

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



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2014**

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INTRODUCTORY SECTION



HADDON TOWNSHIP BOARD OF EDUCATION

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Superintendent of Schools
856-869-7750 Ext. 1100
nward@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
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October 3, 2014

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, 2014, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

1. REPORTING ENTITY AND ITS SERVICES: Haddon Township School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds 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 2013-14 fiscal year with an average daily enrollment of 2,063 students, which is 6 students lower than the previous year's average daily enrollment. The following details the changes in the student enrollment of the District over the last five years.

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

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2013-2014	2,063	-0.22%
2012-2013	2,109	-0.28%
2011-2012	2,115	0.23%
2010-2011	2,110	-2.81%
2009-2010	2,171	-0.13%

- 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 for expanded electives at the high school including Digital Life Applications, Web Design, Sports Entertainment and Hospitality, Mixed Media Metals and Jewelry, Marketing and Intro to Engineering. In addition, the district has embarked upon a one to one iPad device initiative for students in grades 3-12.

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 (80% of the class took the SAT's); 92% of the class went on to higher education, with 60% 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, 2014.

- 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, 2014.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>
Local Sources	\$22,637,160.76	65.21%
State Sources	11,274,890.43	32.48%
Federal Sources	<u>799,995.30</u>	<u>2.31%</u>
	<u>\$34,712,046.49</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, 2014.

<u>Expenditure</u>	<u>Amount</u>	<u>Percent of Total</u>
Current Expense:		
Instruction	\$12,621,729.23	36.38%
Undistributed Expenditures	19,279,125.07	55.57%
Special Revenue	1,157,665.66	3.34%
Capital Outlay	627,399.17	1.81%
Charter Schools	8,367.00	0.02%
Debt Service:		
Principal	705,000.00	2.03%
Interest	<u>296,837.50</u>	<u>0.85%</u>
	<u>\$34,696,123.63</u>	<u>100.00%</u>

8. **DEBT ADMINISTRATION:** As of June 30, 2014, the District's outstanding debt issues included \$6,730,000.00 of general obligation bonds. As of June 30, 2014, the District's borrowing capacity is \$47,830,267.52.
9. **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The Law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
10. **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.
11. **OTHER INFORMATION:**

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman and Company 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 Amendments of 1996 and the related OMB Circular A-133 and the State of New Jersey Circular 04-04-OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

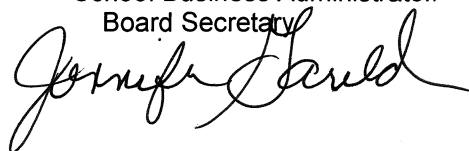
12. **ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Haddon Township Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our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

Respectfully submitted,

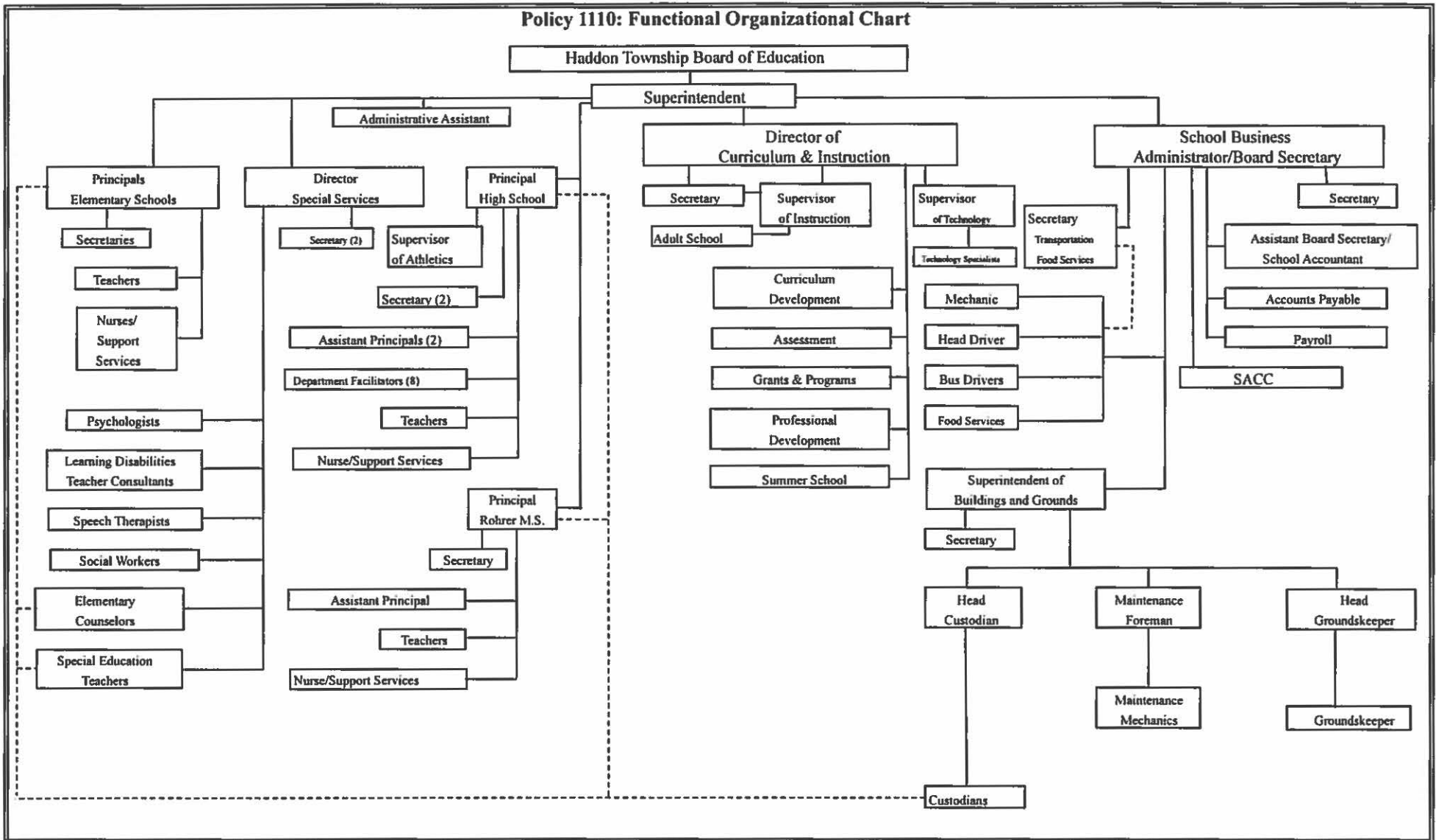
Dr. Nancy Ward
Superintendent



Mrs. Jennifer Gauld
School Business Administrator/
Board Secretary



Policy 1110: Functional Organizational Chart



**HADDON TOWNSHIP BOARD OF EDUCATION
WESTMONT, NEW JERSEY**

ROSTER OF OFFICIALS

JUNE 30, 2014

<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
James Mulroy	Dec. 31, 2016
Robert Brown	Dec. 31, 2015
Marie Dezii	Dec. 31, 2015
Jill Noller	Dec. 31, 2015
Laura Chudd	Dec. 31, 2014
William Mann	Dec. 31, 2014
John Kendall	Dec. 31, 2014

Other Officials

Dr. Nancy Ward, Superintendent

Mrs. Jennifer Gauld, Business Administrator/Board Secretary

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, 2014, 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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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 accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance, as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are 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 relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 October 2, 2014 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

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Kirk N. Applegate

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

Voorhees, New Jersey
October 2, 2014

**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, 2014, 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 October 2, 2014.

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 School District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Haddon of Township School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards, and audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

Purpose of this Report

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

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Kirk N. Applegate

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

Voorhees, New Jersey
October 2, 2014

REQUIRED SUPPLEMENTARY INFORMATION
PART I

TOWNSHIP OF HADDON SCHOOL DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2014 (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, 2014. 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 2014 are as follows:

- In total, net position increased \$27,403.48.
- General revenues accounted for \$32,315,241.06 in revenue or 93.10% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$2,396,805.43 or 6.90% of total revenues of \$34,712,046.49.
- The School District had \$34,678,081.39 in expenses; \$3,673,666.19 of these expenses was offset by program specific charges for services, grants or contributions.
- Among governmental funds, the General Fund had \$32,552,542.83 in revenues and \$32,536,620.47 in expenditures. The General Fund's balance increased by \$15,922.36 from 2013.

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

These two statements report the School District's net 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.

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 2014 and 2013.

TOWNSHIP OF HADDON SCHOOL DISTRICT'S NET POSITION						
	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and Other Assets	\$ 5,484,145	\$ 5,658,305	\$ 207,296	\$ 211,920	\$ 5,691,441	\$ 5,870,225
Capital Assets	20,291,104	20,797,955	44,591	46,657	20,335,695	20,844,612
Total Assets	25,775,249	26,456,260	251,887	258,577	26,027,136	26,714,837
Deferred Outflows of Resources	88,016	109,610	-	-	88,016	-
Long-term Liabilities Outstanding	7,511,060	8,051,619			7,511,060	8,051,619
Other Liabilities	373,873	569,883	74,419	74,548	448,292	644,431
Total Liabilities	7,884,933	8,621,503	74,419	74,548	7,959,352	8,696,050
Net Position:						
Net Investment in						
Capital Assets	13,649,120	13,472,565	44,591	46,657	13,693,711	13,519,221
Restricted	2,909,136	3,163,177			2,909,136	3,163,177
Unrestricted (Deficit)	1,420,076	1,308,626	132,877	137,373	1,552,953	1,445,998
Total Net Position	\$ 17,978,332	\$ 17,944,367	\$ 177,468	\$ 184,030	\$ 18,155,800	\$ 18,128,396

The District's combined net position was \$18,155,799.82 on June 30, 2014. This was an increase of \$27,403.48 from the June 30, 2013 net position.

The net position of the business type activities decreased by \$6,561.62.

The School District as a Whole (Cont'd)

The following schedule shows changes in net position for fiscal year 2014 and 2013.

TOWNSHIP OF HADDON SCHOOL DISTRICT'S CHANGES IN NET POSITION						
	Governmental <u>Activities</u>		Business-Type <u>Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues:						
Program Revenues:						
Charges for Services	\$ 119,195	\$ 145,314	\$ 681,037	\$ 640,087	\$ 800,232	\$ 785,401
Operating Grants and Contributions	3,554,471	1,144,042	161,864	224,823	3,716,335	1,368,865
Property Taxes	22,227,464	21,807,290			22,227,464	21,807,290
Grants and Contributions not Restricted to Specific Programs	8,520,415	11,243,722			8,520,415	11,243,722
Other	290,502	182,956			290,502	182,956
Total Revenues	34,712,046	34,523,324	842,900	864,910	35,554,947	35,388,235
Expenses:						
Instruction	13,472,091	12,973,097			13,472,091	12,973,097
Support Services	21,205,990	19,913,791			21,205,990	19,913,791
Food Service			507,069	570,726	507,069	570,726
Other			342,393	316,120	342,393	316,120
Total Expenses	34,678,081	32,886,888	849,462	886,846	35,527,543	33,773,734
Increase (Decrease) in Net Position before Transfers	33,965	1,636,436	(6,562)	(21,936)	27,403	1,614,501
Transfers	-	(5,796)	-	5,796	-	-
Increase (Decrease) in Net Position	33,965	1,630,640	(6,562)	(16,140)	27,403	1,614,501
Net Position, July 1	17,944,367	16,313,727	184,030	200,169	18,128,396	16,513,896
Net Position, June 30	\$ 17,978,332	\$ 17,944,367	\$ 177,468	\$ 184,030	\$ 18,155,800	\$ 18,128,397

Governmental Activities

Property taxes and federal and state aid made up 99.12% of revenues for governmental activities for the School District for fiscal year 2014. Federal, state and local grants accounted for 34.89% of revenue.

The total net cost of all programs and services for 2014 and 2013 was \$31,004,415.20 and \$28,831,723.31, respectively. Instruction comprises 40.86% of District net cost of services for 2014.

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	2014		2013	
		Total Costs of Services	Net Costs of Services	Total Costs of Services	Net Costs of Services
Instruction:					
Regular	A-2	\$ 10,495,802	\$ 9,691,542	\$ 10,151,839	\$ 9,340,051
Special Education	A-2	1,989,092	1,989,092	1,903,544	1,903,544
Other Special Instruction	A-2	320,616	320,616	317,574	317,574
Other Instruction	A-2	666,582	666,582	600,140	600,140
Support Services:					
Tuition	A-2	1,779,404	1,404,057	1,598,455	1,171,130
Student and Instruction Related Services	A-2	3,731,409	3,731,409	3,420,105	3,420,105
School Administrative Services	A-2	2,074,540	2,022,325	2,165,879	2,115,635
Other Administrative Services	A-2	474,222	474,222	659,546	659,546
Plant Operations and Maintenance	A-2	3,182,604	3,182,604	2,946,659	2,946,659
Pupil Transportation	A-2	1,025,607	1,025,607	845,186	845,186
Unallocated Benefits	A-2	8,005,691	5,563,847	7,747,276	4,981,467
Special Schools	A-2				
Charter Schools	A-2	8,367	8,367	5,554	5,554
Capital Outlay	A-2	481,101	481,101	53,700	53,700
Interest on Long-term Debt	A-2	312,504	312,504	340,890	340,890
Unallocated Depreciation	A-2	130,542	130,542	130,541	130,541
Total Governmental Activities		\$ 34,678,081	\$ 31,004,415	\$ 32,886,888	\$ 28,831,723

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

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

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

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

Governmental Activities (Cont'd)

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

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

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

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

"Other" includes special schools and unallocated depreciation.

The School District's Funds

The School District's funds are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$34,712,046.49 and expenditures were \$34,696,123.63.

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 2014 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 2014, the School District had \$20,844,611.70 invested in land, buildings, furniture, equipment and vehicles. The following schedule shows a summary of the fiscal 2014 balances.

TOWNSHIP OF HADDON SCHOOL DISTRICT'S CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Land	\$ 1,121,580	\$ 1,121,580			\$ 1,121,580	\$ 1,121,580
Land Improvements	143,032	169,990			143,032	169,990
Building Improvements	18,195,638	18,688,077			18,195,638	18,688,077
Equipment	550,064	547,973	\$ 44,591	\$ 46,657	594,655	594,629
Vehicles	280,790	270,336			280,790	270,336
Total	<u>\$ 20,291,104</u>	<u>\$ 20,797,955</u>	<u>\$ 44,591</u>	<u>\$ 46,657</u>	<u>\$ 20,335,695</u>	<u>\$ 20,844,612</u>

Debt Administration

As of June 30, 2014, the School District had \$6,730,000.00 of outstanding debt.

Township of Haddon School District Long-term Debt Schedule				
<u>Governmental Activity</u>	<u>Balance June 30, 2014</u>	<u>Balance June 30, 2013</u>	<u>Increase/ Decrease</u>	<u>% Change</u>
General Serial Bonds	\$ 6,730,000.00	\$ 7,435,000.00	(\$ 705,000.00)	-9.48%
Compensated Absences	781,059.91	616,619.32	164,440.59	26.67%
Total	<u>\$ 7,511,059.91</u>	<u>\$ 8,051,619.32</u>	<u>(\$ 540,559.41)</u>	<u>-6.71%</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, 2014

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 4,997,258.03	\$ 172,356.58	\$ 5,169,614.61
Receivables, net		22,758.70	22,758.70
Intergovernmental Receivables	476,598.50	7,686.46	484,284.96
Inventory		4,494.05	4,494.05
Interfund	10,288.20		10,288.20
Capital Assets, net	20,291,104.22	44,591.25	20,335,695.47
Total Assets	25,775,248.95	251,887.04	26,027,135.99
DEFERRED OUTFLOW OF RESOURCES:			
Deferred Loss on Refunding	88,016.14	-	88,016.14
LIABILITIES:			
Accounts Payable	128,876.62	311.60	129,188.22
Accrued Interest Payable	50,065.10		50,065.10
Intergovernmental Payable	61,175.99		61,175.99
Unearned Revenue	133,755.59	74,107.50	207,863.09
Noncurrent Liabilities:			
Due within One Year	808,105.99		808,105.99
Due beyond One Year	6,702,953.92		6,702,953.92
Total Liabilities	7,884,933.21	74,419.10	7,959,352.31
NET POSITION:			
Net Investment in Capital Assets	13,649,120.36	44,591.25	13,693,711.61
Restricted:			
Capital Projects	1,105,876.16		1,105,876.16
Debt Service	1.43		1.43
Other Purposes	1,803,257.72		1,803,257.72
Unrestricted	1,420,076.21	132,876.69	1,552,952.90
Total Net Position	\$ 17,978,331.88	\$ 177,467.94	\$ 18,155,799.82

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, 2014

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	\$ 10,495,801.87		\$ 804,260.06		\$ (9,691,541.81)		\$ (9,691,541.81)
Special Education	1,989,091.94				(1,989,091.94)		(1,989,091.94)
Other Special Instruction	320,615.66				(320,615.66)		(320,615.66)
Other Instruction	666,581.89				(666,581.89)		(666,581.89)
Support Services:							
Tuition	1,779,404.10	\$ 119,195.10	256,151.51		(1,404,057.49)		(1,404,057.49)
Student and Instruction Related Services	3,731,408.87				(3,731,408.87)		(3,731,408.87)
School Administrative Services	2,074,539.95		52,215.38		(2,022,324.57)		(2,022,324.57)
Other Administrative Services	474,222.21				(474,222.21)		(474,222.21)
Plant Operations and Maintenance	3,182,603.85				(3,182,603.85)		(3,182,603.85)
Pupil Transportation	1,025,606.57				(1,025,606.57)		(1,025,606.57)
Unallocated Benefits	8,005,691.20		2,441,844.14		(5,563,847.06)		(5,563,847.06)
Capital Outlay	481,100.95				(481,100.95)		(481,100.95)
Interest on Long-Term Debt	312,503.81				(312,503.81)		(312,503.81)
Unallocated Depreciation	130,541.52				(130,541.52)		(130,541.52)
Transfer to Charter School	8,367.00				(8,367.00)		(8,367.00)
Total Governmental Activities	34,678,081.39	119,195.10	3,554,471.09	\$ -	(31,004,415.20)	\$ -	(31,004,415.20)
Business-Type Activities:							
Food Service	507,069.00	257,409.40	161,863.65			(87,795.95)	(87,795.95)
Other	342,392.93	423,627.26				81,234.33	81,234.33
Total Business-Type Activities	849,461.93	681,036.66	161,863.65	-	-	(6,561.62)	(6,561.62)
Total Primary Government	\$ 35,527,543.32	\$ 800,231.76	\$ 3,716,334.74	\$ -	(31,004,415.20)	(6,561.62)	(31,010,976.82)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, net					21,225,626.00		21,225,626.00
Taxes Levied for Debt Service					1,001,838.00		1,001,838.00
Federal and State Aid not Restricted					8,520,414.64		8,520,414.64
Miscellaneous Income					290,501.66		290,501.66
Total General Revenues, Special Items, Extraordinary Items and Transfers					31,038,380.30		31,038,380.30
Change in Net Position					33,965.10	(6,561.62)	27,403.48
Net Position -- July 1					17,944,366.78	184,029.56	18,128,396.34
Net Position -- June 30					\$ 17,978,331.88	\$ 177,467.94	\$ 18,155,799.82

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, 2014

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS:					
Cash and Cash Equivalents	\$ 4,997,256.60			\$ 1.43	\$ 4,997,258.03
Receivables from Other Governments	191,941.51	\$ 284,656.99			476,598.50
Interfund	102,483.01				102,483.01
Total Assets	<u>\$ 5,291,681.12</u>	<u>\$ 284,656.99</u>	<u>\$ -</u>	<u>\$ 1.43</u>	<u>\$ 5,576,339.54</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 128,746.02	\$ 130.60			\$ 128,876.62
Payable to State Government		61,175.99			61,175.99
Interfund		92,194.81			92,194.81
Unearned Revenue	2,600.00	131,155.59			133,755.59
Total Liabilities	<u>131,346.02</u>	<u>284,656.99</u>	<u>\$ -</u>	<u>\$ -</u>	<u>416,003.01</u>
Fund Balances:					
Restricted:					
Capital Reserve	1,105,876.16				1,105,876.16
Maintenance Reserve	25,138.12				25,138.12
Current Expense Emergency Reserve	125,690.60				125,690.60
Excess Surplus (2013-14)	1,652,429.00				1,652,429.00
Debt Service Fund				1.43	1.43

(Continued)

TOWNSHIP OF HADDON SCHOOL DISTRICT

Balance Sheet
Governmental Funds
June 30, 2014

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Fund Balances (Cont'd):					
Assigned:					
Other Purposes	\$ 167,989.92				\$ 167,989.92
Designated for Subsequent Year's Expenditures	2,108,138.00				2,108,138.00
Unassigned:					
General Fund (Deficit)	(24,926.70)				(24,926.70)
Total Fund Balances	5,160,335.10	\$ -	\$ -	\$ 1.43	5,160,336.53
Total Liabilities and Fund Balances	\$ 5,291,681.12	\$ 284,656.99	\$ -	\$ 1.43	5,576,339.54

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 \$33,200,600.08, and the accumulated depreciation is \$12,909,495.86.

20,291,104.22

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.

(7,423,043.77)

Accrued interest on bonds payable, is not due and payable in the current period and therefore are not reported as liabilities in the funds.

(50,065.10)

Net position of governmental activities

\$ 17,978,331.88

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, 2014

	<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	\$ 21,225,626.00			\$ 1,001,838.00	\$ 22,227,464.00
Tuition Charges	119,195.10				119,195.10
Miscellaneous	290,501.66				290,501.66
State Sources	10,889,161.43	\$ 385,729.00			11,274,890.43
Federal Sources	28,058.64	771,936.66			799,995.30
Total Revenues	32,552,542.83	1,157,665.66	\$ -	1,001,838.00	34,712,046.49
EXPENDITURES:					
Current:					
Regular Instruction	9,645,439.74	804,260.06			10,449,699.80
Special Education Instruction	1,989,091.94				1,989,091.94
Other Special Instruction	320,615.66				320,615.66
Other Instruction	666,581.89				666,581.89
Support Services and Undistributed Costs:					
Tuition	1,779,404.10				1,779,404.10
Student and Instruction Related Services	3,474,567.60	256,151.51			3,730,719.11
School Administrative Services	2,021,022.57	52,215.38			2,073,237.95
Other Administrative Services	474,222.21				474,222.21
Plant Operations and Maintenance	2,772,426.74				2,772,426.74
Pupil Transportation	961,269.95				961,269.95
Unallocated Benefits	7,796,211.90	45,038.71			7,841,250.61
Debt Service:					
Principal				705,000.00	705,000.00
Interest and Other Charges				296,837.50	296,837.50
Capital Outlay	627,399.17				627,399.17
Transfer to Charter School	8,367.00				8,367.00
Total Expenditures	32,536,620.47	1,157,665.66	-	1,001,837.50	34,696,123.63
Excess (Deficiency) of Revenues over Expenditures	15,922.36	-	-	0.50	15,922.86

(Continued)

TOWNSHIP OF HADDON SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2014

	General <u>Fund</u>	Special Revenue <u>Fund</u>	Capital Projects <u>Fund</u>	Debt Service <u>Fund</u>	Total Governmental <u>Funds</u>
Net Change in Fund Balances	\$ 15,922.36	\$ -	\$ -	\$ 0.50	\$ 15,922.86
Fund Balance -- July 1	5,144,412.74	-	-	0.93	5,144,413.67
Fund Balance -- June 30	<u>\$ 5,160,335.10</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1.43</u>	<u>\$ 5,160,336.53</u>

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, 2014

Total Net Change in Fund Balances - Governmental Funds	\$ 15,922.86
Amounts reported for governmental activities in the statement of activities (A-2) are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.	
Depreciation Expense	\$ (653,149.08)
Capital Asset Additions	<u>146,298.22</u>
	(506,850.86)
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.	705,000.00
In the statement of activities, deferred loss on refunding bonds is amortized and recorded as interest expense, In the governmental funds, the deferred loss on refunding is not recorded.	(21,593.40)
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. (+)	5,927.09
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 (+).	(164,440.59)
Change in Net Position of Governmental Activities	<u>\$ 33,965.10</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, 2014

	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>
ASSETS:						
Current Assets:						
Cash and Cash Equivalents		\$ 178,359.70	\$ 16,959.63	\$ 69,912.10	\$ 94,135.82	\$ 359,367.25
Accounts Receivable:						
State	\$ 442.70					442.70
Federal	7,243.76					7,243.76
Other	21,691.78	338.72			728.20	22,758.70
Inventories	4,494.05					4,494.05
Total Current Assets	33,872.29	178,698.42	16,959.63	\$ 69,912.10	94,864.02	394,306.46
Noncurrent Assets:						
Furniture, Machinery and Equipment	213,015.94					213,015.94
Less: Accumulated Depreciation	168,424.69					168,424.69
Total Noncurrent Assets	44,591.25	-	-	-	-	44,591.25
Total Assets	78,463.54	178,698.42	16,959.63	69,912.10	94,864.02	438,897.71
LIABILITIES:						
Current Liabilities:						
Cash Overdraft	187,010.67					187,010.67
Accounts Payable	311.60					311.60
Unearned Revenue				74,107.50		74,107.50
Total Current Liabilities	187,322.27	-	-	74,107.50	-	261,429.77
Total Liabilities	187,322.27	-	-	74,107.50	-	261,429.77
NET POSITION:						
Net Investment in Capital Assets	44,591.25					44,591.25
Unrestricted (Deficit)	(153,449.98)	178,698.42	16,959.63	(4,195.40)	94,864.02	132,876.69
Total Net Position	\$ (108,858.73)	\$ 178,698.42	\$ 16,959.63	\$ (4,195.40)	\$ 94,864.02	\$ 177,467.94

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, 2014

	Business-Type Activities - Enterprise Fund					
	<u>Food Service</u>	<u>Latchkey Program</u>	<u>Adult School</u>	<u>Summer Recreation</u>	<u>Kindergarten Care</u>	<u>Total Enterprise</u>
OPERATING REVENUES:						
Charges for Services:						
Daily Sales - Reimbursable Programs	\$ 128,115.32					\$ 128,115.32
Daily Sales - Non-Reimbursable Programs	129,294.08					129,294.08
Community Service Activity		\$ 187,110.53	\$ 40,375.50	\$ 81,987.90	\$ 114,153.33	423,627.26
Total Operating Revenues	257,409.40	187,110.53	40,375.50	81,987.90	\$ 114,153.33	681,036.66
OPERATING EXPENSES:						
Salaries	165,272.72	132,906.69	22,484.14	78,562.04	46,996.62	446,222.21
Employee Benefits	70,760.54	5,550.05	1,717.85	5,940.22	3,595.22	87,563.88
Food Service Management Fee	39,713.28					39,713.28
Other Purchased Services		82.49	12,350.90			12,433.39
General Supplies	30,259.58	16,817.43	225.62	3,230.88	4,541.68	55,075.19
Miscellaneous				7,391.10		7,391.10
Depreciation	5,205.37					5,205.37
Cost of Sales	195,857.51					195,857.51
Total Operating Expenses	507,069.00	155,356.66	36,778.51	95,124.24	55,133.52	849,461.93
Operating Income (Loss)	(249,659.60)	31,753.87	3,596.99	(13,136.34)	59,019.81	(168,425.27)
NONOPERATING REVENUES (EXPENSES):						
State Sources:						
State School Lunch Program	3,903.06					3,903.06
Federal Sources:						
National School Lunch Program	110,751.95					110,751.95
National Breakfast Program	2,422.53					2,422.53
Food Distribution Program	29,073.11					29,073.11
Food Service Company Guarantee	15,713.00					15,713.00
Total Nonoperating Revenues (Expenses)	161,863.65	-	-	-	-	161,863.65
Change in Net Position	(87,795.95)	31,753.87	3,596.99	(13,136.34)	59,019.81	(6,561.62)
Total Net Position -- July 1	(21,062.78)	146,944.55	13,362.64	8,940.94	35,844.21	184,029.56
Total Net Position -- June 30	\$ (108,858.73)	\$ 178,698.42	\$ 16,959.63	\$ (4,195.40)	\$ 94,864.02	\$ 177,467.94

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, 2014

	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	\$ 251,430.62	\$ 188,012.44	\$ 40,375.50	\$ 81,987.90	\$ 113,425.13	\$ 675,231.59
Receipts from Food Management Company	43,897.43					43,897.43
Payments to Employees	(165,037.85)	(132,989.18)	(22,484.14)	(78,562.04)	(46,996.62)	(446,069.83)
Payments for Employee Benefits	(70,683.81)	(5,550.05)	(1,717.85)	(5,940.22)	(3,595.22)	(87,487.15)
Payments to Food Management Company	(39,713.28)					(39,713.28)
Payments to Vendors	(198,636.59)	(17,147.43)	(12,576.52)	(10,621.98)	(4,651.68)	(243,634.20)
Net Cash Provided by (used for) Operating Activities	(178,743.48)	32,325.78	3,596.99	(13,136.34)	58,181.61	(97,775.44)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Capital Acquisitions	(3,140.00)	-	-	-		(3,140.00)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
State Sources	3,960.42					3,960.42
Federal Sources	115,675.90					115,675.90
Net Cash Provided by (used for) Non-Capital Financing Activities	119,636.32	-	-	-	-	119,636.32
Net Increase (Decrease) in Cash and Cash Equivalents	(62,247.16)	32,325.78	3,596.99	(13,136.34)	58,181.61	18,720.88
Balances -- July 1	(124,763.51)	146,033.92	13,362.64	83,048.44	35,954.21	153,635.70
Balances -- June 30	\$ (187,010.67)	\$ 178,359.70	\$ 16,959.63	\$ 69,912.10	\$ 94,135.82	\$ 172,356.58
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating Income (Loss)	\$ (249,659.60)	\$ 31,753.87	\$ 3,596.99	\$ (13,136.34)	\$ 59,019.81	\$ (168,425.27)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:						
Depreciation and Net Amortization	5,205.37					5,205.37
Food Service Company Guarantee	15,713.00					15,713.00
Federal Commodities	29,073.11					29,073.11
(Increase) Decrease in Accounts Receivable, net	22,205.65	901.91			(728.20)	22,379.36
(Increase) Decrease in Inventories	(1,592.61)					(1,592.61)
Increase (Decrease) in Accounts Payable	311.60	(330.00)			(110.00)	(128.40)
Total Adjustments	70,916.12	571.91	-	-	(838.20)	70,649.83
Net Cash Provided by (used for) Operating Activities	\$ (178,743.48)	\$ 32,325.78	\$ 3,596.99	\$ (13,136.34)	\$ 58,181.61	\$ (97,775.44)

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, 2014

	<u>Trust Funds</u>	<u>Agency Funds</u>	
	<u>Unemployment Compensation Trust</u>	<u>Student Activity</u>	<u>Payroll</u>
ASSETS:			
Cash and Cash Equivalents	\$ 518,231.73	\$ 192,012.08	\$ 152,404.52
Due from General Fund		870.00	
	<u>518,231.73</u>	<u>192,882.08</u>	<u>152,404.52</u>
LIABILITIES:			
Payable to District (General Fund)			10,288.20
Payable to Student Groups		192,882.08	
Payroll Deductions and Withholdings			142,116.32
		<u>192,882.08</u>	<u>142,116.32</u>
Total Liabilities	<u>-</u>	<u>\$ 192,882.08</u>	<u>\$ 152,404.52</u>
NET POSITION:			
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 518,231.73</u>		

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

TOWNSHIP OF HADDON SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2014

	<u>Unemployment Compensation Trust</u>
ADDITIONS:	
Contributions:	
Plan member	\$ 43,384.31
Investment earnings:	
Interest	<u>2,247.04</u>
Total Additions	45,631.35
DEDUCTIONS:	
Unemployment Claims	<u>22,565.14</u>
Change in Net Position	23,066.21
Net Position -- July 1	<u>495,165.52</u>
Net Position -- June 30	<u><u>\$ 518,231.73</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, 2014

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 Pre K through 12 at its seven schools. The School District has an approximate enrollment at June 30, 2014 of 2,063.

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. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

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.

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

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.

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 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. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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.

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

Property taxes, tuition, federal and state aid/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, district portion of capital reserve or capital outlay, temporary notes, or serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

Proprietary Funds

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:

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

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

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 taxes.

When both restricted and unrestricted resources are available for use, it is the School District's policy to use restricted resources first, and then unrestricted resources as they are needed.

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. 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.

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

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to reserve 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.

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.

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

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, 2014.

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.

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 fair market 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>
Land Improvements	10 - 20 Years
Buildings and Improvements	10 - 50 Years
Furniture and Equipment	5 - 20 Years
Motor Vehicles	5 - 10 Years

The School District does not possess any infrastructure assets.

Deferred Loss on Refunding of Debt

Deferred loss on refunding arising from the issuance of the refunding bonds is recorded as a deferred outflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense.

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

Tuition charges for the fiscal years ended June 30, 2014 and 2013 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, 2014, 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.

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.

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

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, approved by the Board of Education.

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

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.

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**

In March 2012, the GASB issued Statement 66, *Technical Corrections - 2012 - an amendment of GASB Statements No. 10 and No. 62*. GASBS 66 is to improve accounting and financial reporting by state and local governmental entities by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Since the release of these Statements, questions have arisen concerning differences between the provisions in Statement 54 and Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, regarding the reporting of risk financing activities. Questions also have arisen about differences between Statement 62 and Statements No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, regarding the reporting of certain operating lease transactions, and No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, concerning the reporting of the acquisition of a loan or a group of loans and the recognition of servicing fees related to mortgage loans that are sold. This Statement is effective for periods beginning after December 15, 2012. The adoption of GASBS 66, however, does not have a material impact on the School District's financial statements.

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

In April 2013, the GASB issued Statement 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. GASBS 70 is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The amount of the liability to be recognized should be the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. When there is no best estimate but a range of the estimated future outflows can be established, the amount of the liability to be recognized should be the discounted present value of the minimum amount within the range. This Statement requires a government that has issued an obligation guaranteed in a nonexchange transaction to report the obligation until legally released as an obligor. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When a government is released as an obligor, the government should recognize revenue as a result of being relieved of the obligation. This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units. This Statement is effective for periods beginning after June 15, 2013. The adoption of GASBS 70, however, does not have any impact on the School District's financial statements.

Recently Issued Accounting Pronouncements

In June 2012, the GASB issued Statement 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*. GASBS 67 is to improve the usefulness of pension information included in the general purpose external financial reports (financial reports) of state and local governmental pension plans for making decisions and assessing accountability. This Statement is effective for periods beginning after June 15, 2013. The School District does not administer any state or local pension plans; therefore, the adoption of GASBS 67 will not have any impact on the School District's financial statements.

In June 2012, the GASB issued Statement 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. GASBS 68 is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. In addition, this Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This Statement is effective for periods beginning after June 15, 2014. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements and expects the impact to be material.

In January 2013, the GASB issued Statement 69, *Government Combinations and Disposals of Government Operations*. GASBS 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This Statement is effective for periods beginning after December 15, 2013. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements although no impact is expected.

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

In November 2013, the GASB issued Statement 71, *Pension Transition for Contributions made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. GASBS 71 is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The requirements of this Statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual-basis financial statements of employers and nonemployer contributing entities. This Statement is effective for fiscal years beginning after June 15, 2014. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements and expects the impact to be material when considered in conjunction with the adoption of Statement No. 68.

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, 2014, the School District's bank balances of \$6,720,584.00 were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 716,661.93
Collateralized by securities held by the pledging financial institution	<u>5,753,922.07</u>
	<u><u>\$ 6,470,584.00</u></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. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

There was no activity in the capital reserve account. The \$1,105,876.16 balance in the account as of June 30, 2014 is not in excess of the School District's LRFP balance.

Note 4: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2014 consisted of intergovernmental grants and awards. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds.

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

<u>Description</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Enterprise Fund</u>	<u>Total</u>
Intergovernmental	\$191,941.51	\$284,656.99	\$ 7,686.46	\$484,284.96
Other			22,758.70	22,758.70
	<u>\$191,941.51</u>	<u>\$284,656.99</u>	<u>\$30,445.16</u>	<u>\$507,043.66</u>

Note 5: INVENTORY

Inventory recorded at June 30, 2014 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	\$ 3,534.13
Supplies	<u>959.92</u>
	<u>\$ 4,494.05</u>

Note 6: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2014 is as follows:

	Balance July 1, 2013	Additions	Retirements and Transfers	Balance June 30, 2014
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 1,121,580.00	\$ -	\$ -	\$ 1,121,580.00
Capital Assets, being Depreciated:				
Land Improvements	805,497.00			805,497.00
Buildings and Improvements	28,715,013.44			28,715,013.44
Equipment	1,365,192.93	68,108.22		1,433,301.15
Vehicles	1,047,018.49	78,190.00		1,125,208.49
Total Capital Assets, being Depreciated	31,932,721.86	146,298.22	-	32,079,020.08
Total Capital Assets, Cost	33,054,301.86	146,298.22	-	33,200,600.08
Less Accumulated Depreciation for:				
Land Improvements	635,506.77	26,958.24		662,465.01
Buildings and Improvements	10,026,936.88	492,438.72		10,519,375.60
Equipment	817,220.40	66,016.72		883,237.12
Vehicles	776,682.73	67,735.40		844,418.13
Total Accumulated Depreciation	12,256,346.78	653,149.08	-	12,909,495.86
Total Capital Assets, being Depreciated, Net	19,676,375.08	(506,850.86)	-	19,169,524.22
Governmental Activities Capital Assets, Net	<u>\$ 20,797,955.08</u>	<u>\$ (506,850.86)</u>	<u>\$ -</u>	<u>\$ 20,291,104.22</u>
Business-Type Activities:				
Capital Assets, being Depreciated:				
Equipment	\$ 209,875.94	\$ 3,140.00	\$ -	\$ 213,015.94
Less Accumulated Depreciation for:				
Equipment	163,219.31	5,205.37	-	168,424.68
Total Capital Assets, being Depreciated, Net	46,656.63	(2,065.37)	-	44,591.26
Business-Type Activities Capital Assets, Net	<u>\$ 46,656.63</u>	<u>\$ (2,065.37)</u>	<u>\$ -</u>	<u>\$ 44,591.26</u>

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

Governmental Activities:	
Instruction	\$ 46,102.07
Student and Instruction Related Services	689.76
General and Business Administrative Services	1,302.00
Plant Operations and Maintenance	410,177.11
Pupil Transportation	64,336.62
Unallocated	<u>130,541.52</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 653,149.08</u>
Business-Type Activities:	
Food Service	<u>\$ 5,205.37</u>

Note 7: LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2014, the following changes occurred in long-term obligations for governmental activities:

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2014</u>	<u>Due within One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 7,435,000.00		\$ 705,000.00	\$ 6,730,000.00	\$ 730,000.00
Compensated Absences	616,619.32	\$ 164,440.59		781,059.91	78,105.99
Governmental Activity Long-Term Liabilities	<u>\$ 8,051,619.32</u>	<u>\$ 164,440.59</u>	<u>\$ 705,000.00</u>	<u>\$ 7,511,059.91</u>	<u>\$ 808,105.99</u>

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

On August 24, 2005, the School District issued \$9,995,000.00 general obligation bonds at interest rates varying from 3.750% to 4.250% that refunded the District's 2001 and 2002 general obligation bonds that were issued for various construction and renovation projects. The final maturity of these bonds is April 15, 2022. The bonds will be paid from property taxes.

Principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 730,000.00	\$ 254,537.50	\$ 984,537.50
2016	760,000.00	225,112.50	985,112.50
2017	795,000.00	195,006.25	990,006.25
2018	820,000.00	164,725.00	984,725.00
2019	855,000.00	131,181.25	986,181.25
2020	885,000.00	94,206.25	979,206.25
2021	930,000.00	56,800.00	986,800.00
2022	955,000.00	19,100.00	974,100.00
	<u>\$ 6,730,000.00</u>	<u>\$ 1,140,668.75</u>	<u>\$ 7,870,668.75</u>

Bonds Authorized but not Issued - As of June 30, 2014, the School District had no authorizations to issue additional bonded debt.

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

Note 8: OPERATING LEASES

At June 30, 2014, the School District had operating lease agreements in effect for copy machines, mail machines, and textbooks. 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>
2015	\$ 331,845.44
2016	294,845.44
2017	<u>294,845.44</u>
	<u>\$ 921,536.32</u>

Rental payments under operating leases for the fiscal year ended June 30, 2014 were \$99,431.28.

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 and the Public Employees' Retirement System, which are administered by the New Jersey Division of Pensions and Benefits. 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 New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

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

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114 and 115, P.L. 1997, plan members enrolled in the TPAF were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase will be phased-in over seven years, which began July 1, 2012. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

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

Note 9: PENSION PLANS (CONT'D)

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, 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. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased to 6.5% plus an additional 1.0% phased-in over seven years. The phase-in of the additional incremental member contribution amount began July 1, 2012 and increases each subsequent July 1. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The School District is billed annually for its normal contribution plus any accrued liability. The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Regular Pension Contributions</u>	<u>Non-Contributory Group Life Insurance</u>	<u>Paid by School District</u>
2014	\$ 57,530.00	\$ 252,936.00	\$ 310,466.00	\$ 5,280.00	\$ 315,746.00
2013	93,401.00	223,324.00	316,725.00	18,850.00	335,575.00
2012	125,792.00	251,583.00	377,375.00	24,043.00	401,418.00

Defined Contribution Retirement Program - The Defined Contribution Retirement Program ("DCRP") is a single-employer defined contribution pension fund which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Division of Pensions and Benefits by Prudential Financial. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

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

<u>Fiscal Year</u>	<u>Total Liability</u>	<u>Paid by School District</u>
2014	\$ 19,467.96	\$ 19,467.96
2013	12,637.28	12,637.28
2012	4,840.72	4,840.72

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, 2013, there were 100,134 retirees receiving postemployment medical benefits, and the State contributed \$1.07 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 \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members in fiscal year 2013.

Note 11: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2014, 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. The amounts recognized as revenues and expenditures for normal costs and post-retirement medical costs were \$535,721.00 and \$878,381.00, 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.

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

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

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

Fiscal Year	School District	Employee	Interest	Claims	Ending
Ended June 30,	Contributions	Contributions	Income	Incurred	Balance
2014	-	\$ 43,384.31	\$ 2,247.04	\$ 22,565.14	\$ 518,231.73
2013	-	40,324.66	3,218.93	38,503.17	495,165.52
2012	-	39,873.16	5,339.77	109,630.33	490,125.10

Note 13: 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
 Automobile Liability
 Workers' Compensation
 School Board Legal Liability
 Boiler and Machinery
 Environmental Legal 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.

The Fund publishes its own financial report for the fiscal year ended June 30, 2014, which can be obtained from:

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

Note 14: 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 15: COMPENSATED ABSENCES

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

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

Note 16: COMPENSATED ABSENCES (CON'T)

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2014, the liability for compensated absences reported on the government-wide statement of net position \$781,059.91.

Note 17: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2014 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$102,484.77	\$ 870.00
Special Revenue		92,196.57
Fiduciary	870.00	10,288.20
	<u>\$103,354.77</u>	<u>\$103,354.77</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 2015, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 18: 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 19: 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 20: DEFICIT FUND BALANCES

The School District has a deficit fund balance of \$24,926.70 in the general fund as of June 30, 2014 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$24,926.70 is less than the June state aid payments.

Note 21: 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 reserve 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, 2014 is \$1,652,429.00.

For Capital Reserve Account - As of June 30, 2014, the balance in the capital reserve account is \$1,105,876.16. 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, 2014, the balance in the maintenance reserve account is \$25,138.12. 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).

For Emergency Reserve - As of June 30, 2014, the balance in the emergency reserve is \$125,690.60. 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 reserve 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.

Note 21: FUND BALANCES (CONT'D)

Debt Service Fund - In accordance with N.J.S.A. 18A:7F-41(c)(2), the School District has established a debt service reserve in the amount of \$1.43 as of June 30, 2014. These funds were derived from interest earned on deposits. The funds are to be used for tax relief.

ASSIGNED

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

General Fund -

For Subsequent Year's Expenditures - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2015 \$2,108,138.00 of general fund balance at June 30, 2014.

Other Purposes - As of June 30, 2014, the School District had \$167,989.92 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, 2014, \$(24,926.70) of general fund balance (deficit) 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, 2014

	<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	\$ 21,225,626.00		\$ 21,225,626.00	\$ 21,225,626.00	
Tuition	14,000.00		14,000.00	119,195.10	\$ 105,195.10
Participation Fees				43,295.00	43,295.00
Colonial Conference Receipts				23,365.00	23,365.00
Miscellaneous	192,500.00		192,500.00	223,841.66	31,341.66
Total - Local Sources	21,432,126.00	\$ -	21,432,126.00	21,635,322.76	203,196.76
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	
Extraordinary Aid				131,195.00	131,195.00
Additional N.J. Nonpublic School Transportation Aid				7,437.00	7,437.00
Anti-Bullying Aid				1,902.00	1,902.00
On-Behalf T.P.A.F. Post Retirement Medical Contributions (non-budgeted)				878,381.00	878,381.00
On-Behalf T.P.A.F. Normal Contributions (non-budgeted)				535,721.00	535,721.00
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				982,703.43	982,703.43
Total - State Sources	8,353,533.00	-	8,353,533.00	10,890,872.43	2,537,339.43
Federal Sources:					
Medicaid Reimbursement	18,819.00		18,819.00	28,058.64	9,239.64
Total - Federal Sources	18,819.00	-	18,819.00	28,058.64	9,239.64
Total Revenues	29,804,478.00	-	29,804,478.00	32,554,253.83	2,749,775.83

(Continued)

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	\$ 186,544.00	\$ (26,106.00)	\$ 160,438.00	\$ 160,438.00	
Kindergarten	226,827.00	(9,020.00)	217,807.00	217,807.00	
Grades 1-5	3,040,407.00	(14,045.30)	3,026,361.70	3,026,361.70	
Grades 6-8	1,846,197.00	(10,069.57)	1,836,127.43	1,836,127.43	
Grades 9-12	3,526,045.00	(109,761.86)	3,416,283.14	3,413,251.56	\$ 3,031.58
Regular Programs - Home Instruction:					
Salaries of Teachers	25,000.00	1,753.87	26,753.87	26,753.87	
Purchased Professional - Educational Services	12,000.00	(1,754.07)	10,245.93	7,332.58	2,913.35
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	90,758.00	1,067.07	91,825.07	91,825.07	
Purchased Professional - Educational Services	34,610.00	(22,146.56)	12,463.44	12,463.44	
Other Purchase Services	140,050.00	8,234.57	148,284.57	148,284.57	
Travel	1,925.00	227.83	2,152.83	2,152.83	
General Supplies	510,457.74	201,732.35	712,190.09	600,469.54	111,720.55
Textbooks	143,901.00	(42,173.85)	101,727.15	101,727.15	
Other Objects	2,520.00	(2,075.00)	445.00	445.00	
Total Regular Programs	9,787,241.74	(24,136.52)	9,763,105.22	9,645,439.74	117,665.48
Special Education - Instruction:					
Learning and / or Language Disabilities:					
Salaries of Teachers	186,832.00	(4,000.00)	182,832.00	182,319.98	512.02
Other Salaries for Instruction	157,816.00	39,993.46	197,809.46	197,809.46	
General Supplies	9,000.00		9,000.00	5,881.88	3,118.12
Total Learning and / or Language Disabilities	353,648.00	35,993.46	389,641.46	386,011.32	3,630.14

(Continued)

TOWNSHIP OF HADDON SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Special Education - Instruction (Cont'd):					
Resource Room / Resource Center:					
Salaries of Teachers	\$ 1,323,824.00	\$ (61,582.46)	\$ 1,262,241.54	\$ 1,226,006.08	\$ 36,235.46
Other Salaries for Instruction	217,057.00		217,057.00	210,590.57	6,466.43
General Supplies	19,800.00		19,800.00	19,052.41	747.59
Total Resource Room / Resource Center	1,560,681.00	(61,582.46)	1,499,098.54	1,455,649.06	43,449.48
Preschool Disabilities - Part-Time:					
Salaries of Teachers	76,837.00	5,457.20	82,294.20	82,086.54	207.66
Other Salaries for Instruction	34,176.00	8,418.32	42,594.32	42,594.32	
General Supplies	2,400.00	(82.04)	2,317.96	433.78	1,884.18
Total Preschool Disabilities - Part-Time	113,413.00	13,793.48	127,206.48	125,114.64	2,091.84
Home Instruction:					
Salaries of Teachers	15,000.00	5,824.12	20,824.12	20,824.12	
Purchased Professional - Educational Services	5,079.75	(3,586.95)	1,492.80	1,492.80	
Total Home Instruction	20,079.75	2,237.17	22,316.92	22,316.92	-
Total Special Education - Instruction	2,047,821.75	(9,558.35)	2,038,263.40	1,989,091.94	49,171.46
Basic Skills / Remedial - Instruction:					
Salaries of Teachers	201,229.00	(73.00)	201,156.00	162,346.60	38,809.40
General Supplies	3,800.00	394.00	4,194.00	4,193.94	0.06
Total Basic Skills / Remedial - Instruction	205,029.00	321.00	205,350.00	166,540.54	38,809.46

(Continued)

TOWNSHIP OF HADDON SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2014

	<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	\$ 194,629.00	\$ (1,323.12)	\$ 193,305.88	\$ 149,902.00	\$ 43,403.88
Other Purchase Services	1,500.00	(321.00)	1,179.00		1,179.00
General Supplies	2,850.00	1,323.12	4,173.12	4,173.12	
Textbooks	1,000.00		1,000.00		1,000.00
Total Bilingual Education - Instruction	199,979.00	(321.00)	199,658.00	154,075.12	45,582.88
School Sponsored Co / Extra-Curricular Activities - Instruction:					
Salaries	104,551.00	2,885.43	107,436.43	107,340.71	95.72
Other Purchase Services		1,163.85	1,163.85	1,163.85	
Supplies and Materials	47,013.00	(6,800.27)	40,212.73	36,034.69	4,178.04
Other Objects	1,140.00		1,140.00	679.00	461.00
Total School Sponsored Cocurricular Activities - Instruction	152,704.00	(2,750.99)	149,953.01	145,218.25	4,734.76
School Sponsored Athletics - Instruction:					
Salaries	322,023.00	255.27	322,278.27	322,278.27	
Other Purchased Services	14,700.00	(4,905.40)	9,794.60	9,794.60	
Supplies and Materials	64,077.00	8,404.66	72,481.66	72,481.66	
Other Objects	86,166.00	5,046.46	91,212.46	91,212.46	
Total School Sponsored Athletics - Instruction	486,966.00	8,800.99	495,766.99	495,766.99	-
Summer School:					
Instruction:					
Salaries of Teachers	12,119.00	503.00	12,622.00	12,621.97	0.03
Salaries - Other Instruction	10,443.00	(503.00)	9,940.00	7,905.05	2,034.95
Other Purchased Services	2,000.00		2,000.00		2,000.00
Supplies and Materials	950.00		950.00	157.78	792.22
Support Services:					
Salaries	5,084.00		5,084.00	4,911.85	172.15
Total Summer School	30,596.00	-	30,596.00	25,596.65	4,999.35
Total Instruction	12,910,337.49	(27,644.87)	12,882,692.62	12,621,729.23	260,963.39

(Continued)

TOWNSHIP OF HADDON SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2014

	<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-Special	\$ 68,372.00	\$ (9,158.00)	\$ 59,214.00	\$ 21,235.00	\$ 37,979.00
Tuition to County Vocational - Regular	14,500.00	6,206.00	20,706.00	17,748.00	2,958.00
Tuition to CSSD and Regular Day Schools	380,965.00	291,465.67	672,430.67	620,020.55	52,410.12
Tuition to Private Schools for the Disabled - Within State	1,696,631.00	(450,952.22)	1,245,678.78	945,442.55	300,236.23
Tuition to Private Schools for the Disabled - Outside State	58,370.00	(15,150.00)	43,220.00	36,385.00	6,835.00
Tuition - State Facilities	62,730.00		62,730.00	62,730.00	
Tuition - Other	77,299.00		77,299.00	75,843.00	1,456.00
Total Undistributed Expenditures - Instruction	2,358,867.00	(177,588.55)	2,181,278.45	1,779,404.10	401,874.35
Undistributed Expenditures - Attendance and Social Work:					
Salaries	129,697.00	4,484.67	134,181.67	134,181.67	
Other Purchased Services	983.00	(283.95)	699.05	699.05	
Total Undistributed Expenditures - Attendance and Social Work	130,680.00	4,200.72	134,880.72	134,880.72	-
Undistributed Expenditures - Health Services:					
Salaries	334,742.00	4,537.04	339,279.04	339,279.04	
Other Purchased Services	19,300.00	(1,500.00)	17,800.00	17,800.00	
Supplies and Materials	11,300.00	(2,024.60)	9,275.40	9,275.40	
Other Objects		100.00	100.00	100.00	
Total Undistributed Expenditures - Health Services	365,342.00	1,112.44	366,454.44	366,454.44	-
Undistributed Expenditures - Other Support Services -					
Students - Related Services:					
Salaries	311,327.00	(4,322.00)	307,005.00	307,005.00	
Purchased Professional - Educational Services	360,175.00	110,397.33	470,572.33	457,623.58	12,948.75
Total Undistributed Expenditures - Other Support Services -					
Students - Related Services	671,502.00	106,075.33	777,577.33	764,628.58	12,948.75

(Continued)

TOWNSHIP OF HADDON SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2014

	<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	\$ 168,728.00	\$ (6,546.71)	\$ 162,181.29	\$ 147,777.50	\$ 14,403.79
Total Undistributed Expenditures - Extraordinary Service	168,728.00	(6,546.71)	162,181.29	147,777.50	14,403.79
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	407,414.00	(5,789.27)	401,624.73	401,624.73	
Salaries of Secretarial and Clerical Assistants	94,864.00	4,317.52	99,181.52	99,181.52	
Other Purchased Services	5,000.00	(2,715.30)	2,284.70	2,284.70	
Supplies and Materials	7,150.00	(3,017.36)	4,132.64	4,132.64	
Other Objects	8,000.00	(1,017.50)	6,982.50	6,982.50	
Total Undistributed Expenditures - Guidance	522,428.00	(8,221.91)	514,206.09	514,206.09	-
Undistributed Expenditures - Child Study Teams					
Salaries of Other Professional Staff	624,507.00	3,264.61	627,771.61	627,771.61	
Salaries of Secretarial and Clerical Assistants	94,864.00	(2,006.73)	92,857.27	92,857.27	
Purchased Professional- Educational Services	14,450.00	(7,145.39)	7,304.61	7,304.04	0.57
Residential Costs	8,559.00	469.00	9,028.00	9,028.00	
Miscellaneous Purchased Services (400-500 Series other than Residential Costs)	8,650.00	34.27	8,684.27	8,684.27	
Supplies and Materials	10,400.00	(4,582.09)	5,817.91	5,816.94	0.97
Total Undistributed Expenditures - Child Study Teams	761,430.00	(9,966.33)	751,463.67	751,462.13	1.54
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	164,000.00	115,208.39	279,208.39	279,208.39	
Salaries of Other Professional Staff	40,200.00	(7,718.78)	32,481.22	32,481.22	
Salaries of Secretarial and Clerical Assistants	31,860.00	(2,706.63)	29,153.37	29,153.35	0.02
Other Purchased Services	40,000.00	(40,000.00)			
Other Objects	2,050.00	19.00	2,069.00	2,069.00	
Total Undistributed Expenditures - Improvement of Instruction Services	278,110.00	64,801.98	342,911.98	342,911.96	0.02

(Continued)

TOWNSHIP OF HADDON SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2014

	<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	\$ 207,967.00	\$ 11,750.56	\$ 219,717.56	\$ 219,717.56	
Purchased Professional and Technical Services	26,450.00		26,450.00	26,450.00	
Other Purchased Services	52,630.00	65,476.04	118,106.04	118,069.74	\$ 36.30
Supplies and Materials	22,274.00	(8,869.97)	13,404.03	13,404.03	
Total Undistributed Expenditures - Educational Media Services / School Library	309,321.00	68,356.63	377,677.63	377,641.33	36.30
Undistributed Expenditures - Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	41,000.00	4,475.00	45,475.00	45,474.82	0.18
Salaries - Other Professional Staff	5,500.00	(3,993.30)	1,506.70	1,506.70	
Salaries of Secretarial and Clerical Assistants	7,965.00	897.38	8,862.38	8,862.38	
Purchased Professional- Educational Services	19,800.00	(16,766.77)	3,033.23		3,033.23
Other Purchased Services	29,600.00	(28,800.00)	800.00	800.00	
Travel		15,018.24	15,018.24	15,018.24	
Supplies and Materials	3,200.00	(807.29)	2,392.71	2,392.71	
Other Objects	2,000.00	(1,450.00)	550.00	550.00	
Total Undistributed Expenditures - Instructional Staff Training Services	109,065.00	(31,426.74)	77,638.26	74,604.85	3,033.41

(Continued)

TOWNSHIP OF HADDON SCHOOL DISTRICT

Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Support Services - General Administration:					
Salaries	\$ 211,495.00		\$ 211,495.00	\$ 211,245.00	\$ 250.00
Legal Services	125,000.00	\$ (16,147.40)	108,852.60	19,137.52	89,715.08
Audit Fees	36,000.00	900.00	36,900.00	36,900.00	
Architectural/Engineering Services	20,000.00	50,000.00	70,000.00	10,000.00	60,000.00
Other Purchased Professional Services	4,500.00	(4,460.00)	40.00		40.00
Communications/Telephone	70,000.00	18,331.19	88,331.19	62,531.75	25,799.44
BOE Other Purchased Services	1,000.00	1,408.44	2,408.44	2,408.44	
Other Purchased Services	114,500.00	(8,155.23)	106,344.77	99,639.67	6,705.10
General Supplies	5,000.00		5,000.00	3,818.88	1,181.12
BOE In-House Training and Meeting Supplies	2,000.00		2,000.00		2,000.00
Miscellaneous Expenditures	11,520.00	1,574.00	13,094.00	13,094.00	
BOE Membership Dues and Fees	16,000.00	1,075.00	17,075.00	15,446.95	1,628.05
Total Undistributed Expenditures - Support Services - General Administration	617,015.00	44,526.00	661,541.00	474,222.21	187,318.79
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals/Assistant Principals	967,366.00	(20,021.26)	947,344.74	947,344.74	
Salaries of Other Professional Staff	132,343.00	(3,616.74)	128,726.26	118,230.94	10,495.32
Salaries of Secretarial and Clerical Assistants	411,083.00		411,083.00	397,678.27	13,404.73
Other Purchased Services	36,350.00	(10,095.00)	26,255.00	20,827.55	5,427.45
Travel		60,095.00	60,095.00	150.00	59,945.00
Supplies and Materials	55,188.00		55,188.00	37,895.78	17,292.22
Other Objects	16,210.00		16,210.00	10,400.83	5,809.17
Total Undistributed Expenditures - Support Services - School Administration	1,618,540.00	26,362.00	1,644,902.00	1,532,528.11	112,373.89

(Continued)

TOWNSHIP OF HADDON SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2014

	<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- Central Services:					
Salaries	\$ 318,522.00		\$ 318,522.00	\$ 287,377.07	\$ 31,144.93
Purchased Technical Services	49,508.00	\$ (3,121.35)	46,386.65	36,264.50	10,122.15
Miscellaneous Purchased Services	16,900.00	(3,289.61)	13,610.39	9,143.09	4,467.30
Supplies and Materials	55,820.00	6,410.96	62,230.96	60,770.96	1,460.00
Miscellaneous Expenditures	5,600.00		5,600.00	2,976.57	2,623.43
Total Undistributed Expenditures- Support Services- Central Services	446,350.00	-	446,350.00	396,532.19	49,817.81
Undistributed Expenditures- Support Services- Administration					
Information Technology:					
Salaries	103,763.00		103,763.00	79,838.76	23,924.24
Purchased Technical Services	17,042.17		17,042.17	12,123.51	4,918.66
Other Purchased Services	2,500.00	(500.00)	2,000.00		2,000.00
Travel		500.00	500.00		500.00
Total Undistributed Expenditures- Support Services- Administration	123,305.17	-	123,305.17	91,962.27	31,342.90
Undistributed Expenditures - Required Maintenance for					
School Facilities:					
Salaries	243,360.00	(4,102.52)	239,257.48	228,161.08	11,096.40
Cleaning, Repair and Maintenance Services	226,200.00	(29,675.72)	196,524.28	151,552.56	44,971.72
General Supplies	124,172.73	16,666.72	140,839.45	103,288.58	37,550.87
Other Objects	1,200.00	12,109.00	13,309.00	13,309.00	
Total Undistributed Expenditures -	594,932.73	(5,002.52)	589,930.21	496,311.22	93,618.99
Required Maintenance for School Facilities					

(Continued)

TOWNSHIP OF HADDON SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2014

	<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	\$ 1,000,012.00	\$ (61,333.53)	\$ 938,678.47	\$ 922,752.90	\$ 15,925.57
Salaries of Non-Instructional Aides	136,505.00	(100,949.37)	35,555.63		35,555.63
Cleaning, Repair, and Maintenance Service	63,440.00	(940.04)	62,499.96	26,486.36	36,013.60
Other Purchased Property Services	72,000.00		72,000.00	57,748.44	14,251.56
Insurance	68,000.00	(1,018.00)	66,982.00	66,982.00	
Miscellaneous Purchased Services	24,200.00	4,585.04	28,785.04	28,785.04	
General Supplies	99,314.40	(2,627.00)	96,687.40	89,763.04	6,924.36
Energy (Electricity)	400,000.00	(32,204.64)	367,795.36	367,795.36	
Energy (Natural Gas)	250,000.00	(39,034.32)	210,965.68	183,208.92	27,756.76
Other Objects	4,000.00		4,000.00	1,914.98	2,085.02
Total Undistributed Expenditures - Custodial Services	2,117,471.40	(233,521.86)	1,883,949.54	1,745,437.04	138,512.50
Undistributed Expenditures - Care & Upkeep of Grounds:					
Salaries	175,424.00	1,536.10	176,960.10	176,060.32	899.78
Cleaning, Repair, and Maintenance Service	29,405.00	(5,051.12)	24,353.88	18,485.57	5,868.31
General Supplies	60,280.00	10,000.00	70,280.00	70,008.04	271.96
	265,109.00	6,484.98	271,593.98	264,553.93	7,040.05
Undistributed Expenditures - Security:					
Salaries	50,535.00	215,589.55	266,124.55	266,124.55	-

(Continued)

TOWNSHIP OF HADDON SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Student Transportation Services:					
Salaries of Non-Instructional Aides	\$ 90,720.00	\$ (90,720.00)			
Salaries for Pupil Transportation (Between Home & School) - Regular	204,481.00	(5,148.28)	\$ 199,332.72	\$ 199,332.72	
Salaries for Pupil Transportation (Between Home & School) - Special	126,937.00	148,713.13	275,650.13	275,650.13	
Salaries for Pupil Transportation- Other than Between Home & School	47,000.00	(19,440.69)	27,559.31	27,360.72	\$ 198.59
Cleaning, Repair, and Maintenance Service	9,000.00	(9,000.00)			
Contracted Services (Special Educ. Students) - Joint Agreements	5,000.00	(5,000.00)			
Contracted Services - (Special Education Students) -ESCs & CTSA's	180,471.00	68,575.57	249,046.57	249,046.57	
Contracted Services - Aid In Lieu of Payments - Nonpublic Schools	39,780.00	8,642.42	48,422.42	48,422.42	
Miscellaneous Purchased Services-Transportation	28,000.00	11,297.72	39,297.72	39,297.72	
Supplies and Materials	1,500.00	(1,500.00)	-		
Transportation Supplies	67,225.00	54,934.67	122,159.67	122,159.67	
Other Objects	2,585.00	(2,585.00)			
Total Undistributed Expenditures - Student Transportation Services	802,699.00	158,769.54	961,468.54	961,269.95	198.59
Undistributed Expenditures - Unallocated Benefits - Employee Benefits:					
Social Security Contributions - Other	308,209.00	104,084.79	412,293.79	412,293.79	
Other Retirement Contributions - PERS	367,068.00	(3,212.75)	363,855.25	338,521.56	25,333.69
Unemployment Compensation	27,000.00	(12,642.25)	14,357.75		14,357.75
Workers Compensation	167,892.00		167,892.00	158,734.00	9,158.00
Health Benefits	4,472,584.00	(255,959.47)	4,216,624.53	4,115,938.99	100,685.54
Tuition Reimbursements	50,000.00		50,000.00	38,785.50	11,214.50
Other Employee Benefits	377,259.00		377,259.00	335,132.63	42,126.37
Total Undistributed Expenditures - Unallocated Benefits - Employee Benefits	5,770,012.00	(167,729.68)	5,602,282.32	5,399,406.47	202,875.85

(Continued)

TOWNSHIP OF HADDON SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2014

	<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):					
On-Behalf T.P.A.F. Post Retirement Medical Contributions (non-budgeted)				\$ 878,381.00	\$ (878,381.00)
On-Behalf T.P.A.F. Normal Contributions (non-budgeted)				535,721.00	(535,721.00)
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				982,703.43	(982,703.43)
Total On-behalf Contributions	\$ -	\$ -	\$ -	2,396,805.43	(2,396,805.43)
Total Undistributed Expenditures	18,081,442.30	56,274.87	18,137,717.17	19,279,125.07	(605,686.90)
Total Current Expense	30,991,779.79	28,630.00	31,020,409.79	31,900,854.30	(344,723.51)
Capital Outlay:					
Equipment:					
School-Sponsored and Other Instructional Program	22,000.00		22,000.00		22,000.00
Undistributed Expenditures:					
Required Maintenance for School Facilities - Equipment	257,783.00		257,783.00	106,482.14	151,300.86
Care and Upkeep of Grounds	23,000.00		23,000.00	21,877.68	1,122.32
Student Transportation:					
School Buses - Regular	80,000.00		80,000.00	78,190.00	1,810.00
Total Equipment	382,783.00	-	382,783.00	206,549.82	176,233.18
Facilities Acquisition and Construction Services:					
Other Purchased Professional and Technical Services	300,000.00	19,992.00	319,992.00	319,992.00	
Construction Services	100,500.00	(19,992.00)	80,508.00	47,157.35	33,350.65
Assessment for Debt Service on SDA Funding	82,803.00	(28,630.00)	54,173.00	53,700.00	473.00
	483,303.00	(28,630.00)	454,673.00	420,849.35	33,823.65
Total Capital Outlay	866,086.00	(28,630.00)	837,456.00	627,399.17	210,056.83
Transfer of Funds to Charter Schools	10,282.00	-	10,282.00	8,367.00	1,915.00
Total Expenditures	31,868,147.79	-	31,868,147.79	32,536,620.47	(132,751.68)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,063,669.79)	-	(2,063,669.79)	17,633.36	2,882,527.51

(Continued)

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Fund Balances, July 1	\$ 5,909,056.74	\$ -	\$ 5,909,056.74	\$ 5,909,056.74	\$ -
Fund Balances, June 30	\$ 3,845,386.95	\$ -	\$ 3,845,386.95	\$ 5,926,690.10	\$ 2,882,527.51
RECAPITULATION:					
Restricted Fund Balance:					
Capital Reserve			\$ 1,105,876.16		
Maintenance Reserve			25,138.12		
Current Expense Emergency Reserve			125,690.60		
Excess Surplus (2013-14)			<u>1,652,429.00</u>		
				\$ 2,909,133.88	
Assigned Fund Balance:					
Year-End Encumbrances				167,989.92	
Designated for Subsequent Year's Expenditures				2,108,138.00	
Unassigned Fund Balance				<u>741,428.30</u>	
				5,926,690.10	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP Basis				<u>(766,355.00)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 5,160,335.10</u>	

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
State Sources:					
Nonpublic Aid	\$ 435,405.00	\$ 2,814.00	\$ 438,219.00	\$ 385,729.00	\$ (52,490.00)
Total - State Sources	435,405.00	2,814.00	438,219.00	385,729.00	(52,490.00)
Federal Sources:					
No Child Left Behind					
Title I	127,613.00	41,735.00	169,348.00	163,391.80	(5,956.20)
Title IIA	36,488.00	19,771.00	56,259.00	11,730.00	(44,529.00)
Title III				4,113.00	4,113.00
Title III-Immigrant	20,174.00	(11,600.00)	8,574.00	7,986.76	(587.24)
Race to the Top		7,800.00	7,800.00	7,800.00	
I.D.E.A., Part B	516,524.00	124,012.00	640,536.00	561,349.10	(79,186.90)
I.D.E.A., Part B, Preschool Incentive		15,566.00	15,566.00	15,566.00	
Total - Federal Sources	700,799.00	197,284.00	898,083.00	771,936.66	(126,146.34)
Total Revenues	1,136,204.00	200,098.00	1,336,302.00	1,157,665.66	(178,636.34)

(Continued)

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 266,489.00	\$ (158,483.00)	\$ 108,006.00	\$ 109,043.32	\$ (1,037.32)
Salaries - Other Instruction		4,414.05	4,414.05	4,414.05	
Purchased Professional - Technical Services		134,239.00	134,239.00	58,950.00	75,289.00
Other Purchased Services (400-500 series)	516,524.00	(10,498.00)	506,026.00	499,716.00	6,310.00
General Supplies	21,860.00	58,926.95	80,786.95	75,732.79	5,054.16
Textbooks	59,234.00	(490.00)	58,744.00	56,403.90	2,340.10
Other Objects		258.00	258.00		258.00
Total Instruction	864,107.00	28,367.00	892,474.00	804,260.06	88,213.94
Support Services:					
Salaries		51,278.00	51,278.00	52,215.38	(937.38)
Personal Services - Employee Benefits		45,463.14	45,463.14	45,038.71	424.43
Purchased Professional - Technical Services		50,587.00	50,587.00	13,900.00	36,687.00
Other Purchased Services (400-500 series)		12,248.00	12,248.00	10,343.00	1,905.00
Supplies and Materials		10,943.86	10,943.86	5,205.32	5,738.54
Other Objects	272,097.00	1,211.00	273,308.00	226,703.19	46,604.81
Total Support Services	272,097.00	171,731.00	443,828.00	353,405.60	90,422.40
Total Expenditures	1,136,204.00	200,098.00	1,336,302.00	1,157,665.66	178,636.34
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, 2014

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	\$ 32,554,253.83	\$ 1,157,665.66
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	764,644.00	
State aid payment is recognized as revenue for budgetary purposes, not recognized for GAAP statements until subsequent year	(766,355.00)	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 32,552,542.83</u>	<u>\$ 1,157,665.66</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 32,536,620.47	\$ 1,157,665.66
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)	<u>\$ 32,536,620.47</u>	<u>\$ 1,157,665.66</u>

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

TOWNSHIP OF HADDON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2014

	No Child Left Behind				Race to the Top	Total Carried Forward
	<u>Title I</u>	<u>Title IIA</u>	<u>Title III</u>	<u>Title III- Immigrant</u>		
REVENUES:						
Federal Sources	\$ 163,391.80	\$ 11,730.00	\$ 4,113.00	\$ 7,986.76	\$ 7,800.00	\$ 195,021.56
State Sources						
Total Revenues	163,391.80	11,730.00	4,113.00	7,986.76	7,800.00	195,021.56
EXPENDITURES:						
Instruction:						
Salaries of Teachers	89,597.04			2,121.28		91,718.32
Salaries - Other Instruction				4,414.05		4,414.05
Purchased Professional - Technical Services						
Other Purchased Services (400-500 series)						
General Supplies	54,183.24			257.60		54,440.84
Textbooks						
Total Instruction	143,780.28		-	6,792.93	-	150,573.21
Support Services:						
Salaries				693.88		693.88
Personal Services - Employee Benefits	19,611.52			499.95		20,111.47
Purchased Professional - Technical Services		6,100.00			7,800.00	13,900.00
Other Purchased Services (400-500 series)		5,630.00	4,113.00			9,743.00
Supplies and Materials						
Other Objects						
Total Support Services	19,611.52	11,730.00	4,113.00	1,193.83	7,800.00	44,448.35
Total Expenditures	163,391.80	11,730.00	4,113.00	7,986.76	7,800.00	195,021.56
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, 2014

	Total Brought Forward	I.D.E.A. Part B		Nonpublic Textbook Aid, Ch. 194, L. 1979	Nonpublic Nursing Aid	Nonpublic Technology Aid	Total Carried Forward
		Basic	Preschool Incentive				
REVENUES:							
Federal Sources	\$ 195,021.56	\$ 561,349.10	\$ 15,566.00				\$ 771,936.66
State Sources				\$ 56,403.90	\$ 81,329.96	\$ 21,291.95	159,025.81
Total Revenues	195,021.56	561,349.10	15,566.00	56,403.90	81,329.96	21,291.95	930,962.47
EXPENDITURES:							
Instruction:							
Salaries of Teachers	91,718.32	17,325.00					109,043.32
Salaries - Other Instruction	4,414.05						4,414.05
Purchased Professional - Technical Services		58,950.00					58,950.00
Other Purchased Services (400-500 series)		484,150.00	15,566.00				499,716.00
General Supplies	54,440.84					21,291.95	75,732.79
Textbooks				56,403.90			56,403.90
Total Instruction	150,573.21	560,425.00	15,566.00	56,403.90	-	21,291.95	804,260.06
Support Services:							
Salaries	693.88				51,521.50		52,215.38
Personal Services - Employee Benefits	20,111.47	924.10			24,003.14		45,038.71
Purchased Professional - Technical Services	13,900.00						13,900.00
Other Purchased Services (400-500 series)	9,743.00				600.00		10,343.00
Supplies and Materials					5,205.32		5,205.32
Other Objects							
Total Support Services	44,448.35	924.10	-	-	81,329.96	-	126,702.41
Total Expenditures	195,021.56	561,349.10	15,566.00	56,403.90	81,329.96	21,291.95	930,962.47
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, 2014

		N.J. Nonpublic Auxiliary Services Ch. 192			N.J. Nonpublic Handicapped Services Ch. 193			
	<u>Total Brought Forward</u>	<u>Compensatory Education</u>	<u>English as a Second Language</u>	<u>Home Instruction</u>	<u>Supplemental Instruction</u>	<u>Examination and Classification</u>	<u>Corrective Speech</u>	<u>Total</u>
REVENUES:								
Federal Sources	\$ 771,936.66							\$ 771,936.66
State Sources	159,025.81	\$ 133,878.40		\$ 8,685.99	\$ 34,898.14	\$ 46,350.22	\$ 2,890.44	385,729.00
Total Revenues	930,962.47	133,878.40	\$ -	8,685.99	34,898.14	46,350.22	2,890.44	1,157,665.66
EXPENDITURES:								
Instruction:								
Salaries of Teachers	109,043.32							109,043.32
Salaries - Other Instruction	4,414.05							4,414.05
Purchased Professional - Technical Services	58,950.00							58,950.00
Other Purchased Services (400-500 series)	499,716.00							499,716.00
General Supplies	75,732.79							75,732.79
Textbooks	56,403.90							56,403.90
Total Instruction	804,260.06	-	-	-	-	-	-	804,260.06
Support Services:								
Salaries	52,215.38							52,215.38
Personal Services - Employee Benefits	45,038.71							45,038.71
Purchased Professional - Technical Services	13,900.00							13,900.00
Other Purchased Services (400-500 series)	10,343.00							10,343.00
Supplies and Materials	5,205.32							5,205.32
Other Objects		133,878.40		8,685.99	34,898.14	46,350.22	2,890.44	226,703.19
Total Support Services	126,702.41	133,878.40	-	8,685.99	34,898.14	46,350.22	2,890.44	353,405.60
Total Expenditures	930,962.47	133,878.40	-	8,685.99	34,898.14	46,350.22	2,890.44	1,157,665.66
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

PROPRIETARY FUNDS

TOWNSHIP OF HADDON SCHOOL DISTRICT
Enterprise Fund
Combining Statement of Net Position
June 30, 2014

	<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		\$ 178,359.70	\$ 16,959.63	\$ 69,912.10	\$ 94,135.82	\$ 359,367.25
Accounts Receivable:						
State	\$ 442.70					442.70
Federal	7,243.76					7,243.76
Other	21,691.78	338.72			728.20	22,758.70
Inventories	4,494.05					4,494.05
Total Current Assets	33,872.29	178,698.42	16,959.63	69,912.10	94,864.02	394,306.46
Noncurrent Assets:						
Furniture, Machinery and Equipment	213,015.94					213,015.94
Less Accumulated Depreciation	168,424.69					168,424.69
Total Noncurrent Assets	44,591.25	-	-	-	-	44,591.25
Total Assets	78,463.54	178,698.42	16,959.63	69,912.10	94,864.02	438,897.71
LIABILITIES:						
Current Liabilities:						
Cash Deficit	187,010.67					187,010.67
Accounts Payable	311.60					311.60
Unearned Revenue				74,107.50		74,107.50
Total Current Liabilities	187,322.27	-	-	74,107.50	-	261,429.77
Total Liabilities	187,322.27	-	-	74,107.50	-	261,429.77
NET POSITION:						
Net Investment in Capital Assets	44,591.25					44,591.25
Unrestricted	(153,449.98)	178,698.42	16,959.63	(4,195.40)	94,864.02	132,876.69
Total Net Position	\$ (108,858.73)	\$ 178,698.42	\$ 16,959.63	\$ (4,195.40)	\$ 94,864.02	\$ 177,467.94

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, 2014

	<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	\$ 128,115.32					\$ 128,115.32
Daily Sales - Non-Reimbursable Programs	129,294.08					129,294.08
Community Service Activities		\$ 187,110.53	\$ 40,375.50	\$ 81,987.90	\$ 114,153.33	423,627.26
Total Operating Revenues	257,409.40	187,110.53	40,375.50	81,987.90	114,153.33	681,036.66
OPERATING EXPENSES:						
Salaries	165,272.72	132,906.69	22,484.14	78,562.04	46,996.62	446,222.21
Employee Benefits	70,760.54	5,550.05	1,717.85	5,940.22	3,595.22	87,563.88
Food Service Management Fee	39,713.28					39,713.28
Other Purchased Services		82.49	12,350.90			12,433.39
General Supplies	30,259.58	16,817.43	225.62	3,230.88	4,541.68	55,075.19
Depreciation	5,205.37					5,205.37
Miscellaneous				7,391.10		7,391.10
Cost of Sales	195,857.51					195,857.51
Total Operating Expenses	507,069.00	155,356.66	36,778.51	95,124.24	55,133.52	849,461.93
Operating Income / (Loss)	(249,659.60)	31,753.87	3,596.99	(13,136.34)	59,019.81	(168,425.27)
NONOPERATING REVENUES (EXPENSES):						
State Sources:						
State School Lunch Program	3,903.06					3,903.06
Federal Sources:						
National School Lunch Program	110,751.95					110,751.95
National Breakfast Program	2,422.53					2,422.53
Food Distribution Program	29,073.11					29,073.11
Food Service Company Guarantee	15,713.00					15,713.00
Total Nonoperating Revenues (Expenses)	161,863.65	-	-	-	-	161,863.65
Change in Net Position	(87,795.95)	31,753.87	3,596.99	(13,136.34)	59,019.81	(6,561.62)
Net Position -- July 1	(21,062.78)	146,944.55	13,362.64	8,940.94	35,844.21	184,029.56
Net Position -- June 30	\$ (108,858.73)	\$ 178,698.42	\$ 16,959.63	\$ (4,195.40)	\$ 94,864.02	\$ 177,467.94

TOWNSHIP OF HADDON SCHOOL DISTRICT

Enterprise Fund
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2014

	<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	\$ 251,430.62	\$ 188,012.44	\$ 40,375.50	\$ 81,987.90	\$ 113,425.13	\$ 675,231.59
Receipts from Food Management Company	43,897.43					43,897.43
Payments to Employees	(165,037.85)	(132,989.18)	(22,484.14)	(78,562.04)	(46,996.62)	(446,069.83)
Payments for Employee Benefits	(70,683.81)	(5,550.05)	(1,717.85)	(5,940.22)	(3,595.22)	(87,487.15)
Payments to Food Management Company	(39,713.28)					(39,713.28)
Payments to Vendors	(198,636.59)	(17,147.43)	(12,576.52)	(10,621.98)	(4,651.68)	(243,634.20)
Net Cash Provided by (used for) Operating Activities	(178,743.48)	32,325.78	3,596.99	(13,136.34)	\$ 58,181.61	(97,775.44)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Capital Acquisitions	(3,140.00)	-	-	-	-	(3,140.00)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:						
State Sources	3,960.42					3,960.42
Federal Sources	115,675.90					115,675.90
Net Cash Provided by (used for) Non-Capital Financing Activities	119,636.32	-	-	-	-	119,636.32
Net Increase (Decrease) in Cash and Cash Equivalents	(62,247.16)	32,325.78	3,596.99	(13,136.34)	58,181.61	21,860.88
Cash and Cash Equivalents -- July 1	(124,763.51)	146,033.92	13,362.64	83,048.44	35,954.21	153,635.70
Cash and Equivalents (Deficit) -- June 30	\$ (187,010.67)	\$ 178,359.70	\$ 16,959.63	\$ 69,912.10	\$ 94,135.82	\$ 175,496.58
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating Income (Loss)	\$ (249,659.60)	\$ 31,753.87	\$ 3,596.99	\$ (13,136.34)	\$ 59,019.81	\$ (168,425.27)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:						
Depreciation and Net Amortization	5,205.37					5,205.37
Food Service Company Guarantee	15,713.00					15,713.00
Federal Commodities	29,073.11					29,073.11
(Increase) Decrease in Accounts Receivable-Other, net	22,205.65	901.91			(728.20)	22,379.36
(Increase) Decrease in Inventories	(1,592.61)					(1,592.61)
Increase (Decrease) in Accounts Payable	311.60	(330.00)			(110.00)	(128.40)
Total Adjustments	70,916.12	571.91	-	-	(838.20)	70,649.83
Net Cash Provided by (used for) Operating Activities	\$ (178,743.48)	\$ 32,325.78	\$ 3,596.99	\$ (13,136.34)	\$ 58,181.61	\$ (97,775.44)

FIDUCIARY FUNDS

TOWNSHIP OF HADDON SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Fiduciary Net Position
June 30, 2014

	<u>Trust Funds</u>	<u>Agency Funds</u>		
	Unemployment Compensation <u>Trust</u>	Student <u>Activity</u>	<u>Payroll</u>	<u>Total</u>
ASSETS:				
Cash and Cash Equivalents	\$ 518,231.73	\$ 192,012.08	\$ 152,404.52	\$ 862,648.33
Receivable from District (General Fund)		870.00		870.00
	518,231.73	192,882.08	152,404.52	863,518.33
LIABILITIES:				
Payable to District (General Fund)			10,288.20	10,288.20
Payable to Student Groups		192,882.08		192,882.08
Payroll Deductions and Withholdings			142,116.32	142,116.32
Total Liabilities	-	\$ 192,882.08	\$ 152,404.52	345,286.60
NET POSITON:				
Held in Trust for Unemployment Claims and Other Purposes	518,231.73			518,231.73
Total Net Position	\$ 518,231.73			\$ 518,231.73

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Fiduciary Funds
 Statement of Changes in Fiduciary Net Position
 For the Fiscal Year Ended June 30, 2014

	Unemployment Compensation <u>Trust</u>
ADDITIONS:	
Contributions:	
Plan Member	\$ 43,384.31
Investment Earnings:	
Interest	<u>2,247.04</u>
Total Additions	45,631.35
DEDUCTIONS:	
Unemployment Claims	<u>22,565.14</u>
Change in Net Position	23,066.21
Net Position -- July 1	<u>495,165.52</u>
Net Position -- June 30	<u><u>\$ 518,231.73</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, 2014

	<u>Balance</u> <u>June 30, 2013</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2014</u>
ELEMENTARY SCHOOLS:				
Edison School	\$ 3,283.24	\$ 1,678.20	\$ 2,684.25	\$ 2,277.19
Jennings School	961.86	689.52	722.45	928.93
Stoy School	1,603.93	1,169.28	1,034.37	1,738.84
Strawbridge School	7,322.82	1,488.27	972.79	7,838.30
Van Sciver School	6,107.53	2,146.74	1,900.09	6,354.18
Total Elementary Schools	19,279.38	7,172.01	7,313.95	19,137.44
SENIOR HIGH SCHOOLS:				
Haddon Township	152,495.62	375,469.72	354,688.61	173,276.73
COMMUNITY ACTIVITIES:				
Community Activity	200.50			200.50
Peace Night	265.45	1.96		267.41
	465.95	1.96	-	467.91
Total Student Activity	<u>\$ 172,240.95</u>	<u>\$ 382,643.69</u>	<u>\$ 362,002.56</u>	<u>\$ 192,882.08</u>

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Fiduciary Funds
 Payroll Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2014

	<u>Balance</u> <u>June 30, 2013</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2014</u>
ASSETS:				
Cash and Cash Equivalents	\$ 21,059.24	\$ 20,235,068.64	\$ 20,103,723.36	\$ 152,404.52
Total Assets	<u>\$ 21,059.24</u>	<u>\$ 20,235,068.64</u>	<u>\$ 20,103,723.36</u>	<u>\$ 152,404.52</u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 11,652.87	\$ 20,234,186.81	\$ 20,103,723.36	\$ 142,116.32
Due General Fund	9,406.37	881.83		10,288.20
Total Liabilities	<u>\$ 21,059.24</u>	<u>\$ 20,235,068.64</u>	<u>\$ 20,103,723.36</u>	<u>\$ 152,404.52</u>

LONG-TERM DEBT

TOWNSHIP OF HADDON SCHOOL DISTRICT
Schedule of Serial Bonds
For the Fiscal Year Ended June 30, 2014

<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, 2013</u>	<u>Issued</u>	<u>Paid</u>	<u>Balance June 30, 2014</u>
			<u>Date</u>	<u>Amount</u>					
School District	8-24-05	\$ 9,995,000.00	4-15-15	\$ 730,000.00	3.897%				
			4-15-16	760,000.00	4.000%				
			4-15-17	795,000.00	3.750%				
			4-15-18	820,000.00	3.750%				
			4-15-19	855,000.00	4.250%				
			4-15-20	885,000.00	4.250%				
			4-15-21	930,000.00	4.000%				
			4-15-22	955,000.00	4.000%				
						\$ 7,435,000.00	\$ -	\$ 705,000.00	\$ 6,730,000.00

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Debt Service Fund
 For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,001,838.00	\$ -	\$ 1,001,838.00	\$ 1,001,838.00	\$ -
EXPENDITURES:					
Regular Debt Service:					
Interest	296,838.00		296,838.00	296,837.50	0.50
Redemption of Principal	705,000.00		705,000.00	705,000.00	
Total Regular Debt Service	1,001,838.00	-	1,001,838.00	1,001,837.50	0.50
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	0.50	0.50
Fund Balance, July 1	0.93	-	0.93	0.93	-
Fund Balance, June 30	\$ 0.93	\$ -	\$ 0.93	\$ 1.43	\$ 0.50
<u>Recapitulation</u>					
Restricted Fund Balance				<u>\$ 1.43</u>	

STATISTICAL SECTION

Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance. Note that the Exhibits are presented for the last ten fiscal years.

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>2014</u>	<u>2013*</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Governmental Activities:										
Net Investment in Capital Assets	\$ 13,649,120	\$ 13,472,565	\$ 13,421,492	\$ 13,276,372	\$ 13,236,925	\$ 13,238,101	\$ 13,258,256	\$ 13,290,313	\$ 13,286,306	\$ 13,312,548
Restricted	2,909,136	3,163,177	3,289,645	1,238,648	150,415	1,248,803	1,594,341	1,522,539	927,322	514,482
Unrestricted (Deficit)	<u>1,420,076</u>	<u>1,308,626</u>	<u>(242,668)</u>	<u>6,862</u>	<u>(473,454)</u>	<u>(492,571)</u>	<u>(263,517)</u>	<u>2,666</u>	<u>(84,844)</u>	<u>220,168</u>
Total Governmental Activities Net Position/Net Assets	<u>\$ 17,978,332</u>	<u>\$ 17,944,367</u>	<u>\$ 16,468,469</u>	<u>\$ 14,521,882</u>	<u>\$ 12,913,886</u>	<u>\$ 13,994,332</u>	<u>\$ 14,589,080</u>	<u>\$ 14,815,517</u>	<u>\$ 14,128,784</u>	<u>\$ 14,047,198</u>
Business-type Activities:										
Net Investment in Capital Assets	\$ 44,591	\$ 46,657	\$ 47,283	\$ 53,580	\$ 44,957	\$ 50,992	\$ 57,150	\$ 63,308	\$ 64,384	\$ 75,628
Unrestricted	<u>132,877</u>	<u>137,373</u>	<u>152,886</u>	<u>191,791</u>	<u>187,216</u>	<u>200,447</u>	<u>141,556</u>	<u>58,133</u>	<u>53,660</u>	<u>43,245</u>
Total Business-type Activities Net Position/Net Assets	<u>\$ 177,468</u>	<u>\$ 184,030</u>	<u>\$ 200,169</u>	<u>\$ 245,371</u>	<u>\$ 232,174</u>	<u>\$ 251,439</u>	<u>\$ 198,706</u>	<u>\$ 121,441</u>	<u>\$ 118,044</u>	<u>\$ 118,873</u>
District-wide:										
Net Investment in Capital Assets	\$ 13,693,711	\$ 13,519,221	\$ 13,468,775	\$ 13,329,952	\$ 13,281,882	\$ 13,289,093	\$ 13,315,406	\$ 13,353,621	\$ 13,350,690	\$ 13,388,176
Restricted	2,909,136	3,163,177	3,289,645	1,238,648	150,415	1,248,803	1,594,341	1,522,539	927,322	514,482
Unrestricted	<u>1,552,953</u>	<u>1,445,998</u>	<u>(89,782)</u>	<u>198,653</u>	<u>(286,238)</u>	<u>(292,125)</u>	<u>(121,962)</u>	<u>60,799</u>	<u>(31,184)</u>	<u>263,413</u>
Total District-wide Net Position/Net Assets	<u>\$ 18,155,800</u>	<u>\$ 18,128,396</u>	<u>\$ 16,668,638</u>	<u>\$ 14,767,253</u>	<u>\$ 13,146,060</u>	<u>\$ 14,245,771</u>	<u>\$ 14,787,785</u>	<u>\$ 14,936,958</u>	<u>\$ 14,246,828</u>	<u>\$ 14,166,071</u>

* District implemented GASB 63

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>2014</u>	<u>2013 *</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 10,495,802	\$ 10,151,839	\$ 10,227,029	\$ 9,986,478	\$ 11,105,807	\$ 10,673,361	\$ 10,229,020	\$ 10,043,424	\$ 9,656,973	\$ 9,552,282
Special Education	1,989,092	1,903,544	1,765,179	1,584,967	1,672,145	1,590,708	1,397,476	1,290,823	1,226,084	1,214,998
Other Special Education	320,616	317,574	189,804	175,242	362,412	352,149	277,584	195,614	267,172	226,158
Other Instruction	666,582	600,140	590,472	552,275	733,355	701,887	678,301	616,388	640,396	580,457
Community Service Programs					128,108	122,709	112,046	153,709	152,745	174,659
Support Services:										
Tuition	1,779,404	1,598,455	1,517,731	1,586,004	2,316,315	1,879,906	1,891,274	1,659,079	1,634,090	1,326,679
Student and Instruction Related Services	3,731,409	3,420,105	3,144,491	3,194,898	3,370,838	3,279,634	3,116,040	2,528,267	2,437,327	2,228,656
School Administrative Services	2,074,540	2,165,879	2,045,957	1,920,988	2,166,351	2,073,442	2,078,088	1,958,601	1,861,708	1,844,645
General and Business Administrative Services	474,222	659,546	538,098	488,545	482,896	490,724	499,635	459,082	458,927	493,060
Plant Operations and Maintenance	3,182,604	2,946,659	2,883,911	2,971,026	3,294,675	3,153,172	3,178,751	3,504,518	3,147,831	2,967,617
Pupil Transportation	1,025,607	845,186	809,549	799,698	801,929	778,599	791,294	716,773	710,348	656,482
Unallocated Benefits	8,005,691	7,747,276	7,513,136	7,299,838	7,185,158	6,477,462	7,401,411	6,178,294	6,198,426	5,510,624
Special Schools			20,078	22,784	57,719	55,160	48,010	36,487	56,229	101,154
Charter Schools	8,367	5,554		24,519	14,672					
Capital Outlay	481,101	53,700	44,129	63,742	6,963	193,581	268,696	282,395	79,039	386,009
Interest on Long-term Debt	312,504	340,890	367,002	395,186	419,196	443,945	471,121	497,255	380,568	604,157
Amortization of Bond Issuance Costs			16,881	17,441	17,441	127,704	19,080	127,645	16,267	4,626
Unallocated Depreciation	130,542	130,541	132,122	131,393	112,017	19,080	127,704	19,080	150,478	121,227
Total Governmental Activities Expenses	34,678,081	32,886,888	31,805,569	31,215,022	34,247,996	32,413,222	32,585,529	30,267,434	29,074,607	27,993,490
Business-type Activities:										
Food Service	507,069	570,726	693,412	668,801	720,021	738,855	693,636	667,237	655,187	661,007
Other	342,393	316,120	257,024	259,755	277,014	259,094	181,870	183,589	146,954	114,895
Total Business-type Activities Expense	849,462	886,846	950,436	928,556	997,034	997,949	875,506	850,827	802,141	775,902
Total District Expenses	\$ 35,527,543	\$ 33,773,734	\$ 32,756,005	\$ 32,143,578	\$ 35,245,030	\$ 33,411,171	\$ 33,461,035	\$ 31,118,260	\$ 29,876,748	\$ 28,769,392

(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>2014</u>	<u>2013 *</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Instruction: Tuition	\$ 119,195	\$ 145,314	\$ 124,912	\$ 151,567	\$ 89,550	\$ 28,703	\$ 72,719	\$ 54,350	\$ 25,750	\$ 20,077
Operating Grants and Contributions	3,554,471	3,909,851	3,557,041	3,333,773	3,624,232	3,146,259	4,178,698	3,221,425	3,288,020	2,977,195
Capital Grants and Contributions										55,254
Total Governmental Activities Program Revenues	<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>	<u>3,313,770</u>	<u>3,052,526</u>
Business-type activities:										
Charges for services										
Food Service	257,409	256,920	271,629	274,682	336,691	362,543	380,197	371,749	395,538	416,507
Other	423,627	383,168	258,079	278,110	273,812	282,588	215,823	173,100	152,372	128,833
Operating Grants and Contributions	<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>	<u>102,903</u>	<u>99,701</u>
Total Business-type Activities Program Revenues	<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>	<u>650,812</u>	<u>645,041</u>
Total District Program Revenues	<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>	<u>\$ 3,964,582</u>	<u>\$ 3,697,567</u>
Net (Expense)/Revenue:										
Governmental Activities	\$ (31,004,415)	\$ (28,831,723)	\$ (28,123,617)	\$ (27,729,682)	\$ (30,534,214)	\$ (29,238,260)	\$ (28,334,112)	\$ (26,991,658)	\$ (25,760,838)	\$ (24,940,964)
Business-type Activities	<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>	<u>(151,329)</u>	<u>(130,861)</u>
Total District-wide Net Expense	<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>	<u>\$ (25,912,166)</u>	<u>\$ (25,071,825)</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>2014</u>	<u>2013 *</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General Revenues and Other Changes in Net Position/Net Assets:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 21,225,626	\$ 20,809,437	\$ 20,659,459	\$ 20,500,988	\$ 19,818,314	\$ 19,056,071	\$ 18,712,714	\$ 18,335,228	\$ 16,347,855	\$ 14,497,649
Taxes Levied for Debt Service	1,001,838	997,853	993,436	983,028	980,819	1,101,375	938,212	1,027,245	1,083,860	1,106,759
Unrestricted Grants and Contributions	8,520,415	8,477,913	8,431,887	7,830,296	8,720,089	8,691,296	8,493,970	8,254,592	8,291,748	8,258,675
Miscellaneous Income	184,612	182,956	170,422	241,374	156,403	120,694	199,686	263,186	260,885	450,649
Other	105,890			2	545	(11,328)	3,243	4,335	5,077	(354,976)
Disposal / Deletion of Assets						(40,595)	(150)			(141,045)
Transfers		(5,796)	(185,000)	(218,009)	(222,402)	(274,000)	(240,000)	(206,195)	(147,000)	(125,000)
Total Governmental Activities	<u>31,038,380</u>	<u>30,462,364</u>	<u>30,070,204</u>	<u>29,337,678</u>	<u>29,453,768</u>	<u>28,643,513</u>	<u>28,107,675</u>	<u>27,678,391</u>	<u>25,842,425</u>	<u>23,692,711</u>
Business-type Activities:										
Investment Earnings										
Cancellation of Accounts Receivable						(563)	(1,810)			
Transfers		5,796	185,000	218,009	222,402	274,000	240,000	206,195	150,500	125,000
Total Business-type Activities	<u>-</u>	<u>5,796</u>	<u>185,000</u>	<u>218,009</u>	<u>222,402</u>	<u>273,437</u>	<u>238,191</u>	<u>206,195</u>	<u>150,500</u>	<u>125,000</u>
Total District-wide	<u>\$ 31,038,380</u>	<u>\$ 30,468,160</u>	<u>\$ 30,255,204</u>	<u>\$ 29,555,687</u>	<u>\$ 29,676,170</u>	<u>\$ 28,916,950</u>	<u>\$ 28,345,865</u>	<u>\$ 27,884,586</u>	<u>\$ 25,992,925</u>	<u>\$ 23,817,711</u>
Change in Net Position/Net Assets:										
Governmental Activities	\$ 33,965	\$ 1,630,640	\$ 1,946,587	\$ 1,607,996	\$ (1,080,447)	\$ (594,747)	\$ (226,437)	\$ 686,733	\$ 81,587	\$ (1,248,253)
Business-type Activities	(6,562)	(16,140)	(45,202)	13,197	(19,265)	52,733	77,264	3,397	(829)	(5,861)
Total District	<u>\$ 27,403</u>	<u>\$ 1,614,501</u>	<u>\$ 1,901,385</u>	<u>\$ 1,621,193</u>	<u>\$ (1,099,711)</u>	<u>\$ (542,014)</u>	<u>\$ (149,173)</u>	<u>\$ 690,130</u>	<u>\$ 80,758</u>	<u>\$ (1,254,114)</u>

* District implemented GASB 63

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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011 (A)</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General Fund:										
Reserved					\$ 122,395	\$ 109,593	\$ 116,060	\$ 241,055	\$ 168,115	\$ 87,523
Reserve for Excess Surplus										
Capital Reserve					1	1	1	1	1	1
Unreserved					(83,418)	987,947	1,674,267	1,559,866	880,214	684,382
Non-Spendable:										
Prepaid Expenses			\$ 158	\$ 1,564						
Restricted:										
Capital Reserve	\$ 1,105,876	\$ 950,000.00	950,000	950,000						
Maintenance Reserve	25,138	25,000	25,000	25,000						
Current Expense Emergency Reserve	125,691	125,000	125,000	125,000						
Excess Surplus	1,652,429	2,063,176	2,051,361	138,174						
Designated for Subsequent Year's Expenditures										
Assigned:										
Designated for Subsequent Year's Expenditures	2,108,138	2,051,361	528,799	268,637						
Other Purposes	167,990	12,309		258,950						
Unassigned	(24,927)	(82,433)	(157,244)	113,125						
Total General Fund	<u>\$ 5,160,335</u>	<u>\$ 5,144,413</u>	<u>\$ 3,661,248</u>	<u>\$ 1,880,449</u>	<u>\$ 38,979</u>	<u>\$ 1,097,540</u>	<u>\$ 1,790,327</u>	<u>\$ 1,800,922</u>	<u>\$ 1,048,330</u>	<u>\$ 771,906</u>
All Other Governmental Funds:										
Unreserved, Reported in:										
Special Revenue Fund										
Capital Projects Fund					\$ 145,940	\$ 151,640	\$ 151,640	\$ 163,400	\$ 210,431	\$ 338,106
Debt Service Fund					4,476	14,891	30,266	65,648	56,161	16,696
Restricted:										
Debt Service Fund	\$ 1	\$ 1	\$ 110	\$ 474						
Total All Other Governmental Funds	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 110</u>	<u>\$ 474</u>	<u>\$ 150,415</u>	<u>\$ 166,531</u>	<u>\$ 181,906</u>	<u>\$ 229,047</u>	<u>\$ 266,592</u>	<u>\$ 354,802</u>

(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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Revenues:										
Tax Levy	\$ 22,227,464	\$ 21,807,290	\$ 21,652,895	\$ 21,484,016	\$ 20,799,133	\$ 20,157,446	\$ 19,650,926	\$ 19,362,473	\$ 17,431,715	\$ 15,604,408
Tuition Charges	119,195	145,314	124,912	151,567	89,550	28,703	72,719	54,350	25,750	20,077
Miscellaneous	290,502	185,606	170,422	241,374	156,403	123,690	202,929	267,521	260,885	450,649
State Sources	11,274,890	11,573,682	10,757,200	10,055,793	9,759,655	11,083,293	12,033,277	10,786,995	10,938,564	10,636,465
Federal Sources	799,995	814,082	1,231,727	1,108,276	2,584,666	754,262	639,391	689,022	641,204	654,658
Total Revenue	34,712,046	34,525,974	33,937,156	33,041,025	33,389,407	32,147,394	32,599,242	31,160,361	29,298,117	27,366,257
Expenditures:										
Instruction										
Regular Instruction	10,449,700	10,105,823	10,183,644	9,943,529	11,060,863	10,612,733	10,165,182	9,971,600	9,578,484	9,472,872
Special Education Instruction	1,989,092	1,903,544	1,765,179	1,584,967	1,672,145	1,590,708	1,397,476	1,290,823	1,226,084	1,214,998
Other Special Instruction	320,616	317,574	189,804	175,242	362,412	352,149	277,584	195,614	267,172	226,158
Other Instruction	666,582	600,140	590,472	552,275	733,355	701,887	678,301	616,388	640,396	580,457
Adult / Continuing Education Programs					128,108	122,709	112,046	153,709	152,745	174,659
Support Services:										
Tuition	1,779,404	1,598,455	1,517,731	1,586,004	2,316,315	1,879,906	1,891,274	1,659,079	1,634,090	1,326,679
Student and Instruction Related Services	3,730,719	3,419,415	3,143,648	3,193,402	3,367,924	3,276,447	3,112,847	2,524,769	2,433,456	2,225,056
School Administrative Services	2,073,238	2,164,577	2,045,870	1,920,988	2,166,351	2,072,862	2,076,964	1,957,477	1,859,357	1,840,547
Other Administrative Services	474,222	659,546	538,098	487,747	482,098	489,685	497,642	456,205	457,044	489,219
Plant Operations and Maintenance	2,772,427	2,537,385	2,440,691	2,500,542	2,821,509	2,677,661	2,705,137	3,030,271	2,672,280	2,488,448
Pupil Transportation	961,270	786,966	758,060	752,043	760,835	742,473	752,532	680,802	665,905	608,034
Unallocated Benefits	7,841,251	7,837,939	7,544,357	7,190,165	7,193,143	6,620,666	7,274,376	6,153,821	5,907,024	5,528,236
Special Schools			20,078	22,784	57,719	55,160	48,010	36,487	56,229	101,154
Charter Schools	8,367	5,554		24,519	14,672					
Capital Outlay	627,399	99,592	240,290	210,142	113,181	193,581	383,096	375,496	256,171	496,968
Debt Service:										
Principal	705,000	675,000	645,000	615,000	595,000	752,000	590,000	653,000	795,000	600,000
Interest and Other Charges	296,838	322,963	348,800	372,140	396,598	426,606	454,512	483,579	366,544	614,163
Total Expenditures	34,696,124	33,034,473	31,971,723	31,131,488	34,242,227	32,567,231	32,416,978	30,239,120	28,967,980	27,987,648
Excess (Deficiency) of Revenues Over (Under) Expenditures	15,923	1,491,502	1,965,434	1,909,537	(852,820)	(419,838)	182,264	921,242	330,138	(621,391)
Other Financing Sources (Uses):										
Accounts Receivable/Payable Canceled		(2,650)		2	545	(14,324)			5,077	(354,976)
Transfers In/Out		(5,796)	(185,000)	(218,009)	(222,402)	(274,000)	(240,000)	(206,195)	(147,000)	(125,000)
Total Other Financing Sources (Uses)	-	(8,446)	(185,000)	(218,007)	(221,857)	(288,324)	(240,000)	(206,195)	(141,923)	(479,976)
Net Change in Fund Balances	\$ 15,923	\$ 1,483,056	\$ 1,780,434	\$ 1,691,530	\$ (1,074,677)	\$ (708,162)	\$ (57,736)	\$ 715,047	\$ 188,215	\$ (1,101,367)
Debt Service as a Percentage of Noncapital Expenditures	2.9%	3.0%	3.1%	3.2%	2.9%	3.6%	3.3%	3.8%	4.0%	4.4%

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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Refunds of Prior Year Expenses	\$ 1,636.05	\$ 890.40	\$ 795.01	\$ 20,518.04	\$ 19,427.35	\$ 12,136.00	\$ 9,792.00	\$ 10,080.00		
Transportation Jointures				5,078.32						
Use of Facilities Fees			750.00		3,130.00		2,690.00	4,704.00	\$ 4,654.00	\$ 4,872.02
Athletic Event Receipts	17,161.00	44,803.00	44,348.04	36,656.00						
Recycling Refund						38.38				
Camp Fees	1,040.00	1,705.00	1,010.00	600.00	1,430.00	1,130.00				
Sale of Obsolete Equipment	417.33	13,126.00					205.00	100.00	122.39	
Services Provided for Other LEAs		29,780.00	28,648.50	76,618.52						
Summer School									28,930.00	26,905.00
Restitution			1,720.00			400.00		1,900.00		1,000.00
Township Share of Prior Years Community Activities					84,831.03	70,383.96	65,919.64	91,586.99	87,244.73	79,523.59
Interest on Investments	27,679.19	42,585.70	48,664.61	42,723.90	38,420.71	24,880.73	91,958.84	115,651.00	71,088.73	35,841.53
Summer Recreation									16,781.50	25,750.50
Wellness Program										380.00
Participation Fees	43,295.00	47,492.00	38,530.00	48,830.00						
Colonial Conference Receipts	23,365.00									
Insurance Award	1,000.00									
Donations				7,500.00						
Obligations	736.84	2,164.34	814.17	856.90	1,582.84	1,918.00	1,968.50	2,160.17	3,685.00	3,912.93
Rohrer Foundation Donation										200,000.00
Cancellation of Prior Year Accounts Payable	105,889.88									
NJ SLSTATE Other			247.54							
Camden County College - Teacher Reimbursement	696.00									
Settlements	26,016.42									
PSE&G Smart Start Building Rebates				450.00						
Tuition Reimbursement	36,195.70									
Prior Year Tuition Refund					4,869.23	2,841.00		4,033.00		
Homeless Student Tuition - Paid by State								8,195.00		
E-Rate Refunds								798.40	15,572.81	44,040.51
Safety Incentive Award						600.00		3,722.00		
Miscellaneous	5,373.25	3,059.71	4,894.25	1,431.31	2,348.26	2,254.12	4,296.37	769.77	4,292.16	8,561.17
Transportation Refund							12,076.21		8,714.29	7,816.70
	<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>	<u>\$ 241,085.61</u>	<u>\$ 438,603.95</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	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Total Assessed Value</u>	<u>Public Utilities (1)</u>	<u>Net Valuation Taxable</u>	<u>Tax-Exempt Property</u>	<u>Estimated Actual (County Equalized) Value</u>	<u>Total Direct School Tax Rate (2)</u>
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	\$ 1,331,607,067.00	\$ 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	1,095,495.00	1,259,504,595.00	115,520,900.00	1,258,409,100.00	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	1,259,897,000.00	1.723
2011 (A)	5,046,200.00	1,055,730,800.00	-	134,699,800.00	5,233,900.00	62,080,700.00	1,262,791,400.00	916,736.00	1,263,708,136.00	113,861,900.00	1,260,439,900.00	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	509,300.00	683,638,200.00	105,521,700.00	1,436,102,294.00	3.092
2009	2,658,600.00	565,633,300.00	-	78,203,000.00	3,557,000.00	32,174,000.00	682,225,900.00	473,486.00	682,699,386.00	105,874,800.00	1,446,688,300.00	2.999
2008	2,848,700.00	564,026,900.00	-	78,165,400.00	4,262,200.00	32,160,900.00	681,464,100.00	465,861.00	681,929,961.00	105,702,900.00	1,357,885,189.00	2.919
2007	2,677,100.00	562,685,200.00	-	78,238,900.00	4,323,300.00	32,160,900.00	680,085,400.00	457,942.00	680,543,342.00	105,137,800.00	1,228,968,108.00	2.866
2006	2,846,900.00	561,088,400.00	-	80,796,300.00	4,818,300.00	32,160,900.00	681,710,800.00	509,769.00	682,220,569.00	104,465,000.00	1,247,693,816.00	2.697
2005	2,884,900.00	558,785,100.00	-	80,631,200.00	4,967,800.00	32,160,900.00	679,429,900.00	642,547.00	680,072,447.00	104,209,500.00	1,089,647,035.00	2.428

(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>	
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
2006	2.542	0.155	2.697	0.680	0.843	1.302	5.522
2005	2.267	0.161	2.428	0.678	0.775	1.170	5.051

Source: Municipal Tax Collector

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

<u>Taxpayer</u>	2014			2004		
	<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	2.96%
St. Joseph the Worker Parish	26,147,200	2	2.08%			
Rohrer Tower	18,664,000	3	1.48%			
Kimco Realty Corp	18,555,900	4	1.47%	10,419,200	2	1.54%
Haddon Hills % Goldberg	17,711,100	5	1.41%	8,209,000	3	1.21%
Commonwealth/Media Real Estate	7,500,000	6	0.60%	4,966,500	5	0.73%
National Church Residences of Haddon Township	5,957,600	7	0.47%			
Lawland Associates	5,300,000	8	0.42%	1,734,000	10	0.26%
ILCL Center Assoc	4,604,200	9	0.37%	2,530,300	6	0.37%
1st States Investments C/O American Financial	4,200,000	10	0.33%			
F.U.N.B.				5,006,900	4	0.74%
USRP I LLC				2,503,100	7	0.37%
Peter & Carmela Frasca				1,933,500	8	0.29%
Collingswood-W Investment LLC				1,807,500	9	0.27%
Total	<u>\$ 145,492,000</u>		<u>11.55%</u>	<u>\$ 59,091,800</u>		<u>8.74%</u>

Source: District CAFR & Municipal Tax Assessor

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

Fiscal Year Ended June 30,	School District Taxes Levied for the Fiscal Year	<u>Collected within the Fiscal Year of the Levy</u>		Collections in Subsequent Years
		<u>Amount</u>	<u>Percentage of Levy</u>	
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%	-
2006	17,431,715	17,431,715	100.00%	-
2005	15,604,408	15,604,408	100.00%	-

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

Source: District Records

Debt Capacity Information

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

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

Fiscal Year Ended <u>June 30,</u>	Governmental Activities				Business-Type <u>Activities</u>		Percentage of Personal Income (2)	Per Capita Personal Income (3)
	<u>General Obligation Bonds (1)</u>	<u>Certificates of Participation</u>	<u>Capital Leases</u>	<u>Bond Anticipation Notes (BANs)</u>	<u>Capital Leases</u>	<u>Total District</u>		
2014	\$ 6,730,000	-	-	-	-	\$ 6,730,000	N/A	N/A
2013	7,435,000	-	-	-	-	7,435,000	N/A	\$ 508
2012	8,110,000	-	-	-	-	8,110,000	1.21%	551
2011	8,755,000	-	-	-	-	8,755,000	1.34%	596
2010	9,370,000	-	-	-	-	9,370,000	1.50%	637
2009	9,965,000	-	-	-	-	9,965,000	1.64%	694
2008	11,307,000	-	-	-	-	11,307,000	1.86%	788
2007	11,960,000	-	-	-	-	11,960,000	2.03%	831
2006	12,223,000	-	-	-	-	12,223,000	2.14%	847
2005	12,823,000	-	-	-	-	12,823,000	2.37%	886

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		
2014	\$ 6,730,000	\$ -	\$ 6,730,000	0.59%	Unavailable
2013	7,435,000	-	7,435,000	0.65%	508
2012	8,110,000	-	8,110,000	0.71%	551
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
2006	11,960,000	-	11,960,000	2.07%	829
2005	12,223,000	-	12,223,000	2.12%	845

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, 2013
Unaudited

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Haddon Township</u>
Municipal Debt: (1)				
Haddon Township School District	\$ 7,435,000.00	\$ 7,435,000.00		
Haddon Township Water, Sewer Utility	13,415,973.00	13,415,973.00		
Haddon Township	<u>25,363,742.00</u>	<u></u>	<u>\$ 25,363,742.00</u>	<u>\$ 25,363,742.00</u>
	<u>46,214,715.00</u>	<u>20,850,973.00</u>	<u>25,363,742.00</u>	<u>25,363,742.00</u>
Overlapping Debt Apportioned to the Municipality:				
County of Camden: (2)				
General:				
Bonds	42,085,352.00	13,774,588.00 (3)	28,310,764.00	1,016,185.68
Loan Agreement	191,780.00		191,780.00	6,883.75
Bonds Issued by Other Public Bodies Guaranteed by the County	<u>689,242,784.00</u>	<u>689,242,784.00 (4)</u>	<u></u>	<u></u> (4)
	<u>731,519,916.00</u>	<u>703,017,372.00</u>	<u>28,502,544.00</u>	<u>1,023,069.43</u>
	<u>\$ 777,734,631.00</u>	<u>\$ 723,868,345.00</u>	<u>\$ 53,866,286.00</u>	<u>\$ 26,386,811.43</u>

Sources:

- (1) 2013 Annual Debt Statement
 - (2) County's 2013 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 Township's share of the total 2013 Equalized Value, which is .359%.
- The source for this computation was the 2013 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

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

Legal Debt Margin Calculation for Fiscal Year 2014

	Equalized valuation basis (1)	
	2013	\$ 1,331,368,070
	2012	1,379,650,679
	2011	<u>1,381,001,315</u>
	[A]	<u>\$ 4,092,020,064</u>
Average equalized valuation of taxable property	[A/3]	\$ 1,364,006,688
Debt limit (4% of average equalization value) (2)	[B]	54,560,268 (1)
Total Net Debt Applicable to Limit	[C]	<u>6,730,000</u>
Legal Debt Margin	[B-C]	<u><u>\$ 47,830,268</u></u>

	Fiscal Year Ended June 30,									
	<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>2006</u>	<u>2005</u>
Debt limit	\$ 54,560,267.52	\$ 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	\$ 38,473,369.75	\$ 33,959,722.00
Total net debt applicable to limit (3)	<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>	<u>11,960,000.00</u>	<u>12,223,000.00</u>
Legal debt margin	<u><u>\$ 47,830,267.52</u></u>	<u><u>\$ 48,122,942.60</u></u>	<u><u>\$ 48,110,520.45</u></u>	<u><u>\$ 48,257,808.99</u></u>	<u><u>\$ 46,903,103.49</u></u>	<u><u>\$ 43,879,303.88</u></u>	<u><u>\$ 38,441,724.32</u></u>	<u><u>\$ 32,514,392.08</u></u>	<u><u>\$ 26,513,369.75</u></u>	<u><u>\$ 21,736,722.00</u></u>
Total net debt applicable to the limit as a percentage of debt limit	12.33%	13.38%	14.43%	15.36%	16.65%	18.51%	21.80%	25.80%	31.09%	35.99%

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>
2013	14,627	Unavailable	Unavailable	4.7%
2012	14,708	\$ 669,802,320	\$ 45,540	7.2%
2011	14,694	651,811,146	44,359	7.1%
2010	14,706	624,372,642	42,457	7.3%
2009	14,369	606,975,298	42,242	6.9%
2008	14,351	606,473,260	42,260	4.4%
2007	14,387	589,809,452	40,996	3.3%
2006	14,423	570,588,303	39,561	3.6%
2005	14,472	540,008,208	37,314	3.3%
2004	14,488	520,945,016	35,957	2.1%

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

Unaudited

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>	<u>Fiscal Year Ended June 30,</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>	<u>2006</u>	<u>2005</u>
Instruction										
Regular	128.0	127.0	124.2	121.4	151.5	150.5	141.5	141.8	142.8	143.8
Special education	45.0	45.0	40.1	39.7	33.0	32.0	31.1	30.1	29.1	29.3
Other special education	-	-	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition					-	-	-	-	-	-
Student & instruction related services	37.8	36.3	36.9	36.4	28.0	27.0	26.8	26.8	25.8	25.8
General administrative services	2.0	2.0	2.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0
School administrative services	17.0	17.0	17.5	17.7	26.5	26.5	27.0	27.0	26.0	25.0
Business administrative services	6.0	6.0	6.0	6.0	7.0	7.0	7.0	6.5	6.5	6.5
Plant operations and maintenance	30.0	30.0	31.7	31.0	30.0	26.5	27.7	27.2	27.2	27.2
Pupil transportation	17.0	18.2	18.7	18.7	23.0	22.0	19.0	19.0	19.0	19.0
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-
Community Education and Recreation	-	-	-	-	-	-	-	-	-	-
Total	<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>	<u>278.4</u>	<u>278.6</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				
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%
2006	2,147	27,572,154	12,842	9.69%	190	1:18.2	1:21.1	1:20.6	2,147	2,050	-0.46%	95.48%
2005	2,157	26,283,826	11,708	7.60%	192	1:19.0	1:20.9	1:20.1	2,157	2,059	-3.17%	95.46%

(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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</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	158	158	160	191	191	185	185	133	136	154
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	102	102	103	132	132	145	145	144	139	136
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	205	205	189	191	191	199	199	178	179	183
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	206	206	218	252	252	247	247	247	252	249
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	323	323	347	302	302	297	297	282	298	271
<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	484	484	493	471	471	409	409	434	465	515
<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	629	629	605	632	632	662	662	707	701	681
<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, 2014										
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)

		Fiscal Year Ended June 30,									
<u>School Facilities</u>	<u>School # (s)</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>2006</u>	<u>2005</u>
Haddon Township High School	050	\$ 258,082	\$ 248,816	\$ 212,589	\$ 229,693	\$ 290,108	\$ 319,616	\$ 284,961	\$ 386,375	\$ 244,506	\$ 193,264
Thomas A. Edison Elementary School	060	29,779	28,210	23,991	24,891	32,912	24,192	21,634	20,820	20,782	18,192
Clyde S. Jennings Elementary School	070	29,778	30,997	26,361	27,350	31,795	20,000	25,164	20,248	22,282	18,568
James Stoy Elementary School	080	34,742	32,437	27,586	28,621	51,989	19,766	24,362	20,584	26,082	18,005
Strawbridge Elementary School	090	24,816	26,485	22,524	23,369	45,501	23,451	26,394	38,515	24,482	20,065
Van Sciver Elementary School	100	64,520	61,820	52,574	44,397	42,000	72,263	86,174	51,211	28,582	28,920
Wm. G. Rohrer Middle School	110	54,594	53,130	45,184	46,880	45,382	13,052	42,886	41,667	34,203	30,362
Total School Facilities		<u>\$ 496,311</u>	<u>\$ 481,895</u>	<u>\$ 410,809</u>	<u>\$ 425,200</u>	<u>\$ 539,688</u>	<u>\$ 492,340</u>	<u>\$ 511,575</u>	<u>\$ 579,420</u>	<u>\$ 400,919</u>	<u>\$ 327,376</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, 2014
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)	10,000,000	-

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

Source: District Records

SINGLE AUDIT SECTION

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND
STATE OF NEW JERSEY CIRCULAR 04-04-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 compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the New Jersey State Grant Compliance Supplement that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2014. 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 the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the 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; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133, and State of New Jersey Circular 04-04-OMB, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Township of Haddon School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion 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 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, 2014.

Report on Internal Control Over Compliance

Management of the Township of Haddon School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the 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 OMB Circular A-133 and State of New Jersey Circular 04-04-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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

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

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

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Kirk N. Applegate

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

Voorhees, New Jersey
October 2, 2014

TOWNSHIP OF HADDON SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A
For the Fiscal Year Ended June 30, 2014

<u>Pass-through</u> <u>Grantor/Program Title</u>	<u>CFDA</u> <u>Number</u>	<u>State Project</u> <u>Number</u>	<u>Award</u> <u>Amount</u>	<u>Grant Period</u>		<u>Balance</u> <u>June 30, 2013</u>
				<u>From</u>	<u>To</u>	
General Fund:						
U.S. Department of Health and Human Services:						
Passed-through New Jersey Department of Education:						
Medicaid Administrative Claims Program (MAC)	93.778	N/A	\$ 2,457.86	7-1-13	6-30-14	
Medical Assistance Program (SEMI)	93.778	N/A	25,600.78	7-1-13	6-30-14	
						<u>\$ -</u>
Passed-through New Jersey Department of Education:						
Education Jobs Fund	84.410A	ARRA	759.00	8-10-2010	9-30-2012	<u>(759.00)</u>
Total General Fund						<u>(759.00)</u>
Special Revenue Fund:						
U.S. Department of Education:						
Passed-through State Department of Education:						
N.C.L.B.:						
Title I, Part A	84.010A	NCLB189014	127,735.00	7-1-13	6-30-14	
Title I, Part A	84.010A	NCLB189013	123,089.00	9-1-12	8-31-13	6,012.39
Title I, Part A	84.010A	NCLB189012	126,417.00	9-1-11	8-31-12	<u>(48,152.00)</u>
Total Title I, Part A						<u>(42,139.61)</u>
Title II - Part A	84.367A	NCLB189014	48,117.00	7-1-13	6-30-14	
Title II - Part A	84.367A	NCLB189013	48,651.00	9-1-12	8-31-13	<u>(14,376.65)</u>
Total Title II - Part A						<u>(14,376.65)</u>
Title III - Immigrant	84.365A	NCLB189014	8,574.00	7-1-13	6-30-14	
Title III - Immigrant	84.365A	NCLB189013	12,560.00	9-1-12	8-31-13	1,581.02
Title III	84.365A	NCLB189014	4,113.00	7-1-13	6-30-14	
Title III	84.365A	NCLB189013	9,923.00	9-1-12	8-31-13	6,502.10
Title III	84.365A	NCLB189012	10,352.00	9-1-11	8-31-12	<u>(6,622.00)</u>
Total Title III						<u>1,461.12</u>
I.D.E.A. Part B:						
Special Education Cluster:						
Basic	84.027	IDEA189014	558,937.00	7-1-13	6-30-14	
Basic	84.027	IDEA189013	585,265.00	9-1-12	8-31-13	(110,857.08)
PreSchool Incentive	84.173	IDEA189014	15,566.00	7-1-13	6-30-14	
Total I.D.E.A. Part B Special Education Cluster						<u>(110,857.08)</u>
Race to the Top	84.413A	RTTT189014	7,800.00	7-1-12	11-30-15	<u>(2,268.00)</u>
Total Special Revenue Fund						<u>(168,180.22)</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	Unavailable	29,073.11	7-1-13	6-30-14	
Cash Assistance:						
National School Breakfast Program	10.553	Unavailable	2,422.53	7-1-13	6-30-14	
National School Breakfast Program	10.553	Unavailable	2,174.75	7-1-12	6-30-13	(270.23)
National School Lunch Program	10.555	Unavailable	110,751.95	7-1-13	6-30-14	
National School Lunch Program	10.555	Unavailable	117,755.40	7-1-12	6-30-13	<u>(9,474.95)</u>
Total Child Nutrition Cluster						<u>(9,745.18)</u>
Total Enterprise Fund:						<u>(9,745.18)</u>
Total Federal Financial Assistance						<u>\$ (178,684.40)</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	Adjustments (A)	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2014		
					Accounts Receivable	Unearned Revenue	Due to Grantor
	\$ 2,457.86 25,600.78		\$ 2,457.86 25,600.78				
\$ -	28,058.64	\$ -	28,058.64	\$ -	\$ -	\$ -	\$ -
	759.00						
-	28,817.64	-	28,058.64	-	-	-	-
41,613.00 (41,613.00)	39,909.00 36,063.00 48,152.00	(462.39)	163,391.80		(87,826.00)	5,956.20	
-	124,124.00	(462.39)	163,391.80	-	(87,826.00)	5,956.20	-
8,142.00 (8,142.00)	2,212.00 22,518.00	0.65	11,730.00		(45,905.00)	44,529.00	
-	24,730.00	0.65	11,730.00	-	(45,905.00)	44,529.00	-
8,574.00 (8,574.00)	3,109.00 5,044.00 4,113.00	(5,212.24) 1,948.98 (6,502.10) 6,622.00	7,986.76 4,113.00		(2,105.00)	589.00	
-	12,266.00	(3,143.36)	12,099.76	-	(2,105.00)	589.00	-
81,599.00 (81,599.00)	418,802.00 192,424.00 15,566.00	32.08	561,349.10 15,566.00		(140,135.00)	79,186.90	
-	626,792.00	32.08	576,915.10	-	(140,135.00)	79,186.90	-
-	10,068.00	-	7,800.00	-	-	-	-
-	797,980.00	(3,573.02)	771,936.66	-	(275,971.00)	130,261.10	-
	29,073.11		29,073.11				
	2,186.49 270.23 103,744.23 9,474.95		2,422.53 110,751.95		(236.04) (7,007.72)		
-	144,749.01	-	142,247.59	-	(7,243.76)	-	-
-	144,749.01	-	142,247.59	-	(7,243.76)	-	-
\$ -	\$ 971,546.65	\$ (3,573.02)	\$ 942,242.89	\$ -	\$ (283,214.76)	\$ 130,261.10	\$ -

TOWNSHIP OF HADDON SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B
For the Fiscal Year Ended June 30, 2014

					Balance at June 30, 2013	
State Grantor/ Program Title	State Project Number	Award Amount	Grant Period From To		Unearned Revenue/ Accounts Receivable	Due to Grantor
General Fund:						
New Jersey Department of Education:						
State Aid - Public Cluster:						
Equalization Aid	14-495-034-5120-078	\$ 7,091,213.00	7-1-13	6-30-14		
Equalization Aid	13-495-034-5120-078	7,112,002.00	7-1-12	6-30-13	\$ (650,999.96)	
Special Education Categorical Aid	14-495-034-5120-089	1,160,236.00	7-1-13	6-30-14		
Special Education Categorical Aid	13-495-034-5120-089	1,149,351.00	7-1-12	6-30-13	(105,206.31)	
Security Aid	14-495-034-5120-084	37,660.00	7-1-13	6-30-14		
Security Aid	13-495-034-5120-084	34,649.00	7-1-12	6-30-13	(3,171.61)	
Total State Aid - Public Cluster					(759,377.88)	\$ -
Transportation Aid:						
Categorical Transportation Aid	14-495-034-5120-014	64,424.00	7-1-13	6-30-14		
Categorical Transportation Aid	13-495-034-5120-014	57,531.00	7-1-12	6-30-13	(5,266.12)	
Additional Nonpublic School Transportation Aid	14-495-034-5120-014	7,437.00	7-1-13	6-30-14		
Additional Nonpublic School Transportation Aid	13-495-034-5120-014	7,946.16	7-1-12	6-30-13	(7,946.16)	
Total Transportation Aid					(13,212.28)	-
Extraordinary Special Education Costs Aid						
Extraordinary Special Education Costs Aid	14-100-034-5120-473	131,195.00	7-1-13	6-30-14		
Extraordinary Special Education Costs Aid	13-100-034-5120-473	111,616.00	7-1-12	6-30-13	(111,616.00)	
Total Extraordinary Special Education Costs Aid					(111,616.00)	-
Anti-Bullying Aid						
	N/A	1,902.00	7-1-13	6-30-14	-	-
Reimbursed T.P.A.F. Social Security Aid						
Reimbursed T.P.A.F. Social Security Aid	14-495-034-5095-002	982,703.43	7-1-13	6-30-14		
Reimbursed T.P.A.F. Social Security Aid	13-495-034-5095-002	955,591.84	7-1-12	6-30-13	(47,642.64)	
Total Reimbursed T.P.A.F. Social Security Aid					(47,642.64)	-
Total General Fund					(931,848.80)	-
Special Revenue Fund:						
New Jersey Department of Education:						
Nonpublic Aid:						
Textbook Aid (Ch. 194, L. 1977)	14-100-034-5120-064	58,744.00	7-1-13	6-30-14		
Textbook Aid (Ch. 194, L. 1977)	13-100-034-5120-064	59,234.00	7-1-12	6-30-13		8,686.04
Total Textbook Aid (Ch. 194, L. 1977)					-	8,686.04
Auxiliary Services (Ch. 192, L. 1977)						
Compensatory Education	14-100-034-5120-067	161,780.00	7-1-13	6-30-14		
English as a Second Language		4,365.00	7-1-13	6-30-14		
Home Instruction		8,685.99	7-1-13	6-30-14		
Auxiliary Services (Ch. 192, L. 1977)						
Compensatory Education	13-100-034-5120-067	167,049.00	7-1-12	6-30-13		18,975.69
English as a Second Language		8,526.00	7-1-12	6-30-13		7,076.58
Home Instruction		9,072.10	7-1-12	6-30-13	(9,072.10)	
Total Auxiliary Services (Ch. 192, L. 1977)					(9,072.10)	26,052.27
Handicapped Services (Ch. 193, L. 1977)						
Corrective Speech	14-100-034-5120-066	11,249.00	7-1-13	6-30-14		
Examination and Classification		54,311.00	7-1-13	6-30-14		
Supplementary Instruction		41,353.00	7-1-13	6-30-14		
Handicapped Services (Ch. 193, L. 1977)						
Corrective Speech	13-100-034-5120-066	12,030.00	7-1-12	6-30-13		9,373.92
Examination and Classification		53,666.00	7-1-12	6-30-13		7,797.80
Supplementary Instruction		45,446.00	7-1-12	6-30-13		7,148.24
Total Handicapped Services (Ch. 193, L. 1977)					-	24,319.96
Nursing Services						
Nursing Services	14-100-034-5120-070	84,997.00	7-1-13	6-30-14		
Nursing Services	13-100-034-5120-070	82,214.00	7-1-12	6-30-13		2,486.87
Total Nursing Services					-	2,486.87
Technology Initiative Program						
Technology Initiative Program	14-100-034-5120-373	21,420.00	7-1-13	6-30-14		
Technology Initiative Program	13-100-034-5120-373	21,860.00	7-1-12	6-30-13		1,158.04
Total Technology Initiative Program					-	1,158.04
Total Special Revenue Fund					(9,072.10)	62,703.18
Enterprise Fund:						
New Jersey Department of Agriculture:						
State School Lunch Aid	14-100-010-3350-023	3,903.06	7-1-13	6-30-14		
State School Lunch Aid	13-100-010-3350-023	4,344.95	7-1-12	6-30-13	(500.06)	
Total Enterprise Fund					(500.06)	-
Total State Financial Assistance subject to Major Program Determination for State Single Audit					(941,420.96)	62,703.18
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	N/A	535,721.00	7-1-13	6-30-14		
On-behalf T.P.A.F. Pension Contributions - Post-Retirement Medical	N/A	878,381.00	7-1-13	6-30-14		
Total General Fund (Non-Cash Assistance)					-	-
Total State Financial Assistance					\$ (941,420.96)	\$ 62,703.18

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

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

Carryover/ Walkover Amount	Cash Received	Adjustments (A)	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2014			Memo	
					Accounts Receivable	Unearned Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable June 30, 2014	Cumulative Total Expenditures
	\$ 6,440,654.24		\$ 7,091,213.00		\$ (650,558.76)			\$ (650,558.76)	\$ 7,091,213.00
	650,999.96								
	1,053,789.29		1,160,236.00		(106,446.71)			(106,446.71)	1,160,236.00
	105,206.31								
	34,211.40		37,660.00		(3,448.60)			(3,448.60)	37,660.00
	3,171.61								
\$ -	8,288,032.81	\$ -	8,289,109.00	\$ -	(760,454.07)	\$ -	\$ -	(760,454.07)	8,289,109.00
	58,523.07		64,424.00		(5,900.93)			(5,900.93)	64,424.00
	5,266.12		7,437.00		(7,437.00)				7,437.00
	7,946.16								
-	71,735.35	-	71,861.00	-	(13,337.93)	-	-	(5,900.93)	71,861.00
			131,195.00		(131,195.00)				131,195.00
	111,616.00								
-	111,616.00	-	131,195.00	-	(131,195.00)	-	-	-	131,195.00
-	1,902.00	-	1,902.00	-	-	-	-	-	1,902.00
	934,995.23		982,703.43		(47,708.20)				982,703.43
	47,642.64								
-	982,637.87	-	982,703.43	-	(47,708.20)	-	-	-	982,703.43
-	9,455,924.03	-	9,476,770.43	-	(952,695.20)	-	-	(766,355.00)	9,476,770.43
	58,744.00		56,403.90				2,340.10		56,403.90
		(0.04)		8,686.00					
-	58,744.00	(0.04)	56,403.90	8,686.00	-	-	2,340.10	-	56,403.90
	161,780.00		133,878.40				27,901.60		133,878.40
	4,365.00		8,685.99		(8,685.99)		4,365.00		-
									8,685.99
		0.31		18,976.00					
		0.42		7,077.00					
	8,539.00	533.10							
-	174,684.00	533.83	142,564.39	26,053.00	(8,685.99)	-	32,266.60	-	142,564.39
	11,249.00		2,890.44				8,358.56		2,890.44
	54,311.00		46,350.22				7,960.78		46,350.22
	41,353.00		34,898.14				6,454.86		34,898.14
		0.08		9,374.00					
		0.20		7,798.00					
		(0.24)		7,148.00					
-	106,913.00	0.04	84,138.80	24,320.00	-	-	22,774.20	-	84,138.80
	84,997.00		81,329.96	2,487.00			3,667.04		81,329.96
		0.13							
-	84,997.00	0.13	81,329.96	2,487.00	-	-	3,667.04	-	81,329.96
	21,420.00		21,291.95	1,158.00			128.05		21,291.95
		(0.04)							
-	21,420.00	(0.04)	21,291.95	1,158.00	-	-	128.05	-	21,291.95
-	446,758.00	533.92	385,729.00	62,704.00	(8,685.99)	-	61,175.99	-	385,729.00
	3,460.36		3,903.06		(442.70)				3,903.06
	500.06								
-	3,960.42	-	3,903.06	-	(442.70)	-	-	-	3,903.06
-	9,906,642.45	533.92	9,866,402.49	62,704.00	(961,823.89)	-	61,175.99	(766,355.00)	9,866,402.49
	535,721.00		535,721.00						535,721.00
	878,381.00								878,381.00
-	1,414,102.00	-	1,414,102.00	-	-	-	-	-	1,414,102.00
\$ -	\$ 11,320,744.45	\$ 533.92	\$ 11,280,504.49	\$ 62,704.00	\$ (961,823.89)	\$ -	\$ 61,175.99	\$ (766,355.00)	\$ 11,280,504.49

TOWNSHIP OF HADDON SCHOOL DISTRICT

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2014

Note 1: GENERAL

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

Note 2: BASIS OF ACCOUNTING

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

Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile revenues from the budgetary basis to the GAAP basis is \$3,825.00 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.

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

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

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 28,058.64	\$9,476,770.43	\$ 9,504,829.07
Special Revenue	771,936.66	385,729.00	1,157,665.66
Food Service	<u>142,247.59</u>	<u>3,903.06</u>	<u>146,150.65</u>
Total Awards and Financial Assistance	<u>\$ 942,242.89</u>	<u>\$9,866,402.49</u>	<u>\$10,808,645.38</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 and state grant-receivables and unearned revenue.

Note 6: REIMBURSED AND ON-BEHALF PAYMENTS

During the fiscal year ended June 30, 2014, 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 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 Year Ended June 30, 2014

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes x no

Significant deficiency(ies) identified? yes x none reported

Noncompliance material to financial statements noted? yes x no

Federal Awards

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 510(a) of OMB Circular A-133? yes x no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027	I.D.E.A. Part B Basic
84.173	I.D.E.A. Part B Preschool Incentive

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

Auditee qualified as low-risk auditee? x yes no

HADDON TOWNSHIP BOARD OF EDUCATION
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014

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

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? _____ yes x no

Significant deficiency(ies) identified? _____ yes x none reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 or New Jersey Circular 04-04-OMB? _____ yes x no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Categorical Aid
495-034-5120-084	Security Aid
495-034-5095-002	TPAF Social Security Aid
_____	_____
_____	_____

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

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

TOWNSHIP OF HADDON SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2014

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.

N/A - None

TOWNSHIP OF HADDON SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2014

Section 3- Schedule of Federal Award Findings and Questioned Costs

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

N/A - None

TOWNSHIP OF HADDON SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2014

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

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

N/A - None

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, OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

FINANCIAL STATEMENT FINDINGS

N/A - None

FEDERAL AWARDS

N/A - None

STATE FINANCIAL ASSISTANCE PROGRAMS

N/A - None

