	155	170	205	205	189	191	191	199	199	178
Strawbridge (1926, 1955)										
Square Feet	26,983	26,983	26,983	26,983	26,983	26,983	26,983	26,983	26,983	26,983
Capacity (students)	283	283	283	283	283	283	283	283	283	283
Enrollment	210	213	206	206	218	252	252	247	247	247
Van Sciver										
Square Feet	34,782	34,782	34,782	34,782	34,782	34,782	34,782	34,782	34,782	34,782
Capacity (students)	326	326	326	326	326	326	326	326	326	326
Enrollment	353	336	323	323	347	302	302	297	297	282
<u>Wm. G. Rohrer Middle School (2003)</u>										
Square Feet	46,454	46,454	46,454	46,454	46,454	46,454	46,454	46,454	46,454	46,454
Capacity (students)	476	476	476	476	476	476	476	476	476	476
Enrollment	469	488	484	484	493	471	471	409	409	434
<u>Haddon Twp. High School (1951, 1964, 1994)</u>										
Square Feet	184,877	184,877	184,877	184,877	184,877	184,877	184,877	184,877	184,877	184,877
Capacity (students)	785	785	785	785	785	785	785	785	785	785
Enrollment	620	651	629	629	605	632	632	662	662	707
<u>Other</u>										
Administration Building										
Square Feet	2,910	2,910	2,910	2,910	2,910	2,910	2,910	2,910	2,910	2,910
Number of Schools at June 30, 2016										
Elementary = 5										
Middle School = 1										
High School = 1										
Other = 3										

Source: District Records

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

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

School Facilities	School # (s)	Fiscal Year Ended June 30,									
		2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Haddon Township High School	050	\$ 221,768	\$ 281,489	\$ 258,082	\$ 248,816	\$ 212,589	\$ 229,693	\$ 290,108	\$ 319,616	\$ 284,961	\$ 386,375
Thomas A. Edison Elementary School	060	25,589	32,479	29,779	28,210	23,991	24,891	32,912	24,192	21,634	20,820
Clyde S. Jennings Elementary School	070	25,589	32,479	29,778	30,997	26,361	27,350	31,795	20,000	25,164	20,248
James Stoy Elementary School	080	29,853	37,893	34,742	32,437	27,586	28,621	51,989	19,766	24,362	20,584
Strawbridge Elementary School	090	21,324	27,066	24,816	26,485	22,524	23,369	45,501	23,451	26,394	38,515
Van Sciver Elementary School	100	55,442	70,372	64,520	61,820	52,574	44,397	42,000	72,263	86,174	51,211
Wm. G. Rohrer Middle School	110	46,912	59,546	54,594	53,130	45,184	46,880	45,382	13,052	42,886	41,667
Total School Facilities		<u>\$ 426,476</u>	<u>\$ 541,324</u>	<u>\$ 541,324</u>	<u>\$ 541,324</u>	<u>\$ 541,324</u>	<u>\$ 541,324</u>	<u>\$ 541,324</u>	<u>\$ 541,324</u>	<u>\$ 541,324</u>	<u>\$ 541,324</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

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Insurance Schedule
 June 30, 2016
Unaudited

		<u>Coverage</u>		<u>Deductible</u>
Burlington County Insurance Pool Joint Insurance Fund:				
Property and Auto Physical Damage	(1)	\$ 150,000,000	\$	-
Boiler and Machinery	(1)	125,000,000		-
Excess Liability	(1)	Various		-
General and Auto Liability	(2)	10,000,000		-
Workers Compensation	(4)	Statutory		-
School Board Legal Liability				
Legal Liability Policy	(3)	15,000,000		-

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

Source: District Records

SINGLE AUDIT SECTION

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

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

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey; 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, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance, 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 federal or state program occurred. An audit includes examining, on a test basis, evidence about the Township of Haddon 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 federal and state program. However, our audit does not provide a legal determination of the School District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Township of Haddon 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 federal and state programs for the fiscal year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of the Township of Haddon 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 federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and 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 federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and 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



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

Voorhees, New Jersey
November 22, 2016

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

<u>Pass-through</u> <u>Grantor/Program Title</u>	CFDA Number	Federal FAIN Number	Pass-Through Entity Identifying Number	Program or Award Amount	Grant Period		Balance June 30, 2015
					From	To	
General Fund:							
U.S. Department of Health and Human Services:							
Passed-through New Jersey Department of Education:							
Medicaid Administrative Claims Program (MAC)	93.778	1605NJ5MAP	N/A	\$ 3,176.39	7-1-15	6-30-16	
Medical Assistance Program (SEMI)	93.778	1605NJ5MAP	N/A	37,384.54	7-1-15	6-30-16	
							<u>\$ -</u>
Total General Fund							
Special Revenue Fund:							
U.S. Department of Education:							
Passed-through State Department of Education:							
N.C.L.B.:							
Title I, Part A	84.010A	S010A150030	NCLB189016	156,512.00	7-1-15	6-30-16	
Title I, Part A	84.010A	S010A150030	NCLB189015	120,246.00	7-1-14	6-30-15	(28,621.48)
Total Title I, Part A							
							<u>(28,621.48)</u>
Title II - Part A	84.367A	S367A150029	NCLB189016	48,013.00	7-1-15	6-30-16	
Title II - Part A	84.367A	S367A150029	NCLB189015	48,735.00	7-1-14	6-30-15	(12,328.00)
Total Title II - Part A							
							<u>(12,328.00)</u>
Title III	84.365A	S365A150030	NCLB189016	4,478.00	7-1-15	6-30-16	-
I.D.E.A. Part B:							
Special Education Cluster:							
Basic	84.027	H027A150100	IDEA189016	618,248.00	7-1-15	6-30-16	
Basic	84.027	H027A150100	IDEA189015	666,537.00	7-1-14	6-30-15	(90,755.50)
PreSchool Incentive	84.173	H173A150114	IDEA189016	16,359.00	7-1-15	6-30-16	
Total I D.E.A. Part B Special Education Cluster							
							<u>(90,755.50)</u>
Total Special Revenue Fund							
							<u>(131,704.98)</u>
Enterprise Fund:							
U.S. Department of Agriculture:							
Passed-through New Jersey Department of Agriculture:							
Child Nutrition Cluster:							
Non-Cash Assistance (Food Distribution):							
National School Lunch Program	10.550	16161NJ304N1099	Unavailable	33,792.69	7-1-15	6-30-16	
Cash Assistance:							
National School Breakfast Program	10.553	16161NJ304N1099	Unavailable	1,401.88	7-1-15	6-30-16	
National School Breakfast Program	10.553	16161NJ304N1099	Unavailable	2,980.54	7-1-14	6-30-15	(158.82)
National School Lunch Program	10.555	16161NJ304N1099	Unavailable	128,243.15	7-1-15	6-30-16	
National School Lunch Program	10.555	16161NJ304N1099	Unavailable	112,742.38	7-1-14	6-30-15	(7,223.16)
Total Child Nutrition Cluster							
							<u>(7,381.98)</u>
Total Enterprise Fund:							
							<u>(7,381.98)</u>
Total Federal Financial Assistance							
							<u>\$ (139,086.96)</u>

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

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

Carry-over (Walkover) Amount	Cash Received	Budgetary Expenditures		Passed Through to Subrecipients	Adjustments (A)	Repayment of Prior Years' Balances	Balance at June 30, 2016		
		Pass-Through Funds	Direct Funds				Accounts Receivable	Unearned Revenue	Due to Grantor
	\$ 3,176.39	\$ 3,176.39							
	31,112.26	34,208.15					\$ (3,095 89)		
\$ -	34,288.65	37,384.54	\$ -	\$ -	\$ -	\$ -	(3,095 89)	\$ -	\$ -
-	34,288.65	37,384.54	-	-	-	-	(3,095 89)	-	-
5,597.00 (5,597.00)	107,741.00 28,621.00	155,202.70			(5,597 00) 5,597.48		(54,368 00)	6,906.30	
-	136,362.00	155,202.70	-	-	0.48	-	(54,368 00)	6,906.30	-
41,701.00 (41,701.00)	35,626.00 12,328.00	58,748.49			(41,701 00) 41,701 00		(54,088 00)	30,965.51	
-	47,954.00	58,748.49	-	-	-	-	(54,088 00)	30,965.51	-
-	4,478.00	4,478.00	-	-	-	-	-	-	-
73,455.00 (73,455 00)	553,275.00 90,756.00	605,339.16			(73,455 00) 73,454 50		(138,428 00)	86,363.84	
-	644,031.00	621,698.16	-	-	(0.50)	-	(154,787 00)	86,363.84	-
-	832,825.00	840,127.35	-	-	(0.02)	-	(263,243 00)	124,235.65	-
	33,792.69	33,792.69							
	1,302.68 158.82	1,401.88					(99 20)		
	121,649.12 7,223.16	128,243.15					(6,594 03)		
-	164,126.47	163,437.72	-	-	-	-	(6,693 23)	-	-
-	164,126.47	163,437.72	-	-	-	-	(6,693 23)	-	-
\$ -	\$ 1,031,240.12	\$ 1,040,949.61	\$ -	\$ -	\$ (0.02)	\$ -	\$ (273,032.12)	\$ 124,235.65	\$ -

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

State Grantor/ Program or Cluster Title	Grant or State Project Number	Program Award Amount	Grant Period		Balance at June 30, 2015	
			From	To	Unearned Revenue/ Accounts Receivable	Due to Grantor
General Fund:						
New Jersey Department of Education:						
State Aid - Public Cluster:						
Equalization Aid	16-495-034-5120-078	\$ 7,091,213.00	7-1-15	6-30-16		
Equalization Aid	15-495-034-5120-078	7,091,213.00	7-1-14	6-30-15	\$ (671,025.36)	
Special Education Categorical Aid	16-495-034-5120-089	1,160,236.00	7-1-15	6-30-16		
Special Education Categorical Aid	15-495-034-5120-089	1,160,236.00	7-1-14	6-30-15	(109,790.48)	
Security Aid	16-495-034-5120-084	37,660.00	7-1-15	6-30-16		
Security Aid	15-495-034-5120-084	37,660.00	7-1-14	6-30-15	(3,563.68)	
PARCC Readiness Aid	16-495-034-5120-098	19,715.00	7-1-15	6-30-16		
PARCC Readiness Aid	15-495-034-5120-098	19,715.00	7-1-14	6-30-15	(1,865.59)	
Per Pupil Growth Aid	16-495-034-5120-097	19,715.00	7-1-15	6-30-16		
Per Pupil Growth Aid	15-495-034-5120-097	19,715.00	7-1-14	6-30-15	(1,865.59)	
Total State Aid - Public Cluster					(788,110.70)	\$ -
Transportation Aid:						
Categorical Transportation Aid	16-495-034-5120-014	64,424.00	7-1-15	6-30-16		
Categorical Transportation Aid	15-495-034-5120-014	64,424.00	7-1-14	6-30-15	(6,096.30)	
Additional Nonpublic School Transportation Aid	16-495-034-5120-014	7,308.00	7-1-15	6-30-16		
Additional Nonpublic School Transportation Aid	15-495-034-5120-014	7,559.00	7-1-14	6-30-15	(7,559.00)	
Total Transportation Aid					(13,655.30)	-
Extraordinary Special Education Costs Aid						
Extraordinary Special Education Costs Aid	16-100-034-5120-473	117,040.00	7-1-15	6-30-16		
Extraordinary Special Education Costs Aid	15-100-034-5120-473	116,411.00	7-1-14	6-30-15	(116,411.00)	
Total Extraordinary Special Education Costs Aid					(116,411.00)	-
Reimbursed T.P.A.F. Social Security Aid						
Reimbursed T.P.A.F. Social Security Aid	16-495-034-5095-002	935,081.21	7-1-15	6-30-16		
Reimbursed T.P.A.F. Social Security Aid	15-495-034-5095-002	962,393.33	7-1-14	6-30-15	(47,678.44)	
Total Reimbursed T.P.A.F. Social Security Aid					(47,678.44)	-
Total General Fund					(965,855.44)	-
Special Revenue Fund:						
New Jersey Department of Education:						
Nonpublic Aid:						
Textbook Aid (Ch. 194, L. 1977)	16-100-034-5120-064	59,727.00	7-1-15	6-30-16		
Textbook Aid (Ch. 194, L. 1977)	15-100-034-5120-064	65,061.00	7-1-14	6-30-15		1,272.22
Total Textbook Aid (Ch. 194, L. 1977)					-	1,272.22
Auxiliary Services (Ch. 192, L. 1977)						
Compensatory Education	16-100-034-5120-067	151,439.00	7-1-15	6-30-16		
English as a Second Language		8,628.00	7-1-15	6-30-16		
Home Instruction		18,703.46	7-1-15	6-30-16		
Auxiliary Services (Ch. 192, L. 1977)						
Compensatory Education	15-100-034-5120-067	156,765.00	7-1-14	6-30-15		66,647.52
English as a Second Language		2,741.00	7-1-14	6-30-15		2,741.00
Home Instruction		5,629.85	7-1-14	6-30-15	(5,629.85)	
Total Auxiliary Services (Ch. 192, L. 1977)					(5,629.85)	69,388.52
Handicapped Services (Ch. 193, L. 1977)						
Corrective Speech	16-100-034-5120-066	8,361.00	7-1-15	6-30-16		
Examination and Classification		74,307.00	7-1-15	6-30-16		
Supplementary Instruction		56,807.00	7-1-15	6-30-16		
Handicapped Services (Ch. 193, L. 1977)						
Corrective Speech	15-100-034-5120-066	13,253.00	7-1-14	6-30-15		9,100.55
Examination and Classification		63,759.00	7-1-14	6-30-15		8,996.20
Supplementary Instruction		47,082.00	7-1-14	6-30-15		18,597.39
Total Handicapped Services (Ch. 193, L. 1977)					-	36,694.14
Nursing Services						
Nursing Services	16-100-034-5120-070	96,930.00	7-1-15	6-30-16		
Nursing Services	15-100-034-5120-070	106,042.00	7-1-14	6-30-15		17,554.52
Nursing Services	14-100-034-5120-070	84,997.00	7-1-13	6-30-14		216.00
Total Nursing Services					-	17,770.52
Technology Initiative Program						
Technology Initiative Program	16-100-034-5120-373	27,196.00	7-1-15	6-30-16		
Technology Initiative Program	15-100-034-5120-373	34,944.00	7-1-14	6-30-15		737.18
Total Technology Initiative Program					-	737.18
Security Aid Program	16-100-034-5120-509	26,925.00	7-1-15	6-30-16		
Total Special Revenue Fund					(5,629.85)	125,862.58
Capital Projects Fund:						
New Jersey Department of Education:						
Education Facilities & Construction Grant	4790-020-10-1001	9,097,786.00	5-2-14	Open		
Enterprise Fund:						
New Jersey Department of Agriculture:						
State School Lunch Aid	16-100-010-3350-023	3,987.87	7-1-15	6-30-16		
State School Lunch Aid	15-100-010-3350-023	3,489.04	7-1-14	6-30-15	(210.17)	
Total Enterprise Fund					(210.17)	-
Total State Financial Assistance subject to Major Program Determination for State Single Audit					(971,695.46)	125,862.58
State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:						
General Fund (Non-Cash Assistance):						
New Jersey Department of the Treasury:						
On-behalf T.P.A.F. Pension Contributions - Normal Cost	495-034-5094-002	1,076,764.00	7-1-15	6-30-16		
On-behalf T.P.A.F. Non-Contributory Insurance (non-budgeted)	495-034-5094-045	51,092.00	7-1-15	6-30-16		
On-behalf T.P.A.F. Pension Contributions - Post-Retirement Medical	495-034-5094-001	1,282,128.00	7-1-15	6-30-16		
Total General Fund (Non-Cash Assistance)					-	-
Total State Financial Assistance					\$ (971,695.46)	\$ 125,862.58

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

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

Cash Received	Adjustments (A)	Total Budgetary Expenditures	Passed-Through to Subrecipients	Repayment of Prior Years' Balances	Balance at June 30, 2016			Memo	
					Accounts Receivable	Unearned Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable June 30, 2016	Cumulative Total Expenditures
\$ 6,415,910.76		\$ 7,091,213.00			\$ (675,302.24)			\$ (675,302.24)	\$ 7,091,213.00
671,025.36									
1,049,745.74		1,160,236.00			(110,490.26)			(110,490.26)	1,160,236.00
109,790.48									
34,073.61		37,660.00			(3,586.39)			(3,586.39)	37,660.00
3,563.68									
17,837.52		19,715.00			(1,877.48)			(1,877.48)	19,715.00
1,865.59									
17,837.52		19,715.00			(1,877.48)			(1,877.48)	19,715.00
1,865.59									
8,323,515.85	\$ -	8,328,539.00	\$ -	\$ -	(793,133.85)	\$ -	\$ -	(793,133.85)	8,328,539.00
58,288.85		64,424.00			(6,135.15)			(6,135.15)	64,424.00
6,096.30									
7,559.00		7,308.00			(7,308.00)				7,308.00
71,944.15	-	71,732.00	-	-	(13,443.15)	-	-	(6,135.15)	71,732.00
116,411.00		117,040.00			(117,040.00)				117,040.00
116,411.00	-	117,040.00	-	-	(117,040.00)	-	-	-	117,040.00
891,327.46		935,081.21			(43,753.75)				935,081.21
47,678.44									
939,005.90	-	935,081.21	-	-	(43,753.75)	-	-	-	935,081.21
9,450,876.90	-	9,452,392.21	-	-	(967,370.75)	-	-	(799,269.00)	9,452,392.21
59,727.00		59,659.25					67.75		59,659.25
	(0.22)			1,272.00					
59,727.00	(0.22)	59,659.25	-	1,272.00	-	-	67.75	-	59,659.25
151,439.00		117,594.00					33,845.00		117,594.00
8,628.00		18,703.46			(18,703.46)		8,628.00		18,703.46
	0.48			66,648.00					
				2,741.00					
5,630.00	(0.15)								
165,697.00	0.33	136,297.46	-	69,389.00	(18,703.46)	-	42,473.00	-	136,297.46
8,361.00		3,093.20					5,267.80		3,093.20
74,307.00		67,147.78					7,159.22		67,147.78
56,807.00		46,777.50					10,029.50		46,777.50
	0.45			9,101.00					
	(0.20)			8,996.00					
	(0.39)			18,597.00					
139,475.00	(0.14)	117,018.48	-	36,694.00	-	-	22,456.52	-	117,018.48
96,930.00		67,664.78					29,265.22		67,664.78
	0.48			17,555.00					
				216.00					
96,930.00	0.48	67,664.78	-	17,771.00	-	-	29,265.22	-	67,664.78
27,196.00		26,954.88					241.12		26,954.88
	(0.18)			737.00					
27,196.00	(0.18)	26,954.88	-	737.00	-	-	241.12	-	26,954.88
26,925.00	(0.20)	26,924.80							26,924.80
515,950.00	0.07	434,519.65	-	125,863.00	(18,703.46)	-	94,503.61	-	434,519.65
					(9,097,786.00)	9,097,786.00			
3,785.60		3,987.87			(202.27)				3,987.87
317.94	107.77								
4,103.54	107.77	3,987.87	-	-	(202.27)	-	-	-	3,987.87
9,970,930.44	107.84	9,890,899.73	-	125,863.00	(10,084,062.48)	9,097,786.00	94,503.61	(799,269.00)	9,890,899.73
1,076,764.00		1,076,764.00							1,076,764.00
51,092.00		51,092.00							
1,282,128.00		1,282,128.00							1,282,128.00
2,409,984.00	-	2,409,984.00	-	-	-	-	-	-	2,358,892.00
\$ 12,380,914.44	\$ 107.84	\$ 12,300,883.73	\$ -	\$ 125,863.00	\$ (10,084,062.48)	\$ 9,097,786.00	\$ 94,503.61	\$ (799,269.00)	\$ 12,249,791.73

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

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 Township of Haddon School District (hereafter referred to as the "School District"). The School District is defined in note 1 to the School District's basic financial statements. 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 exceptions: programs recorded in the capital projects fund are presented on the modified accrual basis of accounting and programs recorded in the enterprise funds 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, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal* or 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, special revenue fund and capital projects fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

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

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

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$5,062.00 for the general fund. There are no adjustments needed to reconcile expenditures from the budgetary basis to the GAAP basis 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	\$ 37,384.54	\$ 9,447,330.21	\$ 9,484,714.75
Special Revenue	840,127.35	434,519.65	1,274,647.00
Food Service	163,437.72	3,987.87	167,425.59
	<u> </u>	<u> </u>	<u> </u>
Total Awards and Financial Assistance	<u>\$ 877,511.89</u>	<u>\$ 9,881,849.86</u>	<u>\$ 10,759,361.75</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 the cancellation of federal grant receivables and unearned revenue, additional State School Lunch Aid for fiscal year 2015 received in fiscal year 2016, and rounding.

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, non-contributory insurance, and post-retirement medical costs 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 TOWNSHIP BOARD OF EDUCATION
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? ___ x ___ yes ___ none reported
Noncompliance material to financial statements noted? ___ yes ___ x ___ no

Federal Awards

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 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 ___ x ___ no

Identification of major programs:

Table with 3 columns: CFDA Number(s), FAIN Number(s), Name of Federal Program or Cluster. Includes entries for 84.027 (H027A150100) and 84.173 (H173A150114) under Special Education Cluster.

Dollar threshold used to determine Type A programs \$750,000.00
Auditee qualified as low-risk auditee? ___ x ___ yes ___ no

HADDON TOWNSHIP BOARD OF EDUCATION
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

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

State Financial Assistance

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 Unmodified

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

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
<u>495-034-5120-078</u>	<u>Equalization Aid</u>
<u>495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>495-034-5120-084</u>	<u>Security Aid</u>
<u>495-034-5120-098</u>	<u>PARCC Readiness Aid</u>
<u>495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>495-034-5095-002</u>	<u>TPAF Social Security Aid</u>

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

Auditee qualified as low-risk auditee? yes no

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

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.

Finding No. 2016-001

Criteria or Specific Requirement

The District has a record keeping system for athletic events that includes tickets, a report that accounts for ticket sales by game or event and a reconciliation process that is designed to ensure proper accounting and depositing of game or event receipts.

Condition

District personnel did not comply with controls established by its record keeping system for athletic games/events and as a result, did not properly account for athletic game/event tickets issued.

Context

Game reports provided by District personnel indicated tickets sold that were not included in the prior year-end inventory. Additionally, 123 tickets were not recorded on a game report and were not included in the current year-end inventory. Furthermore, numerous game reports indicated individual ticket numbers recorded twice.

Effect

Proper accounting for athletic game/events was not achieved and the risk of misappropriation of funds was increased.

Cause

Unknown.

Recommendation

That District personnel, who are monitoring the admittance of attendees at athletic games/events, comply with controls established by the District's record keeping system for athletic games/events.

View of Responsible Officials and Planned Corrective Action

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

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

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).

N/A - None

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

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.

N/A - None

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

This section identifies the status of prior year findings related to the financial statements and federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, 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

Finding No. 2015-001

Condition

District personnel did not comply with controls established by its record keeping system for athletic games/events and as a result, did not properly account for athletic game/event tickets issued.

Current Status

The condition continues to exist. See finding no. 2016-001

Planned Corrective Action

See District's corrective action plan for details.

FEDERAL AWARDS

N/A - None

STATE FINANCIAL ASSISTANCE PROGRAMS

N/A - None

