

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



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED**

**JUNE 30, 2012**

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## INTRODUCTORY SECTION



## HADDON TOWNSHIP BOARD OF EDUCATION

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

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**Cheryl L. Simone, Ed.D.**  
Interim Superintendent of Schools  
856-869-7750 Ext. 1100  
[csimone@haddontwpschools.com](mailto:csimone@haddontwpschools.com)

**Jennifer Gauld**  
School Business Administrator/  
Board Secretary  
856-869-7750 Ext. 1105  
[jgauld@haddontwpschools.com](mailto:jgauld@haddontwpschools.com)

**Elizabeth Mennig**  
Supervisor of Teaching & Learning  
856-869-7750 Ext. 1108  
[lmennig@haddontwpschools.com](mailto:lmennig@haddontwpschools.com)

November 26, 2012

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, 2012, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

**1. REPORTING ENTITY AND ITS SERVICES:** Haddon Township School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Haddon Township Board of Education and its schools constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, vocational, as well as special education for handicapped youngsters. The District completed the 2011-12 fiscal year with an average daily enrollment of 2,115 students, which is 5 students higher than the previous year's average daily enrollment. The following details the changes in the student enrollment of the District over the last five years.

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

**Average Daily Enrollment**

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2011-2012	2,115	0.23%
2010-2011	2,110	-2.81%
2009-2010	2,171	-0.13%
2008-2009	2,174	3.22%
2007-2008	2,106	-0.52%

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

**3. MAJOR INITIATIVES:** Students continued to score above the state averages and achieve proficiency on the New Jersey ASK and the High School Proficiency Assessment. The seniors' average SAT and ACT scores continue to perform at national averages (71% of the class took the SAT's); 90% of the class went on to higher education, with 65% going to four year colleges.

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2012.

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

**7. FINANCIAL INFORMATION AT FISCAL YEAR-END:** As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound fiscal management. The following schedule presents a summary of the general fund, special revenue fund and debt services fund revenues for the fiscal year ended June 30, 2012.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>
Local Sources	\$21,948,229.12	64.67%
State Sources	10,757,200.32	31.70%
Federal Sources	<u>1,231,727.02</u>	<u>3.63%</u>
	<u>\$33,937,156.46</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, 2012.

<u>Expenditure</u>	<u>Amount</u>	<u>Percent of Total</u>
Current Expense:		
Instruction	\$11,814,174.40	36.95%
Undistributed Expenditures	17,635,087.47	55.16%
Special Revenue	1,268,291.84	3.97%
Capital Outlay	240,290.44	0.75%
Special Schools	20,078.46	0.06%
Debt Service:		
Principal	645,000.00	2.02%
Interest	<u>348,800.00</u>	<u>1.09%</u>
	<u>\$31,971,722.61</u>	<u>100.00%</u>

**8. DEBT ADMINISTRATION:** As of June 30, 2012, the District's outstanding debt issues included \$8,110,000.00 of general obligation bonds. As of June 30, 2012, the district's borrowing capacity is \$48,110,520.00.

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

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

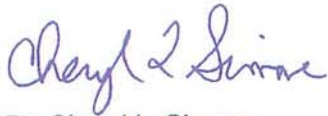
**11. OTHER INFORMATION:**

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman and Company was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related OMB Circular A-133 and the State of New Jersey Circular 04-04-OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.



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

Respectfully submitted,



Dr. Cheryl L. Simone  
Interim Superintendent



Mrs. Jennifer Gauld  
School Business Administrator/  
Board Secretary

# Functional Organizational Chart

Haddon Township Board of Education

Treasurer of School Monies

Superintendent

Supervisor Teaching and Learning

School Business Administrator/Board Secretary

Administrative Assistant  
Personnel/Policy/Student Residency

Director Special Services

Principals Elementary Schools

Principal High School

Principal Rohrer M.S.

Secretaries

Teachers

Nurses/Support Services

Secretary (2)

Assistant Principals (2)

Department Facilitators (9)

Teachers

Nurse/Support Services

Secretary (2)

Assistant Principals (2)

Department Facilitators (9)

Teachers

Nurse/Support Services

Secretary (2)

Assistant Principals (2)

Department Facilitators (9)

Teachers

Nurse/Support Services

Secretary (2)

Assistant Principals (2)

Department Facilitators (9)

Teachers

Nurse/Support Services

Secretary (2)

Assistant Principals (2)

Department Facilitators (9)

Teachers

Nurse/Support Services

Secretary (2)

Assistant Principals (2)

Department Facilitators (9)

Teachers

Nurse/Support Services

Psychologists

Learning Disabilities Teacher Consultants

Speech Therapists

Social Workers

Elementary Counselors

Special Education Teachers

Secretary

Assistant Principal

Teachers

Nurse/Support Services

Coordinator Community Activities

Secretary

Adult School Recreation Child Care

Secretary

Assistant Principal

Teachers

Nurse/Support Services

Coordinator Community Activities

Secretary

Adult School Recreation Child Care

Secretary

Assistant Principal

Teachers

Nurse/Support Services

Coordinator Community Activities

Secretary

Adult School Recreation Child Care

Secretary

Assistant Principal

Teachers

Nurse/Support Services

Coordinator Community Activities

Secretary

Adult School Recreation Child Care

Curriculum Development

Assessment

Grants & Programs

Professional Development

Summer School

Secretary

Curriculum Transportation Food Services

Mechanic

Head Driver

Bus Drivers

Food Services

Secretary

Curriculum Transportation Food Services

Mechanic

Head Driver

Bus Drivers

Food Services

Secretary

Curriculum Transportation Food Services

Mechanic

Head Driver

Bus Drivers

Food Services

Secretary

Curriculum Transportation Food Services

Mechanic

Head Driver

Bus Drivers

Food Services

Secretary

Curriculum Transportation Food Services

Mechanic

Head Driver

Bus Drivers

Food Services

Supervisor of Buildings and Grounds

Secretary

Head Custodian

Supervisor Technology and Information Systems

Secretary

Educational Technologist

Technology Specialists

Secretary

Head Groundskeeper

Maintenance Foreman

Maintenance Mechanics

Head Custodian

Supervisor Technology and Information Systems

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Educational Technologist

Technology Specialists

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Secretary

Educational Technologist

Technology Specialists

Secretary

Head Groundskeeper

Maintenance Foreman

Maintenance Mechanics

HADDON TOWNSHIP BOARD OF EDUCATION  
WESTMONT, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2012

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Mark Cavallo, President	2014
Bonnie Richards, Vice President	2014
Charles Albino	2013
Wendy Caputi	2013
Robert Brown	2013
James Mulroy	2013
Laura Chudd	2015
William Mann	2015
John Kendall	2015

Other Officials

Dr. Mark J. Ravitz, Superintendent

Dr. Joan Nesenkar Saylor, 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**

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

**Official Depositories**

1<sup>st</sup> Colonial National Bank  
1040 Haddon Avenue  
Collingswood, NJ 08108

REQUIRED SUPPLEMENTARY INFORMATION  
PART I

## **INDEPENDENT AUDITORS' REPORT**

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, 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, 2012, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township of Haddon School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to previously 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, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 20, 2012 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 and should be considered in assessing the results of our audit.

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 of the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Haddon School District's 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 financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Haddon School District's basic financial statements. The introductory section and statistical section listed in the table of contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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 it.

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  
November 20, 2012

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

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

We have audited the financial statements of the governmental activities, the business-type activities, 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, 2012, which collectively comprise the School District's basic financial statements and have issued our report thereon dated November 20, 2012. 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.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.



**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township of Haddon School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance 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.

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

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



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

Voorhees, New Jersey  
November 20, 2012

REQUIRED SUPPLEMENTARY INFORMATION  
PART I

## TOWNSHIP OF HADDON SCHOOL DISTRICT

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2012 (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, 2012. 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 2012 are as follows:

- In total, net assets increased \$1,901,385.29.
- General revenues accounted for \$31,648,407.60 in revenue or 93.26% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$2,288,748.86 or 6.74% of total revenues of \$33,937,156.46.
- The School District had \$31,805,569.33 in expenses; \$3,681,952.70 of these expenses was offset by program specific charges for services, grants or contributions.
- Among governmental funds, the General Fund had \$31,675,428.62 in revenues and \$29,894,630.77 in expenditures. The General Fund's balance increased by \$1,780,797.85 from 2011.

#### **Overview of the Financial Statements**

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

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

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

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

## **Overview of the Financial Statements (Cont'd)**

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

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

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

## **Reporting the School District as a Whole**

### **Statement of Net Assets and the Statement of Activities**

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

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

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

## **Reporting the School District's Most Significant Funds**

### **Fund Financial Statements**

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

## Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps the reader 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 Assets provides the perspective of the School District as a whole.

The following schedule provides a summary of the School District's net assets for 2012 and 2011.

TOWNSHIP OF HADDON SCHOOL DISTRICT'S NET ASSETS						
	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and Other Assets	\$ 4,140,673	\$ 2,439,675	\$ 214,697	\$ 221,222	\$ 4,355,370	\$ 2,660,897
Capital Assets	21,398,106	21,873,091	47,283	53,580	21,445,389	21,926,671
<b>Total Assets</b>	<b>25,538,779</b>	<b>24,312,766</b>	<b>261,980</b>	<b>274,802</b>	<b>25,800,759</b>	<b>24,587,567</b>
Long-term Liabilities Outstanding	8,008,896	8,690,223			8,008,896	8,690,223
Other Liabilities	1,061,414	1,100,661	61,811	29,431	1,123,225	1,130,092
<b>Total Liabilities</b>	<b>9,070,310</b>	<b>9,790,884</b>	<b>61,811</b>	<b>29,431</b>	<b>9,132,120</b>	<b>9,820,315</b>
Net Assets:						
Invested in Capital Assets, Net of Related Debt	13,421,492	13,276,372	47,283	53,580	13,468,775	13,329,952
Restricted	3,289,645	1,238,648			3,289,645	1,238,648
Unrestricted (Deficit)	(242,668)	6,862	152,886	191,791	(89,782)	198,653
<b>Total Net Assets</b>	<b>\$ 16,468,469</b>	<b>\$ 14,521,882</b>	<b>\$ 200,169</b>	<b>\$ 245,371</b>	<b>\$ 16,668,638</b>	<b>\$ 14,767,253</b>

The District's combined net assets were \$16,668,638.19 on June 30, 2012. This was an increase of \$1,901,385.29.

The net assets of the business type activities decreased by \$45,201.84.

## The School District as a Whole (Cont'd)

The following schedule shows changes in net assets for fiscal year 2012 and 2011.

<b>TOWNSHIP OF HADDON SCHOOL DISTRICT'S CHANGES IN NET ASSETS</b>						
	Governmental <u>Activities</u>		Business-Type <u>Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenues:						
Program Revenues:						
Charges for Services	\$ 124,912	\$ 151,567	\$ 529,709	\$ 552,792	\$ 654,621	\$ 704,359
Operating Grants and Contributions	2,288,749	1,863,236	190,525	170,952	2,479,274	2,034,187
Property Taxes	21,652,895	21,484,016			21,652,895	21,484,016
Grants and Contributions not Restricted to Specific Programs	9,700,178	9,300,833			9,700,178	9,300,833
Other	170,422	241,375			170,422	241,375
<b>Total Revenues</b>	<b>33,937,156.46</b>	<b>33,041,026.69</b>	<b>720,234</b>	<b>723,744</b>	<b>34,657,391</b>	<b>33,764,770</b>
Expenses:						
Instruction	12,772,484	12,298,961			12,772,484	12,298,961
Support Services	19,033,085	18,916,061			19,033,085	18,916,061
Food Service			693,412	668,801	693,412	668,801
Other			257,024	259,755	257,024	259,755
<b>Total Expenses</b>	<b>31,805,569</b>	<b>31,215,022</b>	<b>950,436</b>	<b>928,556</b>	<b>32,756,005</b>	<b>32,143,578</b>
Increase (Decrease) in Net Assets before Transfers	2,131,587	1,826,005	(230,202)	(204,812)	1,901,385	1,621,193
Special Items Transfers	(185,000)	(218,009)	185,000	218,009	-	-
<b>Increase in Net Assets</b>	<b>1,946,587</b>	<b>1,607,996</b>	<b>(45,202)</b>	<b>13,197</b>	<b>1,901,385</b>	<b>1,621,193</b>
Net Assets, July 1	14,521,882	12,913,886	245,371	232,174	14,767,253	13,146,060
<b>Net Assets, June 30</b>	<b>\$ 16,468,469</b>	<b>\$ 14,521,882</b>	<b>\$ 200,169</b>	<b>\$ 245,371</b>	<b>\$ 16,668,638</b>	<b>\$ 14,767,253</b>

## Governmental Activities

Property taxes and federal and state aid made up 99.13% of revenues for governmental activities for the School District for fiscal year 2012. Federal, state and local grants accounted for 35.33% of revenue.

The total net cost of all programs and services for 2012 and 2011 was \$28,123,616.63 and \$27,729,682.15, respectively. Instruction comprises 42.16% of District net cost of services for 2012.

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.

<b>TOWNSHIP OF HADDON SCHOOL DISTRICT NET COSTS OF GOVERNMENTAL ACTIVITIES</b>					
<u>Governmental Activities</u>	<u>Source</u>	<u>2012</u>		<u>2011</u>	
		<u>Total Costs of Services</u>	<u>Net Costs of Services</u>	<u>Total Costs of Services</u>	<u>Net Costs of Services</u>
<b>Instruction:</b>					
Regular	A-2	\$ 10,227,029	\$ 9,312,104	\$ 9,986,478	\$ 8,888,924
Special Education	A-2	1,765,179	1,765,179	1,584,967	1,584,967
Other Special Instruction	A-2	189,804	189,804	175,242	175,242
Other Instruction	A-2	590,472	590,472	552,275	552,275
<b>Support Services:</b>					
Tuition	A-2	1,517,731	1,139,242	1,586,004	1,079,270
Student and Instruction Related Services	A-2	3,144,491	3,144,491	3,194,898	3,194,898
School Administrative Services	A-2	2,045,957	1,996,548	1,920,988	1,920,988
Other Administrative Services	A-2	538,098	538,098	488,545	488,545
Plant Operations and Maintenance	A-2	2,883,911	2,883,911	2,971,026	2,971,026
Pupil Transportation	A-2	809,549	809,549	799,698	799,698
Unallocated Benefits	A-2	7,513,136	5,174,006	7,299,838	5,418,786
Special Schools	A-2	20,078	20,078	22,784	22,784
Charter Schools	A-2			24,519	24,519
Capital Outlay	A-2	44,129	44,129	63,742	63,742
Interest on Long-term Debt	A-2	367,002	367,002	395,186	395,186
Unallocated Depreciation	A-2	132,122	132,122	131,393	131,393
Unallocated Amortization of Deferred Costs	A-2	16,881	16,881	17,441	17,441
<b>Total Governmental Activities</b>		<b>\$ 31,805,569</b>	<b>\$ 28,123,617</b>	<b>\$ 31,215,022</b>	<b>\$ 27,729,682</b>

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

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

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

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

**Governmental Activities (Cont'd)**

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

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

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

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

“Other” includes special schools and unallocated depreciation.

**The School District's Funds**

The School District's funds are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$33,937,156.46 and expenditures were \$32,156,722.61.

**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 2012 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 2012, the School District had \$21,445,388.65 invested in land, buildings, furniture, equipment and vehicles. The following schedule shows a summary of the fiscal 2012 balances.

<b>TOWNSHIP OF HADDON SCHOOL DISTRICT'S CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)</b>						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Land	\$ 1,121,580	\$ 1,121,580			\$ 1,121,580	\$ 1,121,580
Land Improvements	196,948	223,907			196,948	223,907
Building Improvements	19,180,515	19,707,822			19,180,515	19,707,822
Equipment	608,689	550,310	\$ 47,283	\$ 53,580	655,972	603,890
Vehicles	290,373	269,472			290,373	269,472
<b>Total</b>	<b>\$ 21,398,106</b>	<b>\$ 21,873,091</b>	<b>\$ 47,283</b>	<b>\$ 53,580</b>	<b>\$ 21,445,389</b>	<b>\$ 21,926,671</b>



## Debt Administration

As of June 30, 2012, the School District had \$8,110,000.00 of outstanding debt.

<b>Township of Haddon School District Long-term Debt Schedule</b>				
<b><u>Governmental Activity</u></b>	<b><u>Balance June 30, 2012</u></b>	<b><u>Balance June 30, 2011</u></b>	<b><u>Increase/ Decrease</u></b>	<b><u>% Change</u></b>
General Serial Bonds	\$ 8,110,000.00	\$ 8,755,000.00	(\$ 645,000.00)	-7.37%
Compensated Absences	707,291.99	738,503.68	(31,211.69)	4.23%
Total	<u>\$ 8,814,291.99</u>	<u>\$ 9,493,503.68</u>	<u>(\$ 676,211.69)</u>	<u>-7.12%</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](mailto:jgauld@haddontwpschools.com).

## BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

## TOWNSHIP OF HADDON SCHOOL DISTRICT

## Statement of Net Assets

June 30, 2012

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 3,436,914.40	\$ 198,962.54	\$ 3,635,876.94
Receivables, net	8,414.00		8,414.00
Intergovernmental Receivables	540,444.82	4,775.55	545,220.37
Inventory		10,958.66	10,958.66
Prepaid Expenses	157.50		157.50
Deferred Costs	154,742.48		154,742.48
Capital Assets, net	21,398,105.67	47,282.98	21,445,388.65
<b>Total Assets</b>	<b>25,538,778.87</b>	<b>261,979.73</b>	<b>25,800,758.60</b>
<b>LIABILITIES:</b>			
Accounts Payable	87,476.21	300.00	87,776.21
Accrued Interest Payable	61,841.15		61,841.15
Intergovernmental Payable	83,633.06		83,633.06
Deferred Revenue	153,463.68	61,510.59	214,974.27
Noncurrent Liabilities:			
Due within One Year	675,000.00		675,000.00
Due beyond One Year	8,008,895.72		8,008,895.72
<b>Total Liabilities</b>	<b>9,070,309.82</b>	<b>61,810.59</b>	<b>9,132,120.41</b>
<b>NET ASSETS:</b>			
Invested in Capital Assets, Net of Related Debt	13,421,491.94	47,282.98	13,468,774.92
Restricted:			
Capital Projects	950,000.00		950,000.00
Debt Service	110.43		110.43
Other Purposes	2,339,535.01		2,339,535.01
Unrestricted	(242,668.33)	152,886.16	(89,782.17)
<b>Total Net Assets</b>	<b>\$ 16,468,469.05</b>	<b>\$ 200,169.14</b>	<b>\$ 16,668,638.19</b>

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, 2012

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>							
Instruction:							
Regular	\$ 10,227,028.82		\$ 914,924.81		\$ (9,312,104.01)		\$ (9,312,104.01)
Special Education	1,765,179.07				(1,765,179.07)		(1,765,179.07)
Other Special Instruction	189,803.77				(189,803.77)		(189,803.77)
Other Instruction	590,472.35				(590,472.35)		(590,472.35)
Support Services:							
Tuition	1,517,731.09	\$ 124,912.00	253,576.91		(1,139,242.18)		(1,139,242.18)
Student and Instruction Related Services	3,144,491.47				(3,144,491.47)		(3,144,491.47)
School Administrative Services	2,045,956.81		49,408.75		(1,996,548.06)		(1,996,548.06)
Other Administrative Services	538,097.65				(538,097.65)		(538,097.65)
Plant Operations and Maintenance	2,883,911.10				(2,883,911.10)		(2,883,911.10)
Pupil Transportation	809,548.82				(809,548.82)		(809,548.82)
Unallocated Benefits	7,513,135.78		2,339,130.23		(5,174,005.55)		(5,174,005.55)
Special Schools	20,078.46				(20,078.46)		(20,078.46)
Capital Outlay	44,129.00				(44,129.00)		(44,129.00)
Interest on Long-Term Debt	367,002.19				(367,002.19)		(367,002.19)
Unallocated Depreciation	132,121.96				(132,121.96)		(132,121.96)
Unallocated Amortization of Deferred Costs	16,880.99				(16,880.99)		(16,880.99)
<b>Total Governmental Activities</b>	<b>31,805,569.33</b>	<b>124,912.00</b>	<b>3,557,040.70</b>	<b>\$ -</b>	<b>(28,123,616.63)</b>	<b>\$ -</b>	<b>(28,123,616.63)</b>
<b>Business-Type Activities:</b>							
Food Service	693,411.75	271,629.48	190,525.13			(231,257.14)	(231,257.14)
Other	257,024.14	258,079.44				1,055.30	1,055.30
<b>Total Business-Type Activities</b>	<b>950,435.89</b>	<b>529,708.92</b>	<b>190,525.13</b>	<b>-</b>	<b>-</b>	<b>(230,201.84)</b>	<b>(230,201.84)</b>
<b>Total Primary Government</b>	<b>\$ 32,756,005.22</b>	<b>\$ 654,620.92</b>	<b>\$ 3,747,565.83</b>	<b>\$ -</b>	<b>(28,123,616.63)</b>	<b>(230,201.84)</b>	<b>(28,353,818.47)</b>
<b>General Revenues:</b>							
Taxes:							
Property Taxes, Levied for General Purposes, net					20,659,459.00		20,659,459.00
Taxes Levied for Debt Service					993,436.00		993,436.00
Federal and State Aid not Restricted					8,431,886.64		8,431,886.64
Miscellaneous Income					170,422.12		170,422.12
Transfers:							
Governmental					(185,000.00)	185,000.00	
<b>Total General Revenues, Special Items, Extraordinary Items and Transfers</b>					<b>30,070,203.76</b>	<b>185,000.00</b>	<b>30,255,203.76</b>
<b>Change in Net Assets</b>					<b>1,946,587.13</b>	<b>(45,201.84)</b>	<b>1,901,385.29</b>
<b>Net Assets -- July 1</b>					<b>14,521,881.92</b>	<b>245,370.98</b>	<b>14,767,252.90</b>
<b>Net Assets -- June 30</b>					<b>\$ 16,468,469.05</b>	<b>\$ 200,169.14</b>	<b>\$ 16,668,638.19</b>

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, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 3,436,803.97			\$ 110.43	\$ 3,436,914.40
Receivables, net	8,414.00				8,414.00
Receivables from Other Governments	173,786.30	\$ 366,658.52			540,444.82
Interfund	106,285.71				106,285.71
Prepaid Expenses	157.50				157.50
<b>Total Assets</b>	<b>\$ 3,725,447.48</b>	<b>\$ 366,658.52</b>	<b>\$ -</b>	<b>\$ 110.43</b>	<b>\$ 4,092,216.43</b>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 60,800.14	\$ 26,676.07			\$ 87,476.21
Payable to State Government		83,633.06			83,633.06
Interfund		106,285.71			106,285.71
Deferred Revenue	3,400.00	150,063.68			153,463.68
<b>Total Liabilities</b>	<b>64,200.14</b>	<b>366,658.52</b>	<b>\$ -</b>	<b>\$ -</b>	<b>430,858.66</b>
<b>Fund Balances:</b>					
<b>Non-Spendable:</b>					
Prepaid Expenses	157.50				157.50
<b>Restricted:</b>					
Capital Reserve	950,000.00				950,000.00
Maintenance Reserve	25,000.00				25,000.00
Current Expense Emergency Reserve	125,000.00				125,000.00
Excess Surplus (2011-12)	2,051,361.20				2,051,361.20
Reserve for Excess Surplus (2010-11) - Designated for Subsequent Year's Expenditures	138,173.81				138,173.81
Debt Service Fund				110.43	110.43

(Continued)

## TOWNSHIP OF HADDON SCHOOL DISTRICT

Balance Sheet  
Governmental Funds  
June 30, 2012

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Fund Balances (Cont'd):					
Assigned:					
Designated for Subsequent Year's Expenditures	\$ 528,799.19				\$ 528,799.19
Unassigned:					
General Fund (Deficit)	(157,244.36)				(157,244.36)
Total Fund Balances	3,661,247.34	\$ -	\$ -	\$ 110.43	3,661,357.77
Total Liabilities and Fund Balances	\$ 3,725,447.48	\$ 366,658.52	\$ -	\$ 110.43	4,092,216.43

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$33,008,409.76, and the accumulated depreciation is \$11,610,304.09

21,398,105.67

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.

(8,683,895.72)

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

(61,841.15)

Deferred Costs, such as bond issue costs, are not recorded as an asset in the governmental funds.

154,742.48

Net assets of governmental activities

\$ 16,468,469.05

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, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES:</b>					
Local Tax Levy	\$ 20,659,459.00			\$ 993,436.00	\$ 21,652,895.00
Tuition Charges	124,912.00				124,912.00
Miscellaneous	170,422.12				170,422.12
State Sources	10,396,692.86	\$ 360,507.46			10,757,200.32
Federal Sources	323,942.64	907,784.38			1,231,727.02
<b>Total Revenues</b>	<b>31,675,428.62</b>	<b>1,268,291.84</b>	<b>\$ -</b>	<b>993,436.00</b>	<b>33,937,156.46</b>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
Regular Instruction	9,268,719.21	914,924.81			10,183,644.02
Special Education Instruction	1,765,179.07				1,765,179.07
Other Special Instruction	189,803.77				189,803.77
Other Instruction	590,472.35				590,472.35
<b>Support Services and Undistributed Costs:</b>					
Tuition	1,517,731.09				1,517,731.09
Student and Instruction Related Services	2,890,071.10	253,576.91			3,143,648.01
School Administrative Services	1,996,460.77	49,408.75			2,045,869.52
Other Administrative Services	538,097.65				538,097.65
Plant Operations and Maintenance	2,440,691.07				2,440,691.07
Pupil Transportation	758,059.69				758,059.69
Unallocated Benefits	7,493,976.10	50,381.37			7,544,357.47
Special Schools	20,078.46				20,078.46
<b>Debt Service:</b>					
Principal				645,000.00	645,000.00
Interest and Other Charges				348,800.00	348,800.00
Capital Outlay	240,290.44				240,290.44
<b>Total Expenditures</b>	<b>29,709,630.77</b>	<b>1,268,291.84</b>	<b>-</b>	<b>993,800.00</b>	<b>31,971,722.61</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>1,965,797.85</b>	<b>-</b>	<b>-</b>	<b>(364.00)</b>	<b>1,965,433.85</b>

(Continued)

**TOWNSHIP OF HADDON SCHOOL DISTRICT**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Fiscal Year Ended June 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>OTHER FINANCING SOURCES (USES):</b>					
Operating Transfers Out	\$ (185,000.00)				\$ (185,000.00)
Net Change in Fund Balances	1,780,797.85	\$ -	\$ -	\$ (364.00)	1,780,433.85
Fund Balance -- July 1	1,880,449.49	-	-	474.43	1,880,923.92
Fund Balance -- June 30	\$ 3,661,247.34	\$ -	\$ -	\$ 110.43	\$ 3,661,357.77

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, 2012

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Total Net Change in Fund Balances - Governmental Funds	\$ 1,780,433.85
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>	
Depreciation Expense	\$ (671,146.67)
Capital Asset Additions	<u>196,161.44</u>
	(474,985.23)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.	645,000.00
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.	(24,894.89)
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. (+)	6,692.70
In the statement of activities, amortization of deferred costs in the statement of activities is accrued, In the governmental funds, amortization is not recorded.	(16,880.99)
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 (+).	31,221.69
	<hr/>
Change in Net Assets of Governmental Activities	<u><u>\$ 1,946,587.13</u></u>

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

**TOWNSHIP OF HADDON SCHOOL DISTRICT**  
Statement of Net Assets  
Proprietary Funds  
June 30, 2012

	Business-Type Activities - Enterprise Funds							Totals
	<u>Food Service</u>	<u>Latchkey Program</u>	<u>Adult School</u>	<u>Summer Institute</u>	<u>Summer Recreation</u>	<u>Summer Enrichment</u>	<u>Wellness Program</u>	
<b>ASSETS:</b>								
<b>Current Assets:</b>								
Cash and Cash Equivalents		\$ 126,850.39	\$ 10,838.03	\$ 1,453.78	\$ 56,503.70	\$ 4,119.86	\$ 90.00	\$ 199,855.76
Accounts Receivable:								
State	\$ 168.44							168.44
Federal	4,607.11							4,607.11
Inventories	10,958.66							10,958.66
<b>Total Current Assets</b>	<b>15,734.21</b>	<b>126,850.39</b>	<b>10,838.03</b>	<b>1,453.78</b>	<b>\$ 56,503.70</b>	<b>4,119.86</b>	<b>90.00</b>	<b>215,589.97</b>
<b>Noncurrent Assets:</b>								
Furniture, Machinery and Equipment	204,079.94							204,079.94
Less: Accumulated Depreciation	156,796.96							156,796.96
<b>Total Noncurrent Assets</b>	<b>47,282.98</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47,282.98</b>
<b>Total Assets</b>	<b>63,017.19</b>	<b>126,850.39</b>	<b>10,838.03</b>	<b>1,453.78</b>	<b>56,503.70</b>	<b>4,119.86</b>	<b>90.00</b>	<b>262,872.95</b>
<b>LIABILITIES:</b>								
<b>Current Liabilities:</b>								
Cash Overdraft	893.22							893.22
Accounts Payable					300.00			300.00
Deferred Revenue					61,510.59			61,510.59
<b>Total Current Liabilities</b>	<b>893.22</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61,810.59</b>	<b>-</b>	<b>-</b>	<b>62,703.81</b>
<b>Total Liabilities</b>	<b>893.22</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61,810.59</b>	<b>-</b>	<b>-</b>	<b>62,703.81</b>
<b>NET ASSETS:</b>								
Invested in Capital Assets Net of Related Debt	47,282.98							47,282.98
Unrestricted (Deficit)	14,840.99	126,850.39	10,838.03	1,453.78	(5,306.89)	4,119.86	90.00	152,886.16
<b>Total Net Assets</b>	<b>\$ 62,123.97</b>	<b>\$ 126,850.39</b>	<b>\$ 10,838.03</b>	<b>\$ 1,453.78</b>	<b>\$ (5,306.89)</b>	<b>\$ 4,119.86</b>	<b>\$ 90.00</b>	<b>\$ 200,169.14</b>

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

**TOWNSHIP OF HADDON SCHOOL DISTRICT**  
Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2012

	Business-Type Activities - Enterprise Fund							
	<u>Food Service</u>	<u>Latchkey Program</u>	<u>Adult School</u>	<u>Summer Institute</u>	<u>Summer Recreation</u>	<u>Summer Enrichment</u>	<u>Wellness Program</u>	<u>Total Enterprise</u>
<b>OPERATING REVENUES:</b>								
Charges for Services:								
Daily Sales - Reimbursable Programs	\$ 138,225.12							\$ 138,225.12
Daily Sales - Non-Reimbursable Programs	133,404.36							133,404.36
Community Service Activity		\$ 169,446.82	\$ 44,868.50		\$ 43,764.12			258,079.44
<b>Total Operating Revenues</b>	<b>271,629.48</b>	<b>169,446.82</b>	<b>44,868.50</b>	<b>\$ -</b>	<b>43,764.12</b>	<b>\$ -</b>	<b>\$ -</b>	<b>529,708.92</b>
<b>OPERATING EXPENSES:</b>								
Salaries	341,852.48	135,832.27	22,195.06		41,156.17			541,035.98
Employee Benefits	62,581.59	3,055.37	1,625.21		2,726.46			69,988.63
Food Service Management Fee	42,654.59							42,654.59
Other Purchased Services		1,231.49	18,858.34					20,089.83
General Supplies	22,271.61	18,188.51			7,914.76			48,374.88
Miscellaneous					4,240.50			4,240.50
Depreciation	6,296.77							6,296.77
Cost of Sales	217,754.71							217,754.71
<b>Total Operating Expenses</b>	<b>693,411.75</b>	<b>158,307.64</b>	<b>42,678.61</b>	<b>-</b>	<b>56,037.89</b>	<b>-</b>	<b>-</b>	<b>950,435.89</b>
<b>Operating Income (Loss)</b>	<b>(421,782.27)</b>	<b>11,139.18</b>	<b>2,189.89</b>	<b>-</b>	<b>(12,273.77)</b>	<b>-</b>	<b>-</b>	<b>(420,726.97)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>								
State Sources:								
State School Lunch Program	4,506.77							4,506.77
Federal Sources:								
National School Lunch Program	117,118.20							117,118.20
National Breakfast Program	2,869.71							2,869.71
Food Distribution Program	44,815.12							44,815.12
Food Service Company Guarantee	21,215.33							21,215.33
<b>Total Nonoperating Revenues (Expenses)</b>	<b>190,525.13</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>190,525.13</b>
<b>Income (Loss) before Contributions and Transfers</b>	<b>(231,257.14)</b>	<b>11,139.18</b>	<b>2,189.89</b>	<b>-</b>	<b>(12,273.77)</b>	<b>-</b>	<b>-</b>	<b>(230,201.84)</b>
<b>Operating Transfers In (Out) - General Fund</b>	<b>185,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>185,000.00</b>
<b>Change in Net Assets</b>	<b>(46,257.14)</b>	<b>11,139.18</b>	<b>2,189.89</b>	<b>-</b>	<b>(12,273.77)</b>	<b>-</b>	<b>-</b>	<b>(45,201.84)</b>
<b>Total Net Assets -- July 1</b>	<b>108,381.11</b>	<b>115,711.21</b>	<b>8,648.14</b>	<b>1,453.78</b>	<b>6,966.88</b>	<b>4,119.86</b>	<b>90.00</b>	<b>245,370.98</b>
<b>Total Net Assets -- June 30</b>	<b>\$ 62,123.97</b>	<b>\$ 126,850.39</b>	<b>\$ 10,838.03</b>	<b>\$ 1,453.78</b>	<b>\$ (5,306.89)</b>	<b>\$ 4,119.86</b>	<b>\$ 90.00</b>	<b>\$ 200,169.14</b>

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, 2012

	Business-Type Activities - Enterprise Funds							Total Enterprise
	<u>Food Service</u>	<u>Latchkey Program</u>	<u>Adult School</u>	<u>Summer Institute</u>	<u>Summer Recreation</u>	<u>Summer Enrichment</u>	<u>Wellness Program</u>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>								
Receipts from Customers	\$ 271,629.48	\$ 170,530.74	\$ 44,868.50		\$ 79,310.47			\$ 566,339.19
Payments to Employees	(341,852.48)							(341,852.48)
Payments for Employee Benefits	(62,581.59)							(62,581.59)
Payments to Food Management Company	(46,121.04)							(46,121.04)
Payments to Vendors	(202,228.40)	(158,307.64)	(42,678.61)		(55,737.89)			(458,952.54)
Net Cash Provided by (used for) Operating Activities	(381,154.03)	12,223.10	2,189.89	\$ -	23,572.58	\$ -	\$ -	(343,168.46)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>								
State Sources	4,338.33							4,338.33
Federal Sources	115,380.80							115,380.80
Food Service Company Guarantee	21,215.33							
Operating Subsidies and Transfers from/to other Funds	185,000.00							185,000.00
Net Cash Provided by (used for) Non-Capital Financing Activities	325,934.46	-	-	-	-	-	-	304,719.13
Net Increase (Decrease) in Cash and Cash Equivalents	(55,219.57)	12,223.10	2,189.89		23,572.58			(38,449.33)
Balances -- July 1	54,326.35	114,627.29	8,648.14	1,453.78	32,931.12	4,119.86	90.00	216,196.54
Balances -- June 30	\$ (893.22)	\$ 126,850.39	\$ 10,838.03	\$ 1,453.78	\$ 56,503.70	\$ 4,119.86	\$ 90.00	\$ 198,962.54
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>								
Operating Income (Loss)	\$ (421,782.27)	\$ 11,139.18	\$ 2,189.89	\$ -	\$ (12,273.77)	\$ -	\$ -	\$ (420,726.97)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:								
Depreciation and Net Amortization	6,296.77							6,296.77
Federal Commodities	44,815.12							44,815.12
(Increase) Decrease in Accounts Receivable, net		1,083.92						1,083.92
(Increase) Decrease in Inventories	(7,017.20)							(7,017.20)
Increase (Decrease) in Accounts Payable	(3,466.45)				300.00			(3,166.45)
Increase (Decrease) in Deferred Revenue					35,546.35			35,546.35
Total Adjustments	40,628.24	1,083.92	-	-	35,846.35	-	-	77,558.51
Net Cash Provided by (used for) Operating Activities	\$ (381,154.03)	\$ 12,223.10	\$ 2,189.89	\$ -	\$ 23,572.58	\$ -	\$ -	\$ (343,168.46)

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

**TOWNSHIP OF HADDON SCHOOL DISTRICT**  
 Statement of Fiduciary Net Assets  
 Fiduciary Funds  
 June 30, 2012

	<u>Trust Funds</u>	<u>Agency Funds</u>	
	<u>Unemployment Compensation Trust</u>	<u>Student Activity</u>	<u>Payroll</u>
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 490,125.10	\$ 165,116.21	\$ 169,059.16
Due from General Fund		1,019.00	
	<u>490,125.10</u>	<u>166,135.21</u>	<u>169,059.16</u>
<b>LIABILITIES:</b>			
Payable to District (General Fund)			\$ 8,033.00
Payable to Student Groups		\$ 166,135.21	
Payroll Deductions and Withholdings			161,026.16
		<u>-</u>	<u>\$ 169,059.16</u>
Total Liabilities		<u>\$ 166,135.21</u>	<u>\$ 169,059.16</u>
<b>NET ASSETS:</b>			
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 490,125.10</u>		

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

**TOWNSHIP OF HADDON SCHOOL DISTRICT**  
Statement of Changes in Fiduciary Net Assets  
Fiduciary Funds  
For the Fiscal Year Ended June 30, 2012

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	<u>Unemployment Compensation Trust</u>
ADDITIONS:	
Contributions:	
Plan member	\$ 39,873.16
Investment earnings:	
Interest	<u>5,339.77</u>
Total Additions	45,212.93
DEDUCTIONS:	
Unemployment Claims	<u>109,630.33</u>
Change in Net Assets	(64,417.40)
Net Assets -- July 1	<u>554,542.50</u>
Net Assets -- June 30	<u><u>\$ 490,125.10</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, 2012

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

**Description of the Reporting Entity** - The Township of Haddon School District (hereafter referred to as the "School District") is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to educate students in grades Pre K through 12 at its seven schools. The School District has an approximate enrollment at June 30, 2012 of 2,115.

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

**Basis of Presentation** - The financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations, issued on or before November 30, 1989, to its business-type activities and enterprise funds, provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described in this note.

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

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

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

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

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

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

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

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

In addition to the capital outlay sub-fund, the School District is accountable for an additional sub-fund, the Education Jobs Fund ("Ed Jobs"), resulting from federal legislation signed into law on August 10, 2010. The Ed Jobs program was created to provide funding assistance to states in order to save or create education jobs for the 2010-2011 school year, through September 30, 2012. Jobs funded under this program include those that provide educational and related services for early childhood, elementary, and secondary education. Ed Jobs revenues and expenditures are recorded in the general fund (fund 18) on a reimbursement basis. As such, revenue is not included in the fiscal year surplus, and no portion of general fund balance at June 30, 2012 is considered to be attributable to Ed Jobs. Ed Jobs expenditures at June 30, 2012 are included as a component of overall general fund expenditures, and also are included in total general fund expenditures for purposes of the excess surplus calculation.

**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 expenditure 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 expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes, 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.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Fund Financial Statements (Cont'd)****Governmental Funds (Cont'd)**

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

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

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

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

The School District's enterprise funds are:

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

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

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

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

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

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

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

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

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

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

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

**Fiduciary Funds** - Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Pension trust funds are used to account for resources held in trust for employees and their beneficiaries based on defined benefit pension agreements, defined contribution agreements, other postemployment benefit agreements, and other employee benefit arrangements. Investment trust funds are used to report the external portion of an investment pool as defined in GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. 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. Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and / or other funds (i.e., payroll and student activities). They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The School District has three fiduciary funds, an unemployment compensation trust fund, a student activity fund, and payroll fund.

**Measurement Focus**

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

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

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

**Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting.

For fund financial statements, all governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds, like the government-wide financial statements, use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue and the presentation of expenses versus expenditures.

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

**Recognition of Revenue** - Revenue resulting from exchange transactions, which are defined as transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. For the governmental fund financial statements, which are prepared on the modified accrual basis, however, such revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days after fiscal year end.

Revenue resulting from non-exchange transactions, which are defined as transactions in which the School District receives value without directly giving equal value in return, includes Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (property) taxes are susceptible to accrual. As under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year since the revenue is both measurable and available. The School District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". With the exception of the restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

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

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

**Budgets / Budgetary Control** - Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A: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 fiscal year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only, and the special revenue fund. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

**Budgets / Budgetary Control (Cont'd)** - 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 revenue recognition policy for the one or more June state aid payments.

**Encumbrances** - Under encumbrance accounting, purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. 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 deferred revenues at fiscal year end.

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

**Cash, Cash Equivalents and Investments** - Cash and cash equivalents, for all funds, include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. 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.

**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.

**Tuition Payable** - Tuition charges for the fiscal years ended June 30, 2012 and 2011 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**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.

**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, 2012.

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

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

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

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

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

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

**Capital Assets (Cont'd)** - Depreciation is computed using the straight-line method over the following useful lives:

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

**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, 2012, the amounts earned by these employees were disbursed to the employees' own individual accounts.

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

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

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

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

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



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

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

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

**Fund Balance** - 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.

**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 an expenditure is 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 an expenditure is 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.

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

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

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

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

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

**Note 2: CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (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 trust funds such as salary withholdings, athletic and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized in the schedule below.

As of June 30, 2012, the School District's bank balances of \$5,481,673.89 were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 700,184.13
Collateralized by securities held by the pledging financial institution	<u>4,531,489.76</u>
Total	<u><u>\$ 5,231,673.89</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 regarding the capital reserve for the July 1, 2011 to June 30, 2012 fiscal year.

**Note 4: ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2012 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds.

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Proprietary Funds</u>	<u>Total</u>
Intergovernmental	\$ 173,786.30	\$ 366,658.52	\$ 4,775.55	\$ 545,220.37
Other	<u>8,414.00</u>			<u>8,414.00</u>
Total	<u>\$ 182,200.30</u>	<u>\$ 366,658.52</u>	<u>\$ 4,775.55</u>	<u>\$ 553,634.37</u>

**Note 5: INVENTORY**

Inventory in the food service fund at June 30, 2012 consisted of the following:

Food	\$ 9,342.11
Supplies	<u>1,616.55</u>
	<u>\$ 10,958.66</u>

**Note 6: CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2012 was as follows:

	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2012</u>
<b>Governmental Activities:</b>				
Capital Assets, not being Depreciated:				
Land	\$ 1,121,580.00	\$ -	\$ -	\$ 1,121,580.00
Capital Assets, being Depreciated:				
Land Improvements	805,497.00			805,497.00
Building and Improvements	28,715,013.44			28,715,013.44
Equipment	1,244,585.88	117,547.95		1,362,133.83
Vehicles	925,572.00	78,613.49		1,004,185.49
Total Capital Assets, being Depreciated	<u>31,690,668.32</u>	<u>196,161.44</u>	<u>-</u>	<u>31,886,829.76</u>
Less Accumulated Depreciation for:				
Land Improvements	581,590.29	26,958.24		608,548.53
Building and Improvements	9,007,191.28	527,306.88		9,534,498.16
Equipment	694,275.53	59,169.71		753,445.24
Vehicles	656,100.32	57,711.84		713,812.16
Total Accumulated Depreciation	<u>10,939,157.42</u>	<u>671,146.67</u> *	<u>-</u>	<u>11,610,304.09</u>
Total Capital Assets, being Depreciated, Net	<u>20,751,510.90</u>	<u>(474,985.23)</u>		<u>20,276,525.67</u>
Governmental Activities Capital Assets, Net	<u>\$ 21,873,090.90</u>	<u>\$ (474,985.23)</u>	<u>\$ -</u>	<u>\$ 21,398,105.67</u>
<b>Business-Type Activities:</b>				
Total Capital Assets, being Depreciated:				
Equipment	\$ 204,079.94			\$ 204,079.94
Less Accumulated Depreciation	150,500.19	\$ 6,296.77		156,796.96
Total Business-Type Activities Capital Assets, Net	<u>\$ 53,579.75</u>	<u>\$ (6,296.77)</u>	<u>\$ -</u>	<u>\$ 47,282.98</u>

\* Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 43,384.80
Student and Instruction Related Services	843.46
School Administrative Services	87.29
Plant Operations and Maintenance	443,220.03
Pupil Transportation	51,489.13
Unallocated	<u>132,121.96</u>
Total Depreciation Expense	<u>\$ 671,146.67</u>

**Note 7: LONG-TERM OBLIGATIONS**

During the fiscal year ended June 30, 2012, the following changes occurred in long-term obligations:

	<u>Principal Outstanding July 1, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2012</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
General Obligation Bonds	\$ 8,755,000.00		\$ 645,000.00	\$ 8,110,000.00	\$ 675,000.00
Compensated Absences	738,503.68		31,221.69	707,281.99	
	9,493,503.68	\$ -	676,221.69	8,817,281.99	675,000.00
Deferred Amount on Refunding	(158,281.16)		(24,894.89)	(133,386.27)	-
Governmental Activity Long-term Liabilities	<u>\$ 9,335,222.52</u>	<u>\$ -</u>	<u>\$ 651,326.80</u>	<u>\$ 8,683,895.72</u>	<u>\$ 675,000.00</u>

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

Principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 675,000.00	\$ 309,900.00	\$ 984,900.00
2014	705,000.00	282,800.00	987,800.00
2015	730,000.00	254,537.50	984,537.50
2016	760,000.00	225,112.50	985,112.50
2017	795,000.00	195,006.25	990,006.25
2018	820,000.00	164,725.00	984,725.00
2019	855,000.00	131,181.25	986,181.25
2020	885,000.00	94,206.25	979,206.25
2021	930,000.00	56,800.00	986,800.00
2022	955,000.00	19,100.00	974,100.00
	<u>\$ 8,110,000.00</u>	<u>\$ 1,733,368.75</u>	<u>\$ 9,843,368.75</u>

**Bonds Authorized but not Issued** - As of June 30, 2012, 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, 2012, the School District had operating lease agreements in effect for copy machines and telephone system. The future minimum rental payments under the operating lease agreements are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Amount</u>
2013	\$ 89,242.63
2014	<u>77,995.96</u>
	<u>\$ 167,238.59</u>

Rental payments under operating leases for the fiscal year ended June 30, 2012 were \$85,511.60.

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

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

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

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 beginning on 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, 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 beginning on 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, 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:

**Public Employees Retirement System**

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Non-Contributory Group Life Insurance</u>	<u>Total Liability</u>	<u>Paid by School District</u>
2012	\$ 125,792.00	\$ 251,583.00	\$ 24,043.00	\$ 401,418.00	\$ 401,418.00
2011	140,781.00	224,326.00	27,730.00	392,837.00	392,837.00
2010	115,046.00	147,820.00	36,453.00	299,319.00	299,319.00

**Defined Contribution Retirement Program** - The Defined Contribution Retirement Program (DCRP) is a cost-sharing multiple-employer defined contribution pension fund which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.), 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 District had thirty one employees enrolled in this plan for the year ending June 30, 2012.

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

<u>Fiscal Year</u>	<u>Group Life Insurance</u>	<u>Long-term Disability</u>	<u>Total Liability</u>	<u>Paid by School District</u>
2012	\$3,388.50	\$ 1,452.22	\$4,840.72	\$ 4,840.72
2011	145.49	60.95	206.44	25,821.00

**Note 10: POST-RETIREMENT BENEFITS**

P.L. 1987, c.384 of P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of postemployment medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of postemployment medical benefits for retired State employees and retired educational employees. As of June 30, 2011, there were 93,323 retirees eligible for postemployment medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retire from a board of education or county college with 25 years of service. The State paid \$144 million toward Chapter 126 benefits for 15,709 eligible retired members in fiscal year 2011.

**Note 11: ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2012, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement costs related to TPAF. The amounts recognized as revenues and expenditures for normal costs and post-retirement costs were \$123,485.00 and \$890,686.00, 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 its surety bonds and its property and liability insurance through the Burlington County Joint Insurance Fund. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

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

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

<b><u>Fiscal Year</u></b> <b><u>Ended June 30,</u></b>	<b><u>School</u></b> <b><u>District</u></b> <b><u>Contributions</u></b>	<b><u>Employee</u></b> <b><u>Contributions</u></b>	<b><u>Amount</u></b> <b><u>Reimbursed</u></b>	<b><u>Ending</u></b> <b><u>Balance</u></b>
2012	\$ -	\$ 39,873.16	\$ 109,630.33	\$ 490,125.10
2011	223,984.00	35,604.80	97,520.69	554,542.50
2010	50,170.00	41,728.36	69,814.69	388,398.14



**Note 12: RISK MANAGEMENT (CONT'D)**

**Joint Insurance Pool** - The School District is a member of the Burlington County 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 which can be obtained from the following address:

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

**Note 13: DEFERRED COMPENSATION**

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

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

**Note 14: COMPENSATED ABSENCES**

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2012, the liability for compensated absences in the governmental activities was \$707,281.99.

**Note 15: INTERFUND BALANCES AND TRANSFERS**

The following interfund balances were recorded on the various balance sheets as June 30, 2012:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 106,285.71	
Special Revenue		\$ 106,285.71
	<u>\$ 106,285.71</u>	<u>\$ 106,285.71</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. During the fiscal year 2013, the District expects to liquidate such interfunds, depending upon the availability of cash flow.

**Note 16: DEFICIT FUND BALANCES**

The School District has a deficit fund balance of \$157,244.36 in the general fund as of June 30, 2012 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 and special revenue 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 \$157,244.36 is less than the June state aid payments.

**Note 17: FUND BALANCES****NONSPENDABLE**

As stated in note 1, 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 nonspendable fund balances of the School District, as of June 30, 2012, are summarized as follows:

**General Fund** - The School District disbursed funds in 2011-12 that were for the subsequent year's budget. As a result, because the prepaid expense is recorded as an asset, it is necessary to set aside fund balance at fiscal year-end by an amount equal to the prepayment. As of June 30, 2012, the nonspendable fund balance was \$157.50.

**Note 17: FUND BALANCES (CONT'D)****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, 2012 is \$2,051,361.20. Additionally, \$138,173.81 of excess fund balance generated during 2010-2011 has been restricted and designated for utilization in the 2012-2013 budget.

**For Capital Reserve Account** - As of June 30, 2012, the balance in the capital reserve account is \$950,000.00. 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, 2012, the balance in the maintenance reserve account is \$25,000.00. 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, 2012, the balance in the emergency reserve is \$125,000.00. 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).

**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 \$110.43 as of June 30, 2012. 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, 2013, \$528,799.19 of its general fund balance at June 30, 2012.

**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 (deficit) in its General Fund as of June 30, 2012 was (\$157,244.36).

**Note 18: LITIGATION**

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

REQUIRED SUPPLEMENTARY INFORMATION  
PART II

BUDGETARY COMPARISON SCHEDULES

**TOWNSHIP OF HADDON SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 20,659,459.00		\$ 20,659,459.00	\$ 20,659,459.00	
Tuition	14,000.00		14,000.00	124,912.00	\$ 110,912.00
Participation Fees				38,530.00	38,530.00
Service Provided to Other Districts				28,648.50	28,648.50
Miscellaneous	248,558.00		248,558.00	103,243.62	(145,314.38)
<b>Total - Local Sources</b>	<b>20,922,017.00</b>	<b>\$ -</b>	<b>20,922,017.00</b>	<b>20,954,793.12</b>	<b>32,776.12</b>
State Sources:					
Equalization Aid	6,611,112.00		6,611,112.00	6,909,811.00	298,699.00
Special Education Categorical Aid	1,087,038.00		1,087,038.00	1,087,038.00	
Extraordinary Aid	115,000.00		115,000.00	154,394.00	39,394.00
Additional N.J. Nonpublic School Transportation Aid				6,786.00	6,786.00
Anti-Bullying Grant				3,417.00	3,417.00
On-Behalf T.P.A.F. Pension Contributions (non-budgeted)				1,333,755.00	1,333,755.00
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				954,993.86	954,993.86
<b>Total - State Sources</b>	<b>7,813,150.00</b>	<b>-</b>	<b>7,813,150.00</b>	<b>10,450,194.86</b>	<b>2,637,044.86</b>
Federal Sources:					
Medicaid Reimbursement	21,000.00		21,000.00	20,050.64	(949.36)
Education Jobs	294,661.00	9,231.00	303,892.00	303,892.00	
	315,661.00	9,231.00	324,892.00	323,942.64	(949.36)
<b>Total Revenues</b>	<b>29,050,828.00</b>	<b>9,231.00</b>	<b>29,060,059.00</b>	<b>31,728,930.62</b>	<b>2,668,871.62</b>

(Continued)

**TOWNSHIP OF HADDON SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2012

EXPENDITURES:	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	\$ 148,298.00	\$ 1,160.00	\$ 149,458.00	\$ 149,458.00	
Kindergarten	226,675.00	(1,160.00)	225,515.00	203,397.96	\$ 22,117.04
Grades 1-5	2,938,170.00	100,892.42	3,039,062.42	3,029,303.42	9,759.00
Grades 6-8	1,656,480.00	178,054.00	1,834,534.00	1,823,395.94	11,138.06
Grades 9-12	3,268,851.00	50,101.00	3,318,952.00	3,303,164.65	15,787.35
Regular Programs - Home Instruction:					
Salaries of Teachers	15,000.00	22,786.59	37,786.59	37,786.59	
Other Purchased Services	5,000.00	6,621.25	11,621.25	11,621.25	
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	50,940.00	(13,030.76)	37,909.24	37,909.24	
Other Purchase Services for Instruction	136,725.00	(5,348.00)	131,377.00	117,283.25	14,093.75
General Supplies	498,751.00	4,817.89	503,568.89	503,568.62	0.27
Textbooks	95,080.00	(30,800.00)	64,280.00	51,437.29	12,842.71
Other Objects	1,820.00		1,820.00	393.00	1,427.00
Total Regular Programs	<u>9,041,790.00</u>	<u>314,094.39</u>	<u>9,355,884.39</u>	<u>9,268,719.21</u>	<u>87,165.18</u>
Special Education - Instruction:					
Learning and / or Language Disabilities:					
Salaries of Teachers	202,087.00	9,085.99	211,172.99	205,497.83	5,675.16
Other Salaries for Instruction	141,977.00	30,977.14	172,954.14	172,954.14	
General Supplies	9,000.00		9,000.00	7,997.72	1,002.28
Total Learning and / or Language Disabilities	<u>353,064.00</u>	<u>40,063.13</u>	<u>393,127.13</u>	<u>386,449.69</u>	<u>6,677.44</u>
Behavioral Disabilities:					
Salaries of Teachers					
Other Salaries for Instruction	17,160.00		17,160.00	17,159.20	0.80
Total Behavioral Disabilities	<u>17,160.00</u>	<u>-</u>	<u>17,160.00</u>	<u>17,159.20</u>	<u>0.80</u>

(Continued)



**TOWNSHIP OF HADDON SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>EXPENDITURES (CONT'D):</b>					
Current Expense (Cont'd):					
Special Education - Instruction (Cont'd):					
Resource Room / Resource Center:					
Salaries of Teachers	\$ 1,036,763.00	\$ (8,353.59)	\$ 1,028,409.41	\$ 1,027,159.32	\$ 1,250.09
Other Salaries for Instruction	155,962.00	(522.24)	155,439.76	146,165.82	9,273.94
General Supplies	18,000.00	(9,387.00)	8,613.00	8,612.38	0.62
Textbooks		13,187.00	13,187.00	12,403.10	783.90
Total Resource Room / Resource Center	<u>1,210,725.00</u>	<u>(5,075.83)</u>	<u>1,205,649.17</u>	<u>1,194,340.62</u>	<u>11,308.55</u>
Preschool Disabilities - Part-Time:					
Salaries of Teachers	104,220.00	3,689.52	107,909.52	107,909.52	
Other Salaries for Instruction	31,485.00	13,580.00	45,065.00	42,458.72	2,606.28
General Supplies	3,000.00	(837.25)	2,162.75	2,068.88	93.87
Total Preschool Disabilities - Part-Time	<u>138,705.00</u>	<u>16,432.27</u>	<u>155,137.27</u>	<u>152,437.12</u>	<u>2,700.15</u>
Home Instruction:					
Salaries of Teachers	35,000.00	(23,526.51)	11,473.49	11,473.49	
Other Purchase Services	10,000.00		10,000.00	3,318.95	6,681.05
Total Home Instruction	<u>45,000.00</u>	<u>(23,526.51)</u>	<u>21,473.49</u>	<u>14,792.44</u>	<u>6,681.05</u>
Total Special Education - Instruction	<u>1,764,654.00</u>	<u>27,893.06</u>	<u>1,792,547.06</u>	<u>1,765,179.07</u>	<u>27,367.99</u>
Basic Skills / Remedial - Instruction:					
Salaries of Teachers	61,912.00	3,057.66	64,969.66	63,722.00	1,247.66
General Supplies	8,500.00	(5,145.89)	3,354.11	2,963.18	390.93
Total Basic Skills / Remedial - Instruction	<u>70,412.00</u>	<u>(2,088.23)</u>	<u>68,323.77</u>	<u>66,685.18</u>	<u>1,638.59</u>

(Continued)

**TOWNSHIP OF HADDON SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>EXPENDITURES (CONT'D):</b>					
Current Expense (Cont'd):					
Bilingual Education - Instruction:					
Salaries of Teachers	\$ 133,561.00	\$ (259.79)	\$ 133,301.21	\$ 121,424.00	\$ 11,877.21
Salaries - Other Instruction		705.30	705.30	705.30	
Other Purchase Services	2,000.00		2,000.00		2,000.00
General Supplies	4,000.00	(445.51)	3,554.49	989.29	2,565.20
Textbooks	2,000.00		2,000.00		2,000.00
<b>Total Bilingual Education - Instruction</b>	<b>141,561.00</b>	<b>-</b>	<b>141,561.00</b>	<b>123,118.59</b>	<b>18,442.41</b>
School Sponsored Cocurricular Activities - Instruction:					
Salaries	82,407.00	18,083.57	100,490.57	100,490.57	
Other Purchase Services		435.43	435.43	141.10	294.33
Supplies and Materials	43,362.00	(2,781.00)	40,581.00	35,863.22	4,717.78
Other Objects	2,213.00	3,781.00	5,994.00	5,993.75	0.25
<b>Total School Sponsored Cocurricular Activities - Instruction</b>	<b>127,982.00</b>	<b>19,519.00</b>	<b>147,501.00</b>	<b>142,488.64</b>	<b>5,012.36</b>
School Sponsored Athletics - Instruction:					
Salaries	263,028.00	27,394.50	290,422.50	290,422.50	
Other Purchased Services	21,729.00	(19,825.25)	1,903.75	471.32	1,432.43
Supplies and Materials	59,809.00	2,050.00	61,859.00	60,876.10	982.90
Other Objects	77,043.00	19,170.79	96,213.79	96,213.79	
<b>Total School Sponsored Athletics - Instruction</b>	<b>421,609.00</b>	<b>28,790.04</b>	<b>450,399.04</b>	<b>447,983.71</b>	<b>2,415.33</b>
<b>Total Instruction</b>	<b>11,568,008.00</b>	<b>388,208.26</b>	<b>11,956,216.26</b>	<b>11,814,174.40</b>	<b>142,041.86</b>

(Continued)

**TOWNSHIP OF HADDON SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>EXPENDITURES (CONT'D):</b>					
Current Expense (Cont'd):					
Undistributed Expenditures - Instruction:					
Tuition to Other LEA's Within State - Regular		\$ 16,736.00	\$ 16,736.00	\$ 12,847.86	\$ 3,888.14
Tuition to Other LEAs Within the State-Special	\$ 75,445.00	(11,413.98)	64,031.02	61,522.00	2,509.02
Tuition to County Vocational - Regular	14,250.00	2,850.00	17,100.00	17,100.00	
Tuition to CSSD and Regular Day Schools	330,215.00	36,092.87	366,307.87	360,283.87	6,024.00
Tuition to Private Schools for the Disabled - Within State	1,516,863.00	(260,823.00)	1,256,040.00	982,970.36	273,069.64
Tuition to Private Schools for the Disabled - Outside State	440,457.00	(13,583.93)	426,873.07	11,451.00	415,422.07
Tuition - State Facilities	30,750.00		30,750.00		30,750.00
Tuition - Other	91,433.00		91,433.00	71,556.00	19,877.00
<b>Total Undistributed Expenditures - Instruction</b>	<b>2,499,413.00</b>	<b>(230,142.04)</b>	<b>2,269,270.96</b>	<b>1,517,731.09</b>	<b>751,539.87</b>
Undistributed Expenditures - Attendance and Social Work:					
Salaries	107,458.00	16,246.40	123,704.40	123,704.40	
Other Purchased Services	1,000.00	(17.14)	982.86	982.86	
<b>Total Undistributed Expenditures - Attendance and Social Work</b>	<b>108,458.00</b>	<b>16,229.26</b>	<b>124,687.26</b>	<b>124,687.26</b>	<b>-</b>
Undistributed Expenditures - Health Services:					
Salaries	329,155.00	(22,092.73)	307,062.27	307,062.27	
Other Purchased Services	18,500.00	(512.80)	17,987.20	17,800.00	187.20
Travel	1,300.00	(1,300.00)			
Supplies and Materials	8,048.00	(464.07)	7,583.93	7,583.93	
Other Objects	200.00		200.00	160.00	40.00
<b>Total Undistributed Expenditures - Health Services</b>	<b>357,203.00</b>	<b>(24,369.60)</b>	<b>332,833.40</b>	<b>332,606.20</b>	<b>227.20</b>
Undistributed Expenditures - Other Support Services - Students - Related Services:					
Salaries	265,142.00	2,502.80	267,644.80	267,644.80	
Purchased Professional - Educational Services	350,000.00	(35,813.63)	314,186.37	314,186.37	
<b>Total Undistributed Expenditures - Other Support Services - Students - Related Services</b>	<b>615,142.00</b>	<b>(33,310.83)</b>	<b>581,831.17</b>	<b>581,831.17</b>	<b>-</b>

(Continued)

**TOWNSHIP OF HADDON SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>EXPENDITURES (CONT'D):</b>					
Current Expense (Cont'd):					
Undistributed Expenditures - Other Support Services - Students - Extraordinary Service Purchased Professional- Educational Services	\$ 123,200.00	\$ 85,200.50	\$ 208,400.50	\$ 208,400.50	
Total Undistributed Expenditures - Extraordinary Service	123,200.00	85,200.50	208,400.50	208,400.50	\$ -
Undistributed Expenditures - Guidance					
Salaries of Other Professional Staff	421,261.00	(30,829.20)	390,431.80	390,430.80	1.00
Salaries of Secretarial and Clerical Assistants	89,054.00	(2,546.00)	86,508.00	86,507.18	0.82
Other Purchased Services	7,000.00	(1,855.00)	5,145.00	3,326.60	1,818.40
Supplies and Materials	6,000.00	(381.83)	5,618.17	3,279.76	2,338.41
Other Objects	2,500.00	3,997.59	6,497.59	5,072.00	1,425.59
Total Undistributed Expenditures - Guidance	525,815.00	(31,614.44)	494,200.56	488,616.34	5,584.22
Undistributed Expenditures - Child Study Teams					
Salaries of Other Professional Staff	555,185.00	(24,913.80)	530,271.20	527,962.45	2,308.75
Salaries of Secretarial and Clerical Assistants	89,054.00		89,054.00	87,669.26	1,384.74
Purchased Professional- Educational Services	28,000.00	(13,860.00)	14,140.00	10,975.00	3,165.00
Residential Costs		8,559.00	8,559.00	8,559.00	
Miscellaneous Purchased Services (400-500 Series other than Residential Costs)	3,750.00	(716.33)	3,033.67	3,033.67	
Supplies and Materials	11,000.00	(1,751.26)	9,248.74	9,248.74	
Other Objects	550.00	(30.00)	520.00		520.00
Total Undistributed Expenditures - Child Study Teams	687,539.00	(32,712.39)	654,826.61	647,448.12	7,378.49
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	92,441.00	6,667.44	99,108.44	99,108.44	
Salaries of Other Professional Staff	40,200.00	(5,667.44)	34,532.56	20,386.03	14,146.53
Salaries of Secretarial and Clerical Assistants	39,549.00	675.00	40,224.00	40,212.96	11.04
Other Purchased Services	4,200.00	(2,000.00)	2,200.00		2,200.00
Other Objects	2,050.00		2,050.00	1,653.00	397.00
Total Undistributed Expenditures - Improvement of Instruction Services	178,440.00	(325.00)	178,115.00	161,360.43	16,754.57

(Continued)

**TOWNSHIP OF HADDON SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
<b>EXPENDITURES (CONT'D):</b>					
Current Expense (Cont'd):					
Undistributed Expenditures - Educational Media Services / School Library:					
Salaries	\$ 182,665.00	\$ 6,834.32	\$ 189,499.32	\$ 187,097.88	\$ 2,401.44
Purchased Professional and Technical Services	27,000.00		27,000.00	26,450.00	550.00
Other Purchased Services	48,360.00	3,456.68	51,816.68	51,816.56	0.12
Travel	540.00	(429.00)	111.00		111.00
Supplies and Materials	35,910.00	(17,678.90)	18,231.10	18,231.10	
Other Objects	50.00		50.00		50.00
Total Undistributed Expenditures - Educational Media Services / School Library	294,525.00	(7,816.90)	286,708.10	283,595.54	3,112.56
Undistributed Expenditures - Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	23,111.00	1,483.11	24,594.11	24,594.11	
Salaries - Other Professional Staff	5,552.00	(1,308.11)	4,243.89	862.38	3,381.51
Salaries of Secretarial and Clerical Assistants	4,904.00	100.00	5,004.00	4,985.04	18.96
Purchased Professional- Educational Services	2,600.00	12,200.00	14,800.00	9,383.57	5,416.43
Other Purchased Services	1,000.00	800.00	1,800.00	872.79	927.21
Travel	36,000.00	(17,827.60)	18,172.40	17,049.22	1,123.18
Supplies and Materials	2,700.00	331.00	3,031.00	3,023.43	7.57
Other Objects	500.00	255.00	755.00	755.00	
Total Undistributed Expenditures - Instructional Staff Training Services	76,367.00	(3,966.60)	72,400.40	61,525.54	10,874.86

(Continued)

**TOWNSHIP OF HADDON SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>EXPENDITURES (CONT'D):</b>					
Current Expense (Cont'd):					
Undistributed Expenditures - Support Services - General Administration:					
Salaries	\$ 236,969.00	\$ 22,911.20	\$ 259,880.20	\$ 259,880.20	
Legal Services	41,000.00	12,544.04	53,544.04	53,543.71	\$ 0.33
Audit Fees	36,000.00		36,000.00	36,000.00	
Other Purchased Professional Services	6,500.00	3,148.00	9,648.00	9,648.00	
Communications/Telephone	70,000.00	9,172.84	79,172.84	79,172.56	0.28
BOE Other Purchased Services	1,000.00	(80.00)	920.00	682.01	237.99
Other Purchased Services	95,300.00	3,338.80	98,638.80	63,619.32	35,019.48
General Supplies	10,000.00	(5,624.04)	4,375.96	3,575.02	800.94
BOE In-House Training and Meeting Supplies	2,000.00		2,000.00	1,805.25	194.75
Miscellaneous Expenditures	26,920.00	(9,748.84)	17,171.16	15,616.63	1,554.53
BOE Membership Dues and Fees	15,000.00		15,000.00	14,554.95	445.05
<b>Total Undistributed Expenditures - Support Services - General Administration</b>	<b>540,689.00</b>	<b>35,662.00</b>	<b>576,351.00</b>	<b>538,097.65</b>	<b>38,253.35</b>
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals/Assistant Principals	888,738.00	12,474.29	901,212.29	901,212.29	
Salaries of Other Professional Staff	115,181.00	1,501.54	116,682.54	116,682.54	
Salaries of Secretarial and Clerical Assistants	370,378.00	7,379.48	377,757.48	377,757.48	
Other Purchased Services	24,154.00	107,983.69	132,137.69	18,121.17	114,016.52
Travel	41,430.00	(500.00)	40,930.00	146.55	40,783.45
Supplies and Materials	56,834.00		56,834.00	33,518.88	23,315.12
Other Objects	19,933.00		19,933.00	12,572.89	7,360.11
<b>Total Undistributed Expenditures - Support Services - School Administration</b>	<b>1,516,648.00</b>	<b>128,839.00</b>	<b>1,645,487.00</b>	<b>1,460,011.80</b>	<b>185,475.20</b>

(Continued)

**TOWNSHIP OF HADDON SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>EXPENDITURES (CONT'D):</b>					
Current Expense (Cont'd):					
Undistributed Expenditures- Support Services- Central Services:					
Salaries	\$ 349,788.00	\$ (57.50)	\$ 349,730.50	\$ 345,446.84	\$ 4,283.66
Purchased Technical Services	40,700.00	49,341.50	90,041.50	90,041.50	
Miscellaneous Purchased Services	16,900.00	(5,777.00)	11,123.00	10,687.31	435.69
Supplies and Materials	15,500.00	4,785.48	20,285.48	20,285.48	
Miscellaneous Expenditures	5,600.00	(2,569.48)	3,030.52	1,075.00	1,955.52
<b>Total Undistributed Expenditures- Support Services- Central Services</b>	<b>428,488.00</b>	<b>45,723.00</b>	<b>474,211.00</b>	<b>467,536.13</b>	<b>6,674.87</b>
Undistributed Expenditures- Support Services- Administration					
Information Technology:					
Salaries	60,927.00		60,927.00	59,313.19	1,613.81
Purchased Technical Services	17,000.00		17,000.00	9,357.00	7,643.00
Other Purchased Services	2,000.00		2,000.00	242.65	1,757.35
Travel	500.00		500.00		500.00
<b>Total Undistributed Expenditures- Support Services- Administration Information Technology</b>	<b>80,427.00</b>	<b>-</b>	<b>80,427.00</b>	<b>68,912.84</b>	<b>11,514.16</b>
Undistributed Expenditures - Required Maintenance for School Facilities					
Salaries	236,575.00	(4,635.00)	231,940.00	224,033.34	7,906.66
Cleaning, Repair and Maintenance Services	138,100.00	19,385.61	157,485.61	157,000.61	485.00
General Supplies	105,500.00	(19,773.61)	85,726.39	28,322.95	57,403.44
Other Objects	1,064.00	388.00	1,452.00	1,452.00	
<b>Total Undistributed Expenditures - Required Maintenance for School Facilities</b>	<b>481,239.00</b>	<b>(4,635.00)</b>	<b>476,604.00</b>	<b>410,808.90</b>	<b>65,795.10</b>

(Continued)

**TOWNSHIP OF HADDON SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>EXPENDITURES (CONT'D):</b>					
Current Expense (Cont'd):					
Undistributed Expenditures - Custodial Services:					
Salaries	\$ 1,023,728.00	\$ 74,564.19	\$ 1,098,292.19	\$ 1,098,291.92	\$ 0.27
Cleaning, Repair, and Maintenance Service	75,935.00	19,043.42	94,978.42	94,978.17	0.25
Other Purchased Property Services	72,000.00	(199.00)	71,801.00	65,315.24	6,485.76
Insurance	110,725.00		110,725.00	109,422.00	1,303.00
Miscellaneous Purchased Services	35,000.00	(28,054.69)	6,945.31	351.65	6,593.66
General Supplies	107,588.00	10,924.50	118,512.50	118,511.82	0.68
Energy (Electricity)	487,477.00	(123,313.42)	364,163.58	323,735.94	40,427.64
Energy (Natural Gas)	248,477.00	(8,046.00)	240,431.00	132,473.41	107,957.59
Other Objects	1,912.00		1,912.00	1,667.00	245.00
<b>Total Undistributed Expenditures - Custodial Services</b>	<b>2,162,842.00</b>	<b>(55,081.00)</b>	<b>2,107,761.00</b>	<b>1,944,747.15</b>	<b>163,013.85</b>
Undistributed Expenditures - Security					
Salaries	101,081.00	9,223.00	110,304.00	85,135.02	25,168.98
Undistributed Expenditures - Student Transportation Services:					
Salaries for Pupil Transportation- Regular	105,079.00	39,723.85	144,802.85	144,802.85	
Salaries for Pupil Transportation- Special	298,791.00	(20,168.88)	278,622.12	278,622.12	
Salaries for Pupil Transportation- Other	47,000.00	(10,564.97)	36,435.03	23,830.74	12,604.29
Salaries for Non- Public Transportation	8,398.00		8,398.00	6,614.92	1,783.08
Cleaning, Repair, and Maintenance Service	5,000.00	(1,388.00)	3,612.00		3,612.00
Contracted Services (Special Educ. Students) - Joint Agreements	2,000.00		2,000.00	1,375.29	624.71
Contracted Services - (Special Education Students) -ESCs & CTSA's	200,500.00	(45,176.13)	155,323.87	155,323.87	
Contracted Services - Aid In Lieu of Payments - Nonpublic Schools	40,000.00	(1,864.87)	38,135.13	36,759.29	1,375.84
Contracted Services (Other than Between Home and School) - Vendors		1,557.00	1,557.00	1,408.25	148.75
Contracted Services (Between Home and School) - Joint Agreements		4,452.00	4,452.00	4,451.22	0.78
Contracted Services - (Special Education Students) -Vendors		36,751.00	36,751.00	4,603.50	32,147.50
Miscellaneous Purchased Services-Transportation	14,000.00	(8,827.00)	5,173.00	5,172.09	0.91
Supplies and Materials	80,000.00	13,796.00	93,796.00	93,795.55	0.45
Other Objects	1,000.00	700.00	1,700.00	1,300.00	400.00
<b>Total Undistributed Expenditures - Student Transportation Services</b>	<b>801,768.00</b>	<b>8,990.00</b>	<b>810,758.00</b>	<b>758,059.69</b>	<b>52,698.31</b>

(Continued)



**TOWNSHIP OF HADDON SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>EXPENDITURES (CONT'D):</b>					
Current Expense (Cont'd):					
Undistributed Expenditures - Unallocated Benefits - Employee Benefits:					
Social Security Contributions - Other	\$ 325,000.00	\$ 44,147.73	\$ 369,147.73	\$ 366,690.10	\$ 2,457.63
Other Retirement Contributions	425,000.00		425,000.00	402,880.87	22,119.13
Unemployment Compensation	27,000.00		27,000.00		27,000.00
Workers Compensation	180,000.00		180,000.00	145,569.00	34,431.00
Health Benefits	4,656,540.00	(190,203.46)	4,466,336.54	4,150,601.76	315,734.78
Tuition Reimbursements	50,000.00	30,630.00	80,630.00	40,857.00	39,773.00
Other Employee Benefits	26,443.00	72,185.51	98,628.51	98,628.51	
<b>Total Undistributed Expenditures -     Unallocated Benefits - Employee Benefits</b>	<b>5,689,983.00</b>	<b>(43,240.22)</b>	<b>5,646,742.78</b>	<b>5,205,227.24</b>	<b>441,515.54</b>
On-behalf T.P.A.F. Pension Contributions (non-budgeted)				1,333,755.00	(1,333,755.00)
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				954,993.86	(954,993.86)
<b>Total On-behalf Contributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,288,748.86</b>	<b>(2,288,748.86)</b>
<b>Total Undistributed Expenditures</b>	<b>17,269,267.00</b>	<b>(137,347.26)</b>	<b>17,131,919.74</b>	<b>17,635,087.47</b>	<b>(503,167.73)</b>
<b>Total Current Expense</b>	<b>28,837,275.00</b>	<b>250,861.00</b>	<b>29,088,136.00</b>	<b>29,449,261.87</b>	<b>(361,125.87)</b>
Capital Outlay:					
Equipment:					
Grades 9-12	11,189.00	13,601.00	24,790.00	24,789.95	0.05
Non-Instructional Equipment					
Athletics		5,525.00	5,525.00	5,525.00	
Undistributed Expenditures:					
Custodial Services - Equipment	17,836.00	(1,270.00)	16,566.00	16,566.00	
Student Transportation:					
School Buses - Special	160,000.00	(1,706.00)	158,294.00	149,280.49	9,013.51
<b>Total Equipment</b>	<b>189,025.00</b>	<b>16,150.00</b>	<b>205,175.00</b>	<b>196,161.44</b>	<b>9,013.56</b>

(Continued)

**TOWNSHIP OF HADDON SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>EXPENDITURES (CONT'D):</b>					
Capital Outlay (Cont'd):					
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	\$ 40,000.00		\$ 40,000.00	\$ 5,000.00	\$ 35,000.00
Other Objects	39,129.00		39,129.00	39,129.00	
	79,129.00	\$ -	79,129.00	44,129.00	35,000.00
Total Capital Outlay	268,154.00	16,150.00	284,304.00	240,290.44	44,013.56
Special Schools:					
Summer School - Instruction:					
Salaries of Teachers	9,400.00	1,293.00	10,693.00	10,692.42	0.58
Salaries - Other Instruction	3,500.00	1,057.00	4,557.00	4,556.19	0.81
Other Purchased Services	2,000.00	(366.00)	1,634.00	1,170.00	464.00
General Supplies	1,000.00	(974.00)	26.00		26.00
Total Summer School - Instruction	15,900.00	1,010.00	16,910.00	16,418.61	491.39
Summer School - Support Services:					
Salaries	3,500.00	160.00	3,660.00	3,659.85	0.15
Total Special Schools	19,400.00	1,170.00	20,570.00	20,078.46	491.54
Transfer of Funds to Charter Schools	9,636.00	-	9,636.00	-	9,636.00
Total Expenditures	29,134,465.00	268,181.00	29,402,646.00	29,709,630.77	(306,984.77)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(83,637.00)	(258,950.00)	(342,587.00)	2,019,299.85	2,361,886.85

(Continued)

**TOWNSHIP OF HADDON SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>EXPENDITURES (CONT'D):</b>					
Other Financing Sources (Uses):					
Operating Transfers Out:					
Transfer to Food Service Fund - Board Contribution	\$ (185,000.00)		\$ (185,000.00)	\$ (185,000.00)	
Total Other Financing Sources (Uses)	(185,000.00)	\$ -	(185,000.00)	(185,000.00)	\$ -
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(268,637.00)	(258,950.00)	(527,587.00)	1,834,299.85	2,361,886.85
Fund Balances, July 1	2,578,789.49	-	2,578,789.49	2,578,789.49	-
Fund Balances, June 30	<u>\$ 2,310,152.49</u>	<u>\$ (258,950.00)</u>	<u>\$ 2,051,202.49</u>	<u>\$ 4,413,089.34</u>	<u>\$ 2,361,886.85</u>
<b>RECAPITULATION:</b>					
Non-Spendable Fund Balance:					
Prepaid Expenses				\$ 157.50	
Restricted Fund Balance:					
Capital Reserve			\$ 950,000.00		
Maintenance Reserve			25,000.00		
Current Expense Emergency Reserve			125,000.00		
Reserve for Excess Surplus (2010-11) - Designated for Subsequent Year's Expenditures			138,173.81		
Excess Surplus (2011-12)			<u>2,051,361.20</u>		
				3,289,535.01	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				528,799.19	
Unassigned Fund Balance				<u>594,597.64</u>	
				4,413,089.34	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP Basis				<u>(751,842.00)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 3,661,247.34</u>	

**TOWNSHIP OF HADDON SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule - Education Jobs Fund  
 General Fund  
 For the Fiscal Year Ended June 30, 2012

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	<u>Adopted Budget</u>	<u>Transfers/ Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
<b>REVENUES:</b>					
Federal Sources:					
Education Jobs Fund	\$ 294,661.00	\$ 9,231.00	\$ 303,892.00	\$ 303,892.00	\$ -
<b>EXPENDITURES:</b>					
General Current Expense:					
Unallocated Benefits - Employee Benefits:					
Health Benefits	\$ 294,661.00	\$ 9,231.00	\$ 303,892.00	\$ 303,892.00	\$ -

**TOWNSHIP OF HADDON SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
<b>REVENUES:</b>					
State Sources:					
Nonpublic Aid	\$ 455,000.00	\$ (33,433.00)	\$ 421,567.00	\$ 360,507.46	\$ (61,059.54)
Total - State Sources	455,000.00	(33,433.00)	421,567.00	360,507.46	(61,059.54)
Federal Sources:					
No Child Left Behind					
Title I	105,240.00	90,935.50	196,175.50	149,117.82	(47,057.68)
Title I - ARRA		8,694.67	8,694.67	7,819.00	(875.67)
Title IIA	44,633.00	15,243.43	59,876.43	59,876.43	
Title IID		6.00	6.00	6.00	
Title III		10,352.00	10,352.00	3,600.72	(6,751.28)
Title III-Immigrant		11,286.15	11,286.15	3,698.20	(7,587.95)
I.D.E.I.A., Part B	455,000.00	294,850.21	749,850.21	663,463.21	(86,387.00)
I.D.E.I.A., Part B, Preschool Incentive		17,328.00	17,328.00	17,328.00	
Total - Federal Sources	604,873.00	448,695.96	1,053,568.96	904,909.38	(148,659.58)
Total Revenues	\$ 1,059,873.00	\$ 415,262.96	\$ 1,475,135.96	\$ 1,265,416.84	\$ (209,719.12)

(Continued)

**TOWNSHIP OF HADDON SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	\$ 146,693.00	\$ 51,779.10	\$ 198,472.10	\$ 168,684.17	\$ 29,787.93
Salaries - Other Instruction		11,345.00	11,345.00	6,733.83	4,611.17
Purchased Professional - Technical Services		130,768.00	130,768.00	53,055.00	77,713.00
Other Purchased Services (400-500 series)	455,000.00	177,786.71	632,786.71	612,415.21	20,371.50
General Supplies		15,906.75	15,906.75	12,556.20	3,350.55
Textbooks	67,753.00	(7,875.00)	59,878.00	58,181.97	1,696.03
Other Objects		1,023.65	1,023.65	423.43	600.22
<b>Total Instruction</b>	<b>669,446.00</b>	<b>380,734.21</b>	<b>1,050,180.21</b>	<b>912,049.81</b>	<b>138,130.40</b>
Support Services:					
Salaries	12,027.00	37,416.75	49,443.75	49,408.75	35.00
Personal Services - Employee Benefits	3,180.00	52,050.57	55,230.57	50,381.37	4,849.20
Purchased Professional - Educational Services	375,220.00	(99,111.00)	276,109.00	218,101.84	58,007.16
Purchased Professional - Technical Services		11,863.43	11,863.43	11,863.43	
Other Purchased Services (400-500 series)		15,669.00	15,669.00	10,894.00	4,775.00
Supplies and Materials		16,340.00	16,340.00	12,418.64	3,921.36
Other Objects		300.00	300.00	299.00	1.00
<b>Total Support Services</b>	<b>390,427.00</b>	<b>34,528.75</b>	<b>424,955.75</b>	<b>353,367.03</b>	<b>71,588.72</b>
<b>Total Expenditures</b>	<b>1,059,873.00</b>	<b>415,262.96</b>	<b>1,475,135.96</b>	<b>1,265,416.84</b>	<b>209,719.12</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**TOWNSHIP OF HADDON SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 Note to RSI  
 For the Fiscal Year Ended June 30, 2012

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources / Inflows of Resources:</b>		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 31,728,930.62	\$ 1,265,416.84
<b>Differences - Budget to GAAP:</b>		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		2,875.00
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	698,340.00	
State aid payment is recognized as revenue for budgetary purposes, not recognized for GAAP statements until subsequent year	<u>(751,842.00)</u>	
<b>Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds</b>	<u>\$ 31,675,428.62</u>	<u>\$ 1,268,291.84</u>
<b>Uses / Outflows of Resources:</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 29,709,630.77	\$ 1,265,416.84
Encumbrances for goods or services ordered but not received are reported in the year the orders are placed for budgetary purposes, but in the year the goods or services are received for financial reporting purposes.		<u>2,875.00</u>
<b>Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)</b>	<u>\$ 29,709,630.77</u>	<u>\$ 1,268,291.84</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, 2012

	No Child Left Behind						Total Carried Forward
	Title I	Title I - ARRA	Title IIA	Title IID	Title III	Title III- Immigrant	
<b>REVENUES:</b>							
Federal Sources	\$ 149,117.82	\$ 7,819.00	\$ 59,876.43	\$ 6.00	\$ 3,600.72	\$ 3,698.20	\$ 224,118.17
State Sources							
<b>Total Revenues</b>	<b>149,117.82</b>	<b>7,819.00</b>	<b>59,876.43</b>	<b>6.00</b>	<b>3,600.72</b>	<b>3,698.20</b>	<b>224,118.17</b>
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries of Teachers	111,096.07		41,453.00			854.10	153,403.17
Salaries - Other Instruction	4,500.00				2,233.83		6,733.83
Purchased Professional - Technical Services							
Other Purchased Services (400-500 series)	6,114.00						6,114.00
General Supplies	762.00	7,819.00			1,196.00	2,779.20	12,556.20
Textbooks							
Other Objects	423.43						423.43
<b>Total Instruction</b>	<b>122,895.50</b>	<b>7,819.00</b>	<b>41,453.00</b>	<b>-</b>	<b>3,429.83</b>	<b>3,633.30</b>	<b>179,230.63</b>
<b>Support Services:</b>							
Salaries	253.75						253.75
Personal Services - Employee Benefits	18,835.57		8,290.00		170.89	64.90	27,361.36
Purchased Professional - Educational Services							
Purchased Professional - Technical Services	5,900.00		5,963.43				11,863.43
Other Purchased Services (400-500 series)	1,233.00		4,170.00	6.00			5,409.00
Supplies and Materials							
Other Objects							
<b>Total Support Services</b>	<b>26,222.32</b>	<b>-</b>	<b>18,423.43</b>	<b>6.00</b>	<b>170.89</b>	<b>64.90</b>	<b>44,887.54</b>
<b>Total Expenditures</b>	<b>149,117.82</b>	<b>7,819.00</b>	<b>59,876.43</b>	<b>6.00</b>	<b>3,600.72</b>	<b>3,698.20</b>	<b>224,118.17</b>
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, 2012

	Total Brought <u>Forward</u>	I.D.E.I.A. Part B		Nonpublic Textbook Aid, Ch. 194, <u>L. 1979</u>	NJ Nonpublic Nursing <u>Aid</u>	Total Carried <u>Forward</u>
		<u>Basic</u>	<u>Preschool Incentive</u>			
REVENUES:						
Federal Sources	\$ 224,118.17	\$ 663,463.21	\$ 17,328.00			\$ 904,909.38
State Sources				\$ 58,181.97	\$ 84,223.65	142,405.62
Total Revenues	224,118.17	663,463.21	17,328.00	58,181.97	84,223.65	1,047,315.00
EXPENDITURES:						
Instruction:						
Salaries of Teachers	153,403.17	15,281.00				168,684.17
Salaries - Other Instruction	6,733.83					6,733.83
Purchased Professional - Technical Services		53,055.00				53,055.00
Other Purchased Services (400-500 series)	6,114.00	588,973.21	17,328.00			612,415.21
General Supplies	12,556.20					12,556.20
Textbooks				58,181.97		58,181.97
Other Objects	423.43					423.43
Total Instruction	179,230.63	657,309.21	17,328.00	58,181.97	-	912,049.81
Support Services:						
Salaries	253.75				49,155.00	49,408.75
Personal Services - Employee Benefits	27,361.36	1,169.00			21,851.01	50,381.37
Purchased Professional - Educational Services						
Purchased Professional - Technical Services	11,863.43					11,863.43
Other Purchased Services (400-500 series)	5,409.00	4,985.00			500.00	10,894.00
Supplies and Materials					12,418.64	12,418.64
Other Objects					299.00	299.00
Total Support Services	44,887.54	6,154.00	-	-	84,223.65	135,265.19
Total Expenditures	224,118.17	663,463.21	17,328.00	58,181.97	84,223.65	1,047,315.00
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, 2012

	N.J. Nonpublic Auxiliary Services Ch. 192				N.J. Nonpublic Handicapped Services Ch. 193			<u>Total</u>
	<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>	
REVENUES:								
Federal Sources	\$ 904,909.38							\$ 904,909.38
State Sources	142,405.62	\$ 123,498.33	\$ 2,413.60	\$ 16,941.52	\$ 27,779.40	\$ 46,363.13	\$ 1,105.86	360,507.46
<b>Total Revenues</b>	<b>1,047,315.00</b>	<b>123,498.33</b>	<b>2,413.60</b>	<b>16,941.52</b>	<b>27,779.40</b>	<b>46,363.13</b>	<b>1,105.86</b>	<b>1,265,416.84</b>
EXPENDITURES:								
Instruction:								
Salaries of Teachers	168,684.17							168,684.17
Salaries - Other Instruction	6,733.83							6,733.83
Purchased Professional - Technical Services	53,055.00							53,055.00
Other Purchased Services (400-500 series)	612,415.21							612,415.21
General Supplies	12,556.20							12,556.20
Textbooks	58,181.97							58,181.97
Other Objects	423.43							423.43
<b>Total Instruction</b>	<b>912,049.81</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>912,049.81</b>
Support Services:								
Salaries	49,408.75							49,408.75
Personal Services - Employee Benefits	50,381.37							50,381.37
Purchased Professional - Educational Services		123,498.33	2,413.60	16,941.52	27,779.40	46,363.13	1,105.86	218,101.84
Purchased Professional - Technical Services	11,863.43							11,863.43
Other Purchased Services (400-500 series)	10,894.00							10,894.00
Supplies and Materials	12,418.64							12,418.64
Other Objects	299.00							299.00
<b>Total Support Services</b>	<b>135,265.19</b>	<b>123,498.33</b>	<b>2,413.60</b>	<b>16,941.52</b>	<b>27,779.40</b>	<b>46,363.13</b>	<b>1,105.86</b>	<b>353,367.03</b>
<b>Total Expenditures</b>	<b>1,047,315.00</b>	<b>123,498.33</b>	<b>2,413.60</b>	<b>16,941.52</b>	<b>27,779.40</b>	<b>46,363.13</b>	<b>1,105.86</b>	<b>1,265,416.84</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

PROPRIETARY FUNDS

**TOWNSHIP OF HADDON SCHOOL DISTRICT**  
Enterprise Fund  
Combining Statement of Net Assets  
June 30, 2012

	<u>Food Service</u>	<u>Latchkey Program</u>	<u>Adult School</u>	<u>Summer Institute</u>	<u>Summer Recreation</u>	<u>Summer Enrichment</u>	<u>Wellness Program</u>	<u>Total</u>
<b>ASSETS:</b>								
Current Assets:								
Cash and Cash Equivalents		\$ 126,850.39	\$ 10,838.03	\$ 1,453.78	\$ 56,503.70	\$ 4,119.86	\$ 90.00	\$ 199,855.76
Accounts Receivable:								
State	\$ 168.44							168.44
Federal	4,607.11							4,607.11
Inventories	10,958.66							10,958.66
Total Current Assets	15,734.21	126,850.39	10,838.03	1,453.78	56,503.70	4,119.86	90.00	215,589.97
Noncurrent Assets:								
Furniture, Machinery and Equipment								204,079.94
Less Accumulated Depreciation	156,796.96							156,796.96
Total Noncurrent Assets	47,282.98	-	-	-	-	-	-	47,282.98
Total Assets	63,017.19	126,850.39	10,838.03	1,453.78	56,503.70	4,119.86	90.00	262,872.95
<b>LIABILITIES:</b>								
Current Liabilities:								
Cash Deficit	893.22							893.22
Accounts Payable					300.00			300.00
Deferred Revenue					61,510.59			61,510.59
Total Current Liabilities	893.22	-	-	-	61,810.59	-	-	62,703.81
Total Liabilities	893.22	-	-	-	61,810.59	-	-	62,703.81
<b>NET ASSETS:</b>								
Invested in Capital Assets	47,282.98							47,282.98
Unrestricted	14,840.99	126,850.39	10,838.03	1,453.78	(5,306.89)	4,119.86	90.00	152,886.16
Total Net Assets	\$ 62,123.97	\$ 126,850.39	\$ 10,838.03	\$ 1,453.78	\$ (5,306.89)	\$ 4,119.86	\$ 90.00	\$ 200,169.14

**TOWNSHIP OF HADDON SCHOOL DISTRICT**  
Enterprise Fund  
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets  
For the Fiscal Year Ended June 30, 2012

	<u>Food Service</u>	<u>Latchkey Program</u>	<u>Adult School</u>	<u>Summer Institute</u>	<u>Summer Recreation</u>	<u>Summer Enrichment</u>	<u>Wellness Program</u>	<u>Total</u>
<b>OPERATING REVENUES:</b>								
Charges for Services:								
Daily Sales - Reimbursable Programs	\$ 138,225.12							\$ 138,225.12
Daily Sales - Non-Reimbursable Programs	133,404.36							133,404.36
Community Service Activities		\$ 169,446.82	\$ 44,868.50		\$ 43,764.12			258,079.44
<b>Total Operating Revenues</b>	<b>271,629.48</b>	<b>169,446.82</b>	<b>44,868.50</b>	<b>\$ -</b>	<b>43,764.12</b>	<b>\$ -</b>	<b>\$ -</b>	<b>529,708.92</b>
<b>OPERATING EXPENSES:</b>								
Salaries	341,852.48	135,832.27	22,195.06		41,156.17			541,035.98
Employee Benefits	62,581.59	3,055.37	1,625.21		2,726.46			69,988.63
Food Service Management Fee	42,654.59							42,654.59
Other Purchased Services		1,231.49	18,858.34					20,089.83
General Supplies	22,271.61	18,188.51			7,914.76			48,374.88
Depreciation	6,296.77							6,296.77
Miscellaneous					4,240.50			4,240.50
Cost of Sales	217,754.71							217,754.71
<b>Total Operating Expenses</b>	<b>693,411.75</b>	<b>158,307.64</b>	<b>42,678.61</b>	<b>-</b>	<b>56,037.89</b>	<b>-</b>	<b>-</b>	<b>950,435.89</b>
<b>Operating Income / (Loss)</b>	<b>(421,782.27)</b>	<b>11,139.18</b>	<b>2,189.89</b>	<b>-</b>	<b>(12,273.77)</b>	<b>-</b>	<b>-</b>	<b>(420,726.97)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>								
State Sources:								
State School Lunch Program	4,506.77							4,506.77
Federal Sources:								
National School Lunch Program	117,118.20							117,118.20
National Breakfast Program	2,869.71							2,869.71
Food Distribution Program	44,815.12							44,815.12
Food Service Company Guarantee	21,215.33							21,215.33
<b>Total Nonoperating Revenues (Expenses)</b>	<b>190,525.13</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>190,525.13</b>
<b>Income (Loss) before Transfers</b>	<b>(231,257.14)</b>	<b>11,139.18</b>	<b>2,189.89</b>	<b>-</b>	<b>(12,273.77)</b>	<b>-</b>	<b>-</b>	<b>(230,201.84)</b>
Operating Transfer In - General Fund	185,000.00	-	-	-	-	-	-	185,000.00
<b>Change in Net Assets</b>	<b>(46,257.14)</b>	<b>11,139.18</b>	<b>2,189.89</b>	<b>-</b>	<b>(12,273.77)</b>	<b>-</b>	<b>-</b>	<b>(45,201.84)</b>
Net Assets -- July 1	108,381.11	115,711.21	8,648.14	1,453.78	6,966.88	4,119.86	90.00	245,370.98
<b>Net Assets -- June 30</b>	<b>\$ 62,123.97</b>	<b>\$ 126,850.39</b>	<b>\$ 10,838.03</b>	<b>\$ 1,453.78</b>	<b>\$ (5,306.89)</b>	<b>\$ 4,119.86</b>	<b>\$ 90.00</b>	<b>\$ 200,169.14</b>

**TOWNSHIP OF HADDON SCHOOL DISTRICT**  
Enterprise Fund  
Combining Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2012

	<u>Food Service</u>	<u>Latchkey Program</u>	<u>Adult School</u>	<u>Summer Institute</u>	<u>Summer Recreation</u>	<u>Summer Enrichment</u>	<u>Wellness Program</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>								
Receipts from Customers	\$ 271,629.48	\$ 170,530.74	\$ 44,868.50		\$ 79,310.47			\$ 566,339.19
Payments to Employees	(341,852.48)							(341,852.48)
Payments for Employee Benefits	(62,581.59)							(62,581.59)
Payments to Food Management Company	(46,121.04)							(46,121.04)
Payments to Vendors	(202,228.40)	(158,307.64)	(42,678.61)		(55,737.89)			(458,952.54)
Net Cash Provided by (used for) Operating Activities	(381,154.03)	12,223.10	2,189.89	\$ -	23,572.58	\$ -	\$ -	(343,168.46)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>								
Capital Acquisitions	-	-	-	-	-	-	-	-
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>								
State Sources	4,338.33							4,338.33
Federal Sources	115,380.80							115,380.80
Food Service Company Guarantee	21,215.33							21,215.33
Operating Subsidies and Transfers from/to Other Funds	185,000.00							185,000.00
Net Cash Provided by (used for) Non-Capital Financing Activities	325,934.46	-	-	-	-	-	-	325,934.46
Net Increase (Decrease) in Cash and Cash Equivalents	(55,219.57)	12,223.10	2,189.89	-	23,572.58	-	-	(17,234.00)
Cash and Cash Equivalents -- July 1	54,326.35	114,627.29	8,648.14	1,453.78	32,931.12	4,119.86	90.00	216,196.54
Cash and Equivalents (Deficit) -- June 30	\$ (893.22)	\$ 126,850.39	\$ 10,838.03	\$ 1,453.78	\$ 56,503.70	\$ 4,119.86	\$ 90.00	\$ 198,962.54
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>								
Operating Income (Loss)	\$ (421,782.27)	\$ 11,139.18	\$ 2,189.89	\$ -	\$ (12,273.77)	\$ -	\$ -	\$ (420,726.97)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:								
Depreciation and Net Amortization	6,296.77							6,296.77
Federal Commodities	44,815.12							44,815.12
(Increase) Decrease in Accounts Receivable-Other, net		1,083.92						1,083.92
(Increase) Decrease in Inventories	(7,017.20)							(7,017.20)
Increase (Decrease) in Accounts Payable	(3,466.45)				300.00			(3,166.45)
Increase (Decrease) in Deferred Revenue					35,546.35			35,546.35
Total Adjustments	40,628.24	1,083.92	-	-	35,846.35	-	-	77,558.51
Net Cash Provided by (used for) Operating Activities	\$ (381,154.03)	\$ 12,223.10	\$ 2,189.89	\$ -	\$ 23,572.58	\$ -	\$ -	\$ (343,168.46)



## FIDUCIARY FUNDS

**TOWNSHIP OF HADDON SCHOOL DISTRICT**  
 Fiduciary Funds  
 Combining Statement of Fiduciary Net Assets  
 June 30, 2012

	<u>Trust Funds</u>	<u>Agency Funds</u>		<u>Total</u>
	<u>Unemployment Compensation Trust</u>	<u>Student Activity</u>	<u>Payroll</u>	
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 490,125.10	\$ 165,116.21	\$ 169,059.16	\$ 824,300.47
Receivable from District (General Fund)		1,019.00		1,019.00
	490,125.10	166,135.21	169,059.16	825,319.47
<b>LIABILITIES:</b>				
Payable to District (General Fund)			\$ 8,033.00	8,033.00
Payable to Student Groups		166,135.21		166,135.21
Payroll Deductions and Withholdings			161,026.16	161,026.16
Total Liabilities	-	\$ 166,135.21	\$ 169,059.16	335,194.37
<b>NET ASSETS:</b>				
Held in Trust for Unemployment Claims and Other Purposes	490,125.10			490,125.10
Total Net Assets	<u>\$ 490,125.10</u>			<u>\$ 490,125.10</u>

**TOWNSHIP OF HADDON SCHOOL DISTRICT**  
 Fiduciary Funds  
 Statement of Changes in Fiduciary Net Assets  
 For the Fiscal Year Ended June 30, 2012

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	Unemployment Compensation <u>Trust</u>
ADDITIONS:	
Contributions:	
Plan Member	\$ 39,873.16
Investment Earnings:	
Interest	<u>5,339.77</u>
Total Additions	45,212.93
DEDUCTIONS:	
Unemployment Claims	<u>109,630.33</u>
Change in Net Assets	(64,417.40)
Net Assets -- July 1	<u>554,542.50</u>
Net Assets -- June 30	<u><u>\$ 490,125.10</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, 2012

	<u>Balance</u> <u>June 30, 2011</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2012</u>
<b>ELEMENTARY SCHOOLS:</b>				
Edison School	\$ 3,083.50	\$ 826.98	\$ 369.51	\$ 3,540.97
Jennings School	618.36	432.73	228.30	822.79
Stoy School	1,643.61	900.08	262.10	2,281.59
Strawbridge School	6,381.18	1,053.15	290.00	7,144.33
Van Sciver School	6,093.51	1,659.25	1,397.59	6,355.17
<b>Total Elementary Schools</b>	<b>17,820.16</b>	<b>4,872.19</b>	<b>2,547.50</b>	<b>20,144.85</b>
<b>SENIOR HIGH SCHOOLS:</b>				
Haddon Township	139,364.52	420,597.48	414,435.49	145,526.51
<b>COMMUNITY ACTIVITIES:</b>				
Community Activity	200.50			200.50
Peace Night	260.27	3.08		263.35
	460.77	3.08	-	463.85
<b>Total Student Activity</b>	<b>\$ 157,645.45</b>	<b>\$ 425,472.75</b>	<b>\$ 416,982.99</b>	<b>\$ 166,135.21</b>

**TOWNSHIP OF HADDON SCHOOL DISTRICT**  
 Fiduciary Funds  
 Payroll Agency Fund Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2012

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	<u>Balance</u> <u>June 30, 2011</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2012</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 113,079.23	\$ 8,164,921.37	\$ 8,108,941.44	\$ 169,059.16
Total Assets	<u>\$ 113,079.23</u>	<u>\$ 8,164,921.37</u>	<u>\$ 8,108,941.44</u>	<u>\$ 169,059.16</u>
<b>LIABILITIES:</b>				
Payroll Deductions and Withholdings Due General Fund	\$ 106,971.18 6,108.05	\$ 8,162,996.42 1,924.95	\$ 8,108,941.44	\$ 161,026.16 8,033.00
Total Liabilities	<u>\$ 113,079.23</u>	<u>\$ 8,164,921.37</u>	<u>\$ 8,108,941.44</u>	<u>\$ 169,059.16</u>

LONG-TERM DEBT

**TOWNSHIP OF HADDON SCHOOL DISTRICT**  
 Schedule of Serial Bonds  
 For the Fiscal Year Ended June 30, 2012

<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, 2011</u>	<u>Issued</u>	<u>Paid</u>	<u>Balance June 30, 2012</u>
			<u>Date</u>	<u>Amount</u>					
School District	8-24-05	\$ 9,995,000.00	4-15-13	\$ 675,000.00	3.870%				
			4-15-14	705,000.00	3.982%				
			4-15-15	730,000.00	3.897%				
			4-15-16	760,000.00	4.000%				
			4-15-17	795,000.00	3.750%				
			4-15-18	820,000.00	3.750%				
			4-15-19	855,000.00	4.250%				
			4-15-20	885,000.00	4.250%				
			4-15-21	930,000.00	4.000%				
			4-15-22	955,000.00	4.000%				
						\$ 8,755,000.00		\$ 645,000.00	\$ 8,110,000.00
						\$ 8,755,000.00	\$ -	\$ 645,000.00	\$ 8,110,000.00

**TOWNSHIP OF HADDON SCHOOL DISTRICT**  
 Budgetary Comparison Schedule  
 Debt Service Fund  
 For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 993,436.00	\$ -	\$ 993,436.00	\$ 993,436.00	\$ -
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	348,800.00		348,800.00	348,800.00	
Redemption of Principal	645,000.00		645,000.00	645,000.00	
Total Regular Debt Service	993,800.00	-	993,800.00	993,800.00	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(364.00)	-	(364.00)	(364.00)	
Fund Balance, July 1	474.43	-	474.43	474.43	-
Fund Balance, June 30	\$ 110.43	\$ -	\$ 110.43	\$ 110.43	\$ -
<u>Recapitulation</u>					
Restricted Fund Balance				\$ 110.43	



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 Assets by Component  
 Last Ten Fiscal Years (Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,									
	<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>2004</u>	<u>2003</u>
<b>Governmental Activities:</b>										
Invested in Capital Assets, Net of Related Debt	\$ 13,421,492	\$ 13,276,372	\$ 13,236,925	\$ 13,238,101	\$ 13,258,256	\$ 13,290,313	\$ 13,286,306	\$ 13,312,548	\$ 13,482,427	\$ 6,338,937
Restricted	3,289,645	1,238,648	150,415	1,248,803	1,594,341	1,522,539	927,322	514,482	997,317	1,251,394
Unrestricted (Deficit)	(242,668)	6,862	(473,454)	(492,571)	(263,517)	2,666	(84,844)	220,168	815,705	391,170
<b>Total Governmental Activities Net Assets</b>	<b><u>\$ 16,468,469</u></b>	<b><u>\$ 14,521,882</u></b>	<b><u>\$ 12,913,886</u></b>	<b><u>\$ 13,994,332</u></b>	<b><u>\$ 14,589,080</u></b>	<b><u>\$ 14,815,517</u></b>	<b><u>\$ 14,128,784</u></b>	<b><u>\$ 14,047,198</u></b>	<b><u>\$ 15,295,449</u></b>	<b><u>\$ 7,981,501</u></b>
<b>Business-type Activities:</b>										
Invested in Capital Assets, Net of Related Debt	\$ 47,283	\$ 53,580	\$ 44,957	\$ 50,992	\$ 57,150	\$ 63,308	\$ 64,384	\$ 75,628	\$ 75,284	\$ 83,159
Unrestricted	152,886	191,791	187,216	200,447	141,556	58,133	53,660	43,245	35,596	37,324
<b>Total Business-type Activities Net Assets</b>	<b><u>\$ 200,169</u></b>	<b><u>\$ 245,371</u></b>	<b><u>\$ 232,174</u></b>	<b><u>\$ 251,439</u></b>	<b><u>\$ 198,706</u></b>	<b><u>\$ 121,441</u></b>	<b><u>\$ 118,044</u></b>	<b><u>\$ 118,873</u></b>	<b><u>\$ 110,880</u></b>	<b><u>\$ 120,483</u></b>
<b>District-wide:</b>										
Invested in Capital Assets, Net of Related Debt	\$ 13,468,775	\$ 13,329,952	\$ 13,281,882	\$ 13,289,093	\$ 13,315,406	\$ 13,353,621	\$ 13,350,690	\$ 13,388,176	\$ 13,557,711	\$ 6,422,096
Restricted	3,289,645	1,238,648	150,415	1,248,803	1,594,341	1,522,539	927,322	514,482	997,317	1,251,394
Unrestricted	(89,782)	198,653	(286,238)	(292,125)	(121,962)	60,799	(31,184)	263,413	851,301	428,494
<b>Total District-wide Net Assets</b>	<b><u>\$ 16,668,638</u></b>	<b><u>\$ 14,767,253</u></b>	<b><u>\$ 13,146,060</u></b>	<b><u>\$ 14,245,771</u></b>	<b><u>\$ 14,787,785</u></b>	<b><u>\$ 14,936,958</u></b>	<b><u>\$ 14,246,828</u></b>	<b><u>\$ 14,166,071</u></b>	<b><u>\$ 15,406,329</u></b>	<b><u>\$ 8,101,984</u></b>

Source: District Records (Exhibit A-1)

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

	Fiscal Year Ended June 30,									
	<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>2004</u>	<u>2003</u>
<b>Expenses:</b>										
Governmental Activities:										
Instruction:										
Regular	\$ 10,227,029	\$ 9,986,478	\$ 11,105,807	\$ 10,673,361	\$ 10,229,020	\$ 10,043,424	\$ 9,656,973	\$ 9,552,282	\$ 9,287,529	\$ 8,657,686
Special Education	1,765,179	1,584,967	1,672,145	1,590,708	1,397,476	1,290,823	1,226,084	1,214,998	1,162,230	963,065
Other Special Education	189,804	175,242	362,412	352,149	277,584	195,614	267,172	226,158	202,995	316,218
Other Instruction	590,472	552,275	733,355	701,887	678,301	616,388	640,396	580,457	555,635	511,903
Community Service Programs			128,108	122,709	112,046	153,709	152,745	174,659	177,447	164,573
Support Services:										
Tuition	1,517,731	1,586,004	2,316,315	1,879,906	1,891,274	1,659,079	1,634,090	1,326,679	1,405,643	1,338,964
Student and Instruction Related Services	3,144,491	3,194,898	3,370,838	3,279,634	3,116,040	2,528,267	2,437,327	2,228,656	2,275,224	2,035,279
School Administrative Services	2,045,957	1,920,988	2,166,351	2,073,442	2,078,088	1,958,601	1,861,708	1,844,645	1,734,482	1,644,136
General and Business Administrative Services	538,098	488,545	482,896	490,724	499,635	459,082	458,927	493,060	526,730	472,339
Plant Operations and Maintenance	2,883,911	2,971,026	3,294,675	3,153,172	3,178,751	3,504,518	3,147,831	2,967,617	2,855,622	2,443,325
Pupil Transportation	809,549	799,698	801,929	778,599	791,294	716,773	710,348	656,482	571,844	541,333
Unallocated Benefits	7,513,136	7,299,838	7,185,158	6,477,462	7,401,411	6,178,294	6,198,426	5,510,624	4,916,041	4,326,735
Special Schools	20,078	22,784	57,719	55,160	48,010	36,487	56,229	101,154	88,602	111,560
Charter Schools		24,519	14,672							
Capital Outlay	44,129	63,742	6,963	193,581	268,696	282,395	79,039	386,009		
Interest on Long-term Debt	367,002	395,186	419,196	443,945	471,121	497,255	380,568	604,157	530,217	769,920
Amortization of Bond Issuance Costs	16,881	17,441	17,441	127,704	19,080	127,645	16,267	4,626	4,626	4,626
Unallocated Depreciation	132,122	131,393	112,017	19,080	127,704	19,080	150,478	121,227	101,795	
<b>Total Governmental Activities Expenses</b>	<b>31,805,569</b>	<b>31,215,022</b>	<b>34,247,996</b>	<b>32,413,222</b>	<b>32,585,529</b>	<b>30,267,434</b>	<b>29,074,607</b>	<b>27,993,490</b>	<b>26,396,662</b>	<b>24,301,662</b>
Business-type Activities:										
Food Service	693,412	668,801	720,021	738,855	693,636	667,237	655,187	661,007	632,212	557,353
Other	257,024	259,755	277,014	259,094	181,870	183,589	146,954	114,895	118,401	95,642
<b>Total Business-type Activities Expense</b>	<b>950,436</b>	<b>928,556</b>	<b>997,034</b>	<b>997,949</b>	<b>875,506</b>	<b>850,827</b>	<b>802,141</b>	<b>775,902</b>	<b>750,613</b>	<b>652,995</b>
<b>Total District Expenses</b>	<b>\$ 32,756,005</b>	<b>\$ 32,143,578</b>	<b>\$ 35,245,030</b>	<b>\$ 33,411,171</b>	<b>\$ 33,461,035</b>	<b>\$ 31,118,260</b>	<b>\$ 29,876,748</b>	<b>\$ 28,769,392</b>	<b>\$ 27,147,275</b>	<b>\$ 24,954,657</b>

(Continued)

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

	Fiscal Year Ended June 30,									
	<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>2004</u>	<u>2003</u>
<b>Program Revenues:</b>										
Governmental Activities:										
Charges for Services:										
Instruction: Tuition	\$ 124,912.00	\$ 151,567.00	\$ 89,550	\$ 28,703	\$ 72,719	\$ 54,350	\$ 25,750	\$ 20,077	\$ 26,948	\$ 17,300
Operating Grants and Contributions	3,557,041	3,333,773	3,624,232	3,146,259	4,178,698	3,221,425	3,288,020	2,977,195	2,808,882	1,469,745
Capital Grants and Contributions							55,254			
Total Governmental Activities Program Revenues	<u>3,681,953</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>	<u>2,835,830</u>	<u>1,487,045</u>
Business-type activities:										
Charges for services										
Food Service	271,629	274,682	336,691	362,543	380,197	371,749	395,538	416,507	403,025	377,157
Other	258,079	278,110	273,812	282,588	215,823	173,100	152,372	128,833	125,202	83,515
Operating Grants and Contributions	190,525	170,952	144,864	132,114	118,561	103,180	102,903	99,701	86,184	74,805
Total Business-type Activities Program Revenues	<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>	<u>614,411</u>	<u>535,477</u>
Total District Program Revenues	<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>	<u>\$ 3,450,241</u>	<u>\$ 2,022,522</u>
<b>Net (Expense)/Revenue:</b>										
Governmental Activities	\$ (28,123,617)	\$ (27,729,682)	\$ (30,534,214)	\$ (29,238,260)	\$ (28,334,112)	\$ (26,991,658)	\$ (25,760,838)	\$ (24,940,964)	\$ (23,560,832)	\$ (22,814,617)
Business-type Activities	(230,202)	(204,812)	(241,667)	(220,704)	(160,926)	(202,798)	(151,329)	(130,861)	(136,202)	(117,518)
Total District-wide Net Expense	<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>	<u>\$ (23,697,034)</u>	<u>\$ (22,932,135)</u>

(Continued)

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

	Fiscal Year Ended June 30,									
	<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>2004</u>	<u>2003</u>
<b>General Revenues and Other Changes in Net Assets:</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 20,659,459	\$ 20,500,988	\$ 19,818,314	\$ 19,056,071	\$ 18,712,714	\$ 18,335,228	\$ 16,347,855	\$ 14,497,649	\$ 14,317,455	\$ 14,317,455
Taxes Levied for Debt Service	993,436	983,028	980,819	1,101,375	938,212	1,027,245	1,083,860	1,106,759	1,129,278	1,129,278
Unrestricted Grants and Contributions	8,431,887	7,830,296	8,720,089	8,691,296	8,493,970	8,254,592	8,291,748	8,258,675	8,155,122	8,155,122
Miscellaneous Income	170,422	241,374	156,403	120,694	199,686	263,186	260,885	450,649	442,341	442,341
Other		2	545	(11,328)	3,243	4,335	5,077	(354,976)		
Disposal / Deletion of Assets				(40,595)	(150)			(141,045)		
Transfers	(185,000)	(218,009)	(222,402)	(274,000)	(240,000)	(206,195)	(147,000)	(125,000)	(126,600)	(126,600)
<b>Total Governmental Activities</b>	<b>30,070,204</b>	<b>29,337,678</b>	<b>29,453,768</b>	<b>28,643,513</b>	<b>28,107,675</b>	<b>27,678,391</b>	<b>25,842,425</b>	<b>23,692,711</b>	<b>23,917,596</b>	<b>23,917,596</b>
Business-type Activities:										
Investment Earnings									27,450	27,450
Cancellation of Accounts Receivable				(563)	(1,810)					
Transfers	185,000	218,009	222,402	274,000	240,000	206,195	150,500	125,000	126,600	126,600
<b>Total Business-type Activities</b>	<b>185,000</b>	<b>218,009</b>	<b>222,402</b>	<b>273,437</b>	<b>238,191</b>	<b>206,195</b>	<b>150,500</b>	<b>125,000</b>	<b>154,050</b>	<b>154,050</b>
<b>Total District-wide</b>	<b>\$ 30,255,204</b>	<b>\$ 29,555,687</b>	<b>\$ 29,676,170</b>	<b>\$ 28,916,950</b>	<b>\$ 28,345,865</b>	<b>\$ 27,884,586</b>	<b>\$ 25,992,925</b>	<b>\$ 23,817,711</b>	<b>\$ 24,071,646</b>	<b>\$ 24,071,646</b>
<b>Change in Net Assets:</b>										
Governmental Activities	\$ 1,946,587	\$ 1,607,996	\$ (1,080,447)	\$ (594,747)	\$ (226,437)	\$ 686,733	\$ 81,587	\$ (1,248,253)	\$ 356,764	\$ 1,102,979
Business-type Activities	(45,202)	13,197	(19,265)	52,733	77,264	3,397	(829)	(5,861)	17,848	36,532
<b>Total District</b>	<b>\$ 1,901,385</b>	<b>\$ 1,621,193</b>	<b>\$ (1,099,711)</b>	<b>\$ (542,014)</b>	<b>\$ (149,173)</b>	<b>\$ 690,130</b>	<b>\$ 80,758</b>	<b>\$ (1,254,114)</b>	<b>\$ 374,612</b>	<b>\$ 1,139,511</b>

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>2012</u>	<u>2011 (A)</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Fund:										
Reserved			\$ 122,395	\$ 109,593	\$ 116,060	\$ 241,055	\$ 168,115	\$ 87,523	\$ 186,382	\$ 79,757
Reserve for Excess Surplus										42,412
Capital Reserve			1	1	1	1	1	1	1	1
Unreserved			(83,418)	987,947	1,674,267	1,559,866	880,214	684,382	1,044,374	922,938
Non-Spendable:										
Prepaid Expenses	\$ 158	\$ 1,564								
Restricted:										
Capital Reserve	950,000	950,000								
Maintenance Reserve	25,000	25,000								
Current Expense Emergency Reserve	125,000	125,000								
Excess Surplus	2,051,361	138,174								
Designated for Subsequent Year's Expenditures	138,174									
Assigned:										
Designated for Subsequent Year's Expenditures	528,799	268,637								
Other Purposes		258,950								
Unassigned	(157,244)	113,125								
<b>Total General Fund</b>	<b><u>\$ 3,661,248</u></b>	<b><u>\$ 1,880,449</u></b>	<b><u>\$ 38,979</u></b>	<b><u>\$ 1,097,540</u></b>	<b><u>\$ 1,790,327</u></b>	<b><u>\$ 1,800,922</u></b>	<b><u>\$ 1,048,330</u></b>	<b><u>\$ 771,906</u></b>	<b><u>\$ 1,230,757</u></b>	<b><u>\$ 1,045,108</u></b>
All Other Governmental Funds:										
Unreserved, Reported in:										
Special Revenue Fund										\$ (4,840.00)
Capital Projects Fund			\$ 145,940	\$ 151,640	\$ 151,640	\$ 163,400	\$ 210,431	\$ 338,106	987,256	1,130,969
Debt Service Fund			4,476	14,891	30,266	65,648	56,161	16,696	10,061	3,095
Restricted:										
Debt Service Fund	\$ 110	\$ 474								
<b>Total All Other Governmental Funds</b>	<b><u>\$ 110</u></b>	<b><u>\$ 474</u></b>	<b><u>\$ 150,415</u></b>	<b><u>\$ 166,531</u></b>	<b><u>\$ 181,906</u></b>	<b><u>\$ 229,047</u></b>	<b><u>\$ 266,592</u></b>	<b><u>\$ 354,802</u></b>	<b><u>\$ 997,317</u></b>	<b><u>\$ 1,129,224</u></b>

(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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>Revenues:</b>										
Tax Levy	\$ 21,652,895	\$ 21,484,016	\$ 20,799,133	\$ 20,157,446	\$ 19,650,926	\$ 19,362,473	\$ 17,431,715	\$ 15,604,408	\$ 15,446,733	\$ 13,470,873
Tuition Charges	124,912	151,567	89,550	28,703	72,719	54,350	25,750	20,077	26,948	17,300
Miscellaneous	170,422	241,374	156,403	123,690	202,929	267,521	260,885	450,649	442,341	391,585
State Sources	10,757,200	10,055,793	9,759,655	11,083,293	12,033,277	10,786,995	10,938,564	10,636,465	10,296,167	9,361,100
Federal Sources	1,231,727	1,108,276	2,584,666	754,262	639,391	689,022	641,204	654,658	667,837	557,988
<b>Total Revenue</b>	<b>33,937,156</b>	<b>33,041,025</b>	<b>33,389,407</b>	<b>32,147,394</b>	<b>32,599,242</b>	<b>31,160,361</b>	<b>29,298,117</b>	<b>27,366,257</b>	<b>26,880,026</b>	<b>23,798,846</b>
<b>Expenditures:</b>										
Instruction										
Regular Instruction	10,183,644	9,943,529	11,060,863	10,612,733	10,165,182	9,971,600	9,578,484	9,472,872	9,209,919	8,566,078
Special Education Instruction	1,765,179	1,584,967	1,672,145	1,590,708	1,397,476	1,290,823	1,226,084	1,214,998	1,162,230	963,065
Other Special Instruction	189,804	175,242	362,412	352,149	277,584	195,614	267,172	226,158	202,995	316,218
Other Instruction	590,472	552,275	733,355	701,887	678,301	616,388	640,396	580,457	555,635	511,903
Adult / Continuing Education Programs			128,108	122,709	112,046	153,709	152,745	174,659	177,447	164,573
Support Services:										
Tuition	1,517,731	1,586,004	2,316,315	1,879,906	1,891,274	1,659,079	1,634,090	1,326,679	1,405,643	1,338,964
Student and Instruction Related Services	3,143,648	3,193,402	3,367,924	3,276,447	3,112,847	2,524,769	2,433,456	2,225,056	2,270,954	2,028,863
School Administrative Services	2,045,870	1,920,988	2,166,351	2,072,862	2,076,964	1,957,477	1,859,357	1,840,547	1,728,707	1,625,467
Other Administrative Services	538,098	487,747	482,098	489,685	497,642	456,205	457,044	489,219	522,763	472,339
Plant Operations and Maintenance	2,440,691	2,500,542	2,821,509	2,677,661	2,705,137	3,030,271	2,672,280	2,488,448	2,390,674	1,958,400
Pupil Transportation	758,060	752,043	760,835	742,473	752,532	680,802	665,905	608,034	523,661	496,576
Unallocated Benefits	7,544,357	7,190,165	7,193,143	6,620,666	7,274,376	6,153,821	5,907,024	5,528,236	4,922,864	4,269,558
Special Schools	20,078	22,784	57,719	55,160	48,010	36,487	56,229	101,154	88,602	111,560
Charter Schools			14,672							
Capital Outlay	240,290	210,142	113,181	193,581	383,096	375,496	256,171	496,968	302,852	2,651,408
Debt Service:										
Principal	645,000	615,000	595,000	752,000	590,000	653,000	795,000	600,000	590,000	570,000
Interest and Other Charges	348,800	372,140	396,598	426,606	454,512	483,579	366,544	614,163	644,738	674,439
<b>Total Expenditures</b>	<b>31,971,723</b>	<b>31,131,488</b>	<b>34,242,227</b>	<b>32,567,231</b>	<b>32,416,978</b>	<b>30,239,120</b>	<b>28,967,980</b>	<b>27,987,648</b>	<b>26,699,684</b>	<b>26,719,411</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,965,434	1,909,537	(852,820)	(419,838)	182,264	921,242	330,138	(621,391)	180,342	(2,920,565)
<b>Other Financing Sources (Uses):</b>										
Sale of Bonds										
Accounts Receivable/Payable Canceled		2	545	(14,324)			5,077	(354,976)		
Transfers In/Out	(185,000)	(218,009)	(222,402)	(274,000)	(240,000)	(206,195)	(147,000)	(125,000)	(126,600)	(100,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(185,000)</b>	<b>(218,007)</b>	<b>(221,857)</b>	<b>(288,324)</b>	<b>(240,000)</b>	<b>(206,195)</b>	<b>(141,923)</b>	<b>(479,976)</b>	<b>(126,600)</b>	<b>(100,000)</b>
<b>Net Change in Fund Balances:</b>	<b>\$ 1,780,434</b>	<b>\$ 1,691,530</b>	<b>\$ (1,074,677)</b>	<b>\$ (708,162)</b>	<b>\$ (57,736)</b>	<b>\$ 715,047</b>	<b>\$ 188,215</b>	<b>\$ (1,101,367)</b>	<b>\$ 53,742</b>	<b>\$ (3,020,565)</b>
Debt Service as a Percentage of Noncapital Expenditures	3.1%	3.2%	2.9%	3.6%	3.3%	3.8%	4.0%	4.4%	4.7%	5.2%

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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Refunds of Prior Year Expenses	\$ 795.01	\$ 20,518.04	\$ 19,427.35	\$ 12,136.00	\$ 9,792.00	\$ 10,080.00			\$ 2,334.56	\$ 7,837.22
Telephone Commissions									5.20	57.21
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	1,726.30	1,894.45
Athletic Event Receipts	44,348.04	36,656.00								
Recycling Refund				38.38						
Camp Fees	1,010.00	600.00	1,430.00	1,130.00						
Sale of Obsolete Equipment					205.00	100.00	122.39		187.00	631.00
Services Provided for Other LEAs	28,648.50	76,618.52								
Transcript Fees										16.00
Photocopy Usage										391.00
Summer School							28,930.00	26,905.00	28,261.50	22,175.00
Restitution	1,720.00			400.00		1,900.00		1,000.00	80.00	
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	80,563.51	83,182.53
Adult Education Fees										37,386.00
Interest on Investments	48,664.61	42,723.90	38,420.71	24,880.73	91,958.84	115,651.00	71,088.73	35,841.53	21,390.27	25,431.31
Proceeds from Sale of Bid Specifications										600.00
Summer Recreation							16,781.50	25,750.50	30,017.00	32,274.50
Wellness Program								380.00	920.00	920.00
Participation Fees	38,530.00	48,830.00								
Donations		7,500.00								
Obligations	814.17	856.90	1,582.84	1,918.00	1,968.50	2,160.17	3,685.00	3,912.93	5,521.80	3,004.04
Rohrer Foundation Donation								200,000.00	200,000.00	
Public Record Fees									265.75	
NJ SLSTATE Other	247.54									
PSE&G Smart Start Building Rebates		450.00							36,508.29	
Prior Year Tuition Refund			4,869.23	2,841.00		4,033.00				
Homeless Student Tuition - Paid by State						8,195.00				
E-Rate Refunds						798.40	15,572.81	44,040.51	5,330.89	10,196.35
Safety Incentive Award				600.00		3,722.00				
Miscellaneous	4,894.25	1,431.31	2,348.26	2,254.12	4,296.37	769.77	4,292.16	8,561.17	11,255.22	3,919.30
Transportation Refund					12,076.21		8,714.29	7,816.70	7,941.10	17,599.56
	<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>	<u>\$ 432,308.39</u>	<u>\$ 247,515.47</u>

Source: District Records

## Revenue Capacity Information

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

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

Year Ended Dec. 31	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (2)
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
2004	2,756,000.00	556,795,000.00	-	80,016,400.00	4,967,800.00	32,160,900.00	676,696,100.00	735,796.00	677,431,896.00	104,075,800.00	951,151,667.00	2.292
2003	3,143,500.00	554,856,800.00	-	79,709,300.00	4,967,800.00	32,160,900.00	674,835,300.00	889,152.00	675,724,452.00	103,805,200.00	846,971,524.00	2.139

**(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 Fiscal Years  
 (Rate per \$100 of Assessed Value)  
*Unaudited*

Year Ended Dec. 31	District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	<u>Basic Rate</u>	General Obligation Debt <u>Service (2)</u>	Total Direct School <u>Tax Rate</u>	<u>Special Districts</u>	Township of <u>Haddon</u>	Camden <u>County</u>	
2012	\$ 1.645	\$ 0.078	\$ 1.723	\$ 0.707	\$ 0.578	\$ 0.847	\$ 3.855
2011	1.631	0.078	1.709	0.035	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
2004	2.127	0.165	2.292	0.695	0.668	1.024	4.679
2003	1.994	0.145	2.139	0.683	0.618	1.084	4.524

Source: Municipal Tax Collector

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

<u>Taxpayer</u>	2012			2002		
	<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	2.92%	\$ 19,981,800	1	2.97%
Kimco Realty Corp	18,534,300	2	1.47%	10,419,200	2	1.55%
Haddon Hills % Goldberg	17,711,100	3	1.40%	8,209,000	3	1.22%
Rohrer Building LLC	8,385,200	4	0.67%	1,562,700	10	0.23%
Commonwealth/Media Real Estate	7,982,000	5	0.63%	4,956,500	5	0.74%
First States Investors	6,487,200	6	0.51%			
Lawland Associates	5,300,000	7	0.42%	2,151,600	8	0.32%
ILCL Center Assoc	4,604,200	8	0.37%	2,530,300	6	0.38%
Venice Realty LLC	3,684,200	9	0.29%			
FW-NJ Westmont Shopping Center	3,638,700	10	0.29%			
F.U.N.B.				5,006,900	4	0.75%
USRP I LLC				2,503,100	7	0.37%
Peter Frasca				1,933,500	9	0.29%
<b>Total</b>	<b>\$ 113,178,900</b>		<b>8.98%</b>	<b>\$ 59,254,600</b>		<b>8.82%</b>

Source: District CAFR & Municipal Tax Assessor

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

<u>Fiscal Year Ended June 30,</u>	<u>School District Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
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%	-
2004	15,446,733	15,446,733	100.00%	-
2003	13,470,873	13,470,873	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 June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income (2)	Per Capita Personal Income (3)
	General Obligation Bonds (1)	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2012	\$ 8,110,000						\$ 8,110,000	N/A	N/A
2011	8,755,000	-	-	-	-	-	8,755,000	N/A	\$ 596
2010	9,370,000	-	-	-	-	-	9,370,000	1.49%	637
2009	9,965,000	-	-	-	-	-	9,965,000	1.67%	694
2008	11,307,000	-	-	-	-	-	11,307,000	1.88%	788
2007	11,960,000	-	-	-	-	-	11,960,000	2.06%	831
2006	12,223,000	-	-	-	-	-	12,223,000	2.19%	847
2005	12,823,000	-	-	-	-	-	12,823,000	2.44%	886
2004	13,413,000	-	-	-	-	-	13,413,000	2.65%	926
2003	13,983,000	-	-	-	-	-	13,983,000	2.84%	961

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*

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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		
2012	\$ 8,110,000		\$ 8,110,000	0.71%	Unavailable
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
2004	12,823,000	-	12,823,000	2.24%	885
2003	13,413,000	-	13,413,000	2.35%	921
					637.15

**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, 2011  
*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	\$ 8,755,000.00	\$ 8,755,000.00	\$ -	\$ -
Haddon Township Water, Sewer Utility	13,373,674.00	13,373,674.00	-	-
Haddon Township	<u>25,093,037.00</u>	<u>339,000.00</u>	<u>24,754,037.00</u>	<u>24,754,037.00</u>
	<u>47,221,711.00</u>	<u>22,467,674.00</u>	<u>24,754,037.00</u>	<u>24,754,037.00</u>
Overlapping Debt Apportioned to the Municipality:				
County of Camden: (2)				
General:				
Bonds	<u>964,134,706.00</u>	<u>778,324,503.00</u> (3)	<u>185,810,203.00</u>	<u>6,466,221.76</u> (4)
	<u>964,134,706.00</u>	<u>778,324,503.00</u>	<u>185,810,203.00</u>	<u>6,466,221.76</u>
	<u>\$ 1,011,356,417.00</u>	<u>\$ 800,792,177.00</u>	<u>\$ 210,564,240.00</u>	<u>\$ 31,220,258.76</u>

## Sources:

- (1) 2011 Annual Debt Statement
- (2) County's 2011 Audit Report
- (3) Includes Reserve for Payment of Bonds, Other Accounts Receivable and General Obligation Pension Refunding Bonds.
- (4) Such debt is allocated as a proportion of the Township's share of the total 2011 Equalized Value, which is 3.48%.  
The source for this computation was the 2011 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 2012**

	Equalized valuation basis (1)
	2011 \$ 1,381,001,315
	2010 1,406,193,701
	2009 <u>1,429,344,018</u>
	<b>[A] \$ 4,216,539,034</b>
Average equalized valuation of taxable property	<b>[A/3] \$ 1,405,513,011</b>
Debt limit (4% of average equalization value) (2)	<b>[B] 56,220,520 (1)</b>
Total Net Debt Applicable to Limit	<b>[C] <u>8,110,000</u></b>
Legal Debt Margin	<b>[B-C] <u>\$ 48,110,520</u></b>

	Fiscal Year Ended June 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Debt limit	\$ 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	\$ 30,768,257.00	\$ 28,577,775.00
Total net debt applicable to limit (3)	<u>8,110,000</u>	<u>8,755,000</u>	<u>9,370,000</u>	<u>9,965,000.00</u>	<u>10,717,000.00</u>	<u>11,307,000.00</u>	<u>11,960,000.00</u>	<u>12,223,000.00</u>	<u>12,823,000.00</u>	<u>13,413,000.00</u>
Legal debt margin	<u>\$ 48,110,520.45</u>	<u>\$ 46,903,103.49</u>	<u>\$ 46,903,103.49</u>	<u>\$ 43,879,303.88</u>	<u>\$ 38,441,724.32</u>	<u>\$ 32,514,392.08</u>	<u>\$ 26,513,369.75</u>	<u>\$ 21,736,722.00</u>	<u>\$ 17,945,257.00</u>	<u>\$ 15,164,775.00</u>
Total net debt applicable to the limit as a percentage of debt limit	14.43%	15.36%	16.65%	18.51%	21.80%	25.80%	31.09%	35.99%	41.68%	46.94%

## 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*

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<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2011	14,694	Unavailable	Unavailable	7.1%
2010	14,706	\$ 628,240,320	\$ 42,720	7.3%
2009	14,369	594,962,814	41,406	6.9%
2008	14,351	602,627,192	41,992	4.4%
2007	14,387	579,220,620	40,260	3.3%
2006	14,423	557,751,833	38,671	3.6%
2005	14,472	525,319,128	36,299	3.3%
2004	14,488	506,428,040	34,955	2.1%
2003	14,557	491,619,004	33,772	2.4%
2002	14,614	475,437,262	32,533	2.3%

**Source:**

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



## Operating Information

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

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

<u>Function/Program</u>	Fiscal Year Ended June 30,									
	<u>2012</u>	<u>2011 (A)</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Instruction										
Regular	124.2	121.4	151.5	150.5	141.5	141.8	142.8	143.8	146.8	144.3
Special education	40.1	39.7	33.0	32.0	31.1	30.1	29.1	29.3	28.6	27.8
Other special education	-	-	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition			-	-	-	-	-	-	-	-
Student & instruction related services	36.9	36.4	28.0	27.0	26.8	26.8	25.8	25.8	24.0	20.0
General administrative services	2.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School administrative services	17.5	17.7	26.5	26.5	27.0	27.0	26.0	25.0	25.0	26.0
Business administrative services	6.0	6.0	7.0	7.0	7.0	6.5	6.5	6.5	6.5	6.5
Plant operations and maintenance	31.7	31.0	30.0	26.5	27.7	27.2	27.2	27.2	26.2	26.2
Pupil transportation	18.7	18.7	23.0	22.0	19.0	19.0	19.0	19.0	19.0	19.0
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-
Community Education and Recreation	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<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>	<u>278.1</u>	<u>271.8</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				
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%	94.00%
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%	95.35%
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%	95.62%
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%	94.44%
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%	95.48%
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%	95.47%
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%	95.10%
2004	2,227	25,162,094	10,881	11.37%	192	1:19.0	1:20.9	1:20.1	2,227	2,118	-0.86%	95.26%
2003	2,247	22,826,545	9,770	10.53%	190	1:19.8	1:20.9	1:20.0	2,247	2,140	-0.63%	95.15%

(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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
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	160	191	191	185	185	133	136	154	148	168
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	103	132	132	145	145	144	139	136	133	158
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	189	191	191	199	199	178	179	183	219	243
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	218	252	252	247	247	247	252	249	243	303
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	347	302	302	297	297	282	298	271	257	331
<b><u>Wm. G. Rohrer Middle School (2003)</u></b>										
Square Feet	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	-
Enrollment	493	471	471	409	409	434	465	515	531	-
<b><u>Haddon Twp. High School (1951, 1964, 1994)</u></b>										
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	1,271
Enrollment	605	632	632	662	662	707	701	681	694	1,046
<b><u>Other</u></b>										
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, 2012										
Elementary = 5										
Middle School = 1										
High School = 1										
Other = 3										

Source: District Records

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

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

School Facilities	School # (s)	Fiscal Year Ended June 30,									
		2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Haddon Township High School	050	\$ 212,589	\$ 229,693	\$ 290,108	\$ 319,616	\$ 284,961	\$ 386,375	\$ 244,506	\$ 193,264	\$ 227,401	\$ 206,480
Thomas A. Edison Elementary School	060	23,991	24,891	32,912	24,192	21,634	20,820	20,782	18,192	49,780	22,753
Clyde S. Jennings Elementary School	070	26,361	27,350	31,795	20,000	25,164	20,248	22,282	18,568	35,563	22,928
James Stoy Elementary School	080	27,586	28,621	51,989	19,766	24,362	20,584	26,082	18,005	18,824	22,738
Strawbridge Elementary School	090	22,524	23,369	45,501	23,451	26,394	38,515	24,482	20,065	16,058	28,630
Van Sciver Elementary School	100	52,574	44,397	42,000	72,263	86,174	51,211	28,582	28,920	24,308	31,256
Wm. G. Rohrer Middle School	110	45,184	46,880	45,382	13,052	42,886	41,667	34,203	30,362	56,095	
<b>Total School Facilities</b>		<b>\$ 410,809</b>	<b>\$ 425,200</b>	<b>\$ 539,688</b>	<b>\$ 492,340</b>	<b>\$ 511,575</b>	<b>\$ 579,420</b>	<b>\$ 400,919</b>	<b>\$ 327,376</b>	<b>\$ 428,029</b>	<b>\$ 334,785</b>

\* 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, 2012  
*Unaudited*

		<u>Coverage</u>	<u>Deductible</u>
School Alliance 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

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

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

**Compliance**

We have audited 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, 2012. The School District's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and state programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of 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. Our audit does not provide a legal determination of the School District's compliance with those requirements.

In our opinion, the Township of Haddon School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2012.

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

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

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



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

Voorhees, New Jersey  
November 20, 2012

**TOWNSHIP OF HADDON SCHOOL DISTRICT**  
 Schedule of Expenditures of Federal Awards, Schedule A  
 For the Fiscal Year Ended June 30, 2012

<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>Accounts</u> <u>Receivable</u>	<u>Deferred</u> <u>Revenue</u>	<u>Due to</u> <u>Grantor</u>
				<u>From</u>	<u>To</u>			
<b>General Fund:</b>								
U.S. Department of Education:								
Medicaid Administrative Claims Program (MAC)	93.778	N/A	\$ 1,031.53	7-1-11	6-30-12			
Medical Assistance Program (SEMI)	93.778	N/A	26,153.11	7-1-11	6-30-12			
Medical Assistance Program (SEMI)	93.778	N/A	11,330.68	7-1-10	6-30-11	(4,618.97)		
Passed-through State Department of Education:								
Education Jobs Fund	84.410A	ARRA	303,892.00	8-10-2010	9-30-2012			
Total General Fund								
<b>Special Revenue Fund:</b>								
U.S. Department of Education:								
Passed-through State Department of Education:								
N.C.L.B.:								
Title I, Part A	84.010A	NCLB189012	126,417.00	9-1-11	8-31-12			
Title I, Part A	84.010A	NCLB189011	131,550.00	9-1-10	8-31-11	(80,276.00)	66,883.50	
Title I - SIA	84.010A	NCLB189009	2,843.00	9-1-08	8-31-09			803.50
ARRA - Title I - Part A	84.389	NCLB189010	44,008.00	7-1-09	8-31-11	(6,802.00)	7,819.00	
ARRA - Title I - SIA Part A	84.389	NCLB189010	2,876.00	7-1-09	8-31-11	(2,876.00)	875.67	
Title II - Part A	84.367A	NCLB189012	54,346.00	9-1-11	8-31-12			
Title II - Part A	84.367A	NCLB189011	60,319.00	9-1-10	8-31-11	(12,337.00)	5,530.43	
Title II - Part D	84.318X	NCLB189011	255.00	9-1-10	8-31-11	(255.00)	6.00	
Title III - Immigrant	84.365A	NCLB189012	8,548.00	9-1-11	8-31-12			
Title III - Immigrant	84.365A	NCLB189011	6,401.00	9-1-10	8-31-11	(2,843.00)	2,738.15	
Title III	84.365A	NCLB189012	10,352.00	9-1-11	8-31-12			
Title IV	84.186A	NCLB189010	6,260.00	9-1-09	8-31-10			5,416.65
I.D.E.A.								
Basic	84.027	IDEA189012	604,358.00	9-1-11	8-31-12			
Basic	84.027	IDEA189011	590,340.00	9-1-10	8-31-11	(117,697.00)	145,492.21	
ARRA - Basic	84.391	IDEA189010	703,834.00	7-1-09	8-31-11	(47,375.00)		
PreSchool Incentive	84.173	IDEA189012	17,328.00	9-1-11	8-31-12			
Total U.S. Department of Education						(270,461.00)	229,344.96	6,220.15
Total Special Revenue Fund								
<b>Enterprise Fund:</b>								
U.S. Department of Agriculture:								
Passed-through State Department of Education:								
Child Nutrition Cluster:								
Non-Cash Assistance (Food Distribution):								
National School Lunch Program	10.550	Unavailable	44,815.12	7-1-11	6-30-12			
Cash Assistance:								
National Breakfast Program	10.553	Unavailable	2,869.71	7-1-11	6-30-12			
National School Lunch Program	10.555	Unavailable	117,118.20	7-1-11	6-30-12			
Total Enterprise Fund:								
Total Federal Financial Assistance								

(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.



Balance June 30, 2011	Carry-over (Walkover) Amount	Cash Received	Adjustments (A)	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2012		
						Accounts Receivable	Deferred Revenue	Due to Grantor
		\$ 22,128.84		\$ 1,031.53		\$ (1,031.53)		
\$ (4,618.97)		4,618.97		26,153.11		(4,024.27)		
(4,618.97)	\$ -	26,747.81	\$ -	27,184.64	\$ -	(5,055.80)	\$ -	\$ -
		303,892.00		303,892.00				
(4,618.97)	-	330,639.81	-	331,076.64	-	(5,055.80)	-	-
(13,392.50)	1,622.50 (1,622.50)	66,177.00 15,015.00	225.00	149,117.82		(128,151.00)	47,057.68	
803.50					803.50			
1,017.00		6,802.00		7,819.00				
(2,000.33)		2,000.00	0.33					
(6,806.57)	4,170.43 (4,170.43)	39,051.00 10,977.00		59,876.43		(16,655.00)		
(249.00)		249.00		6.00		(6.00)		
(104.85)	919.15 (919.15)	1,287.00 1,024.00		3,698.20		(9,080.00)	7,587.95	
5,416.65		1,196.00		3,600.72	5,416.65	(9,156.00)	6,751.28	
27,795.21 (47,375.00)	27,795.21 (27,795.21)	535,386.00		663,463.21		(186,669.00)	86,387.00	
		47,375.00		17,328.00				
(34,895.89)	-	743,867.00	225.33	904,909.38	6,220.15	(349,717.00)	147,783.91	-
(34,895.89)	-	743,867.00	225.33	904,909.38	6,220.15	(349,717.00)	147,783.91	-
		44,815.12		44,815.12				
		2,675.66		2,869.71		(194.05)		
		112,705.14		117,118.20		(4,413.06)		
-	-	160,195.92	-	164,803.03	-	(4,607.11)	-	-
\$ (39,514.86)	\$ -	\$ 1,234,702.73	\$ 225.33	\$ 1,400,789.05	\$ 6,220.15	\$ (359,379.91)	\$ 147,783.91	\$ -

**TOWNSHIP OF HADDON SCHOOL DISTRICT**  
 Schedule of Expenditures of State Financial Assistance, Schedule B  
 For the Fiscal Year Ended June 30, 2012

<u>State Grantor/ Program Title</u>	<u>State Project Number</u>	<u>Award Amount</u>	<u>Grant Period</u>		<u>Balance at June 30, 2011</u>	
			<u>From</u>	<u>To</u>	<u>Deferred Revenue/ Accounts Receivable</u>	<u>Due to Grantor</u>
<b>General Fund:</b>						
State Department of Education:						
Equalization Aid	12-495-034-5120-078	\$ 6,909,811.00	7-1-11	6-30-12		
Equalization Aid	11-495-034-5120-078	6,312,413.00	7-1-10	6-30-11	\$ (595,748.32)	
Special Education Categorical Aid	12-495-034-5120-089	1,087,038.00	7-1-11	6-30-12		
Special Education Categorical Aid	11-495-034-5120-089	1,087,038.00	7-1-10	6-30-11	(102,591.68)	
Nonpublic School Transportation Aid	12-495-034-5120-014	6,786.00	7-1-11	6-30-12		
Nonpublic School Transportation Aid	11-495-034-5120-014	7,134.00	7-1-10	6-30-11	(7,134.00)	
Extraordinary Special Education Costs Aid	12-100-034-5120-473	154,394.00	7-1-11	6-30-12		
Extraordinary Special Education Costs Aid	11-100-034-5120-473	263,759.00	7-1-10	6-30-11	(263,759.00)	
T.P.A.F. Social Security Aid	12-495-034-5095-002	954,993.86	7-1-11	6-30-12		
T.P.A.F. Social Security Aid	11-495-034-5095-002	925,265.75	7-1-10	6-30-11	(45,892.23)	
<b>Total General Fund</b>					<b>(1,015,125.23)</b>	<b>\$ -</b>
<b>Special Revenue Fund:</b>						
State Department of Education:						
Nonpublic Aid:						
Textbook Aid (Ch. 194, L. 1977)	12-100-034-5120-064	59,878.00	7-1-11	6-30-12		
Textbook Aid (Ch. 194, L. 1977)	11-100-034-5120-064	67,753.00	7-1-10	6-30-11		21,035.18
Auxiliary Services (Ch. 192, L. 1977)						
Compensatory Education						
English as a Second Language	12-100-034-5120-067	184,282.00	7-1-11	6-30-12		
Home Instruction		5,172.00	7-1-11	6-30-12		
		16,941.52	7-1-11	6-30-12		
Auxiliary Services (Ch. 192, L. 1977)						
Compensatory Education						
English as a Second Language	11-100-034-5120-067	176,413.00	7-1-10	6-30-11		19,987.00
Home Instruction		8,538.00	7-1-10	6-30-11		3,221.00
		13,471.22	7-1-10	6-30-11	(13,471.00)	
Handicapped Services (Ch. 193, L. 1977)						
Corrective Speech						
Examination and Classification	12-100-034-5120-066	5,055.00	7-1-11	6-30-12		
Supplementary Instruction		53,609.00	7-1-11	6-30-12		
		33,673.00	7-1-11	6-30-12		
Handicapped Services (Ch. 193, L. 1977)						
Corrective Speech						
Examination and Classification	11-100-034-5120-066	17,211.00	7-1-10	6-30-11		15,819.00
Supplementary Instruction		53,097.00	7-1-10	6-30-11		6,427.00
		52,112.00	7-1-10	6-30-11		24,913.00
Nursing Services						
Nursing Services	12-100-034-5120-070	85,530.00	7-1-11	6-30-12		
Nursing Services	11-100-034-5120-070	80,281.00	7-1-10	6-30-11		3,882.27
<b>Total Special Revenue Fund</b>					<b>(13,471.00)</b>	<b>95,284.45</b>
<b>Enterprise Fund:</b>						
State Department of Agriculture:						
State School Lunch Aid	12-100-010-3350-023	4,506.77	7-1-11	6-30-12		
<b>Total Enterprise Fund</b>					<b>-</b>	<b>-</b>
<b>Total State Financial Assistance</b>					<b>\$ (1,028,596.23)</b>	<b>\$ 95,284.45</b>

(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, 2012			Memo	
					Accounts Receivable	Deferred Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable June 30, 2012	Cumulative Total Expenditures
	\$ 6,260,169.36		\$ 6,909,811.00		\$ (649,641.64)			\$ (649,641.64)	\$ 6,909,811.00
	595,748.32				(102,200.36)			(102,200.36)	1,087,038.00
	984,837.64		1,087,038.00						
	102,591.68				(6,786.00)				6,786.00
	7,134.00		6,786.00						
	263,759.00		154,394.00		(154,394.00)				154,394.00
	947,443.36		954,993.86		(7,550.50)				
	45,892.23								
<b>\$ -</b>	<b>9,207,575.59</b>	<b>\$ -</b>	<b>9,113,022.86</b>	<b>\$ -</b>	<b>(920,572.50)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(751,842.00)</b>	<b>8,158,029.00</b>
	59,878.00		58,181.97	21,035.18			1,696.03		58,181.97
	184,282.00		123,498.33				60,783.67		123,498.33
	5,172.00		2,413.60				2,758.40		2,413.60
			16,941.52		(16,941.52)				16,941.52
				19,987.00					
	13,471.00			3,221.00					
	5,055.00		1,105.86				3,949.14		1,105.86
	53,609.00		46,363.13				7,245.87		46,363.13
	33,673.00		27,779.40				5,893.60		27,779.40
				15,819.00					
				6,427.00					
				24,913.00					
	85,530.00		84,223.65	3,882.27			1,306.35		84,223.65
<b>-</b>	<b>440,670.00</b>	<b>-</b>	<b>360,507.46</b>	<b>95,284.45</b>	<b>(16,941.52)</b>	<b>-</b>	<b>83,633.06</b>	<b>-</b>	<b>360,507.46</b>
	4,338.33		4,506.77		(168.44)				4,506.77
<b>-</b>	<b>4,338.33</b>	<b>-</b>	<b>4,506.77</b>	<b>-</b>	<b>(168.44)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,506.77</b>
<b>\$ -</b>	<b>\$ 9,652,583.92</b>	<b>\$ -</b>	<b>\$ 9,478,037.09</b>	<b>\$ 95,284.45</b>	<b>\$ (937,682.46)</b>	<b>\$ -</b>	<b>\$ 83,633.06</b>	<b>\$ (751,842.00)</b>	<b>\$ 8,523,043.23</b>

**TOWNSHIP OF HADDON SCHOOL DISTRICT**  
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2012

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**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 (\$53,502.00) for the general fund and \$2,875.00 for the special revenue fund. The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$2,875.00 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	\$ 331,076.64	\$ 9,113,022.86	\$ 9,444,099.50
Special Revenue	907,784.38	360,507.46	1268291.84
Food Service	<u>164,803.03</u>	<u>4,506.77</u>	<u>169309.8</u>
Total Awards and Financial Assistance	<u>\$ 1,238,861.02</u>	<u>\$ 9,473,530.32</u>	<u>\$ 10,712,391.34</u>

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

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

**Note 5: ADJUSTMENTS**

Amounts reported in the column entitled "adjustments" represent unfavorable differences incurred in the liquidation of encumbrances charged as budgetary basis expenditures in fiscal year 2010-2011 and the cancellation of a grant receivable recorded in fiscal year 2010-11.

**Note 6: OTHER**

Revenues and expenditures reported under the food distribution program represent current year value received and current year distribution, respectively. TPAF social security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2012.

**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, 2012**

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

**Financial Statements**

Type of auditor's report issued Unqualified

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 Unqualified

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:

<b><u>CFDA Number(s)</u></b>	<b><u>Name of Federal Program or Cluster</u></b>
84.027	I.D.E.A. Part B Basic
84.173	I.D.E.A. Part B Preschool Incentive
84.410A	Education Jobs Fund

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

Auditee qualified as low-risk auditee?   X   yes      no



**HADDON TOWNSHIP BOARD OF EDUCATION**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2012

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

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

N/A - None



**HADDON TOWNSHIP BOARD OF EDUCATION**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2012

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

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

N/A - None

**HADDON TOWNSHIP BOARD OF EDUCATION**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2012

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

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

N/A - None

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

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This section identifies the status of prior year findings related to the financial statements and Federal Awards and State Financial Assistance that are required to be reported in accordance with Government Auditing Standards, 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

