

**SCHOOL DISTRICT OF
HAINESPORT TOWNSHIP**

HAINESPORT BOARD OF EDUCATION
Hainesport, New Jersey
County of Burlington

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

HAINESPORT BOARD OF EDUCATION

HAINESPORT, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Prepared by

**Hainesport Township Board of Education
Finance Department**

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INTRODUCTORY SECTION

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Hainesport Township School

211 Broad Street, P.O. Box 538

Hainesport, NJ 08036

(609) 267-1316

Fax: (609) 702-0142

Superintendent's Office
Ext. 203

Chief School Administrator
Dr. Joseph S. Campisi

Secretary
Cora Schiers

Main Office
Ext. 201

Assistant Principal
Christopher Butler

Secretary
Margaret Futty

Secretary
Nancy Rivera

Business Office
Ext. 215

Business Administrator
Michael Blake

Assistant to BA
Pat Gwynne

Office Clerk
Christy Eckert

Child Study Team Office
Ext. 209

**Assistant Principal of Special
Services & Projects**
Christopher Giannotti

Secretary
Meryl Pellicore

Facility Manager's Office
Ext. 180

Facility Manager
Jules Krause

Guidance Office
Ext. 239 & 140

Counselors
Patricia Schanely
Rose Wenz

December 11, 2015

Honorable President and
Members of the Board of Education
Township of Hainesport School District
County of Burlington
Hainesport, New Jersey 08036

Dear President and Members:

The comprehensive annual financial report of the Hainesport Township School District for the fiscal year ended June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with 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 and account groups 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 basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of State, Local Governments, and Non-Profit Organizations", and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

- 1) **REPORTING ENTITY AND ITS SERVICES:** Hainesport 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 Hainesport Township Board of Education and its school constitute the district's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre K through 8. These include regular and disabled youngsters. The District completed the 2014-15 fiscal year with an enrollment of 637 students. The following details the changes in the student enrollment of the District over the last five years.

AVERAGE DAILY ENROLLMENT

Fiscal Year	Student Enrollment	Percent Change
2014-2015	637	-5.50%
2013-2014	674	-2.03%
2012-2013	688	-0.86%
2011-2012	694	-0.86%
2010-2011	700	0.57%

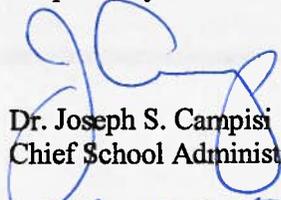
- 2) **ECONOMMIC CONDITION AND OUTLOOK:** The economy, although improving, continues to be troublesome for many of our residents. There is minimum housing development on the near horizon. In fact, due to a demographic change in our community, the school district has experienced an increase in the student mobility rate which has caused a decline in the student population from last year to the current year.
- 3) **MAJOR INITIATIVES:** The Hainesport Township School District has focused on continuing to increase student achievement through the technology devices as a learning and teaching tool. Through an Administration and Board of Education commitment, the district now has a 1:1 ChromeBook Initiative in grades 3-8 and a 1:1 Android Tablet Initiative in grade 2 to meet the 21st century needs of the students. The initiative will allow teachers to use unique tools to deliver curriculum to their students in a more efficient and engaging way. The district is has also implemented Google Apps for Education (GAFE), an integrated communication and collaboration solution. GAFE will provides the ability for students, faculty and staff to communicate, store files and collaborate on documents, spreadsheets and presentations in real time from school, work, or home, all within a secure “closed campus” online environment. Finally, the district is in year 2 of the strategic planning project known as the Hainesport Township School District Vision 2019. The goal of the project is to conduct a strategic planning process for the purpose of defining the decisions and actions that shape and guide the future direction for the school district over the next several years.
- 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 to ensure that adequate accounting data is 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 financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District Management.
- As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.
- 5) **BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal

provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2015.

- 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) **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 1. 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 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.
- 8) **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.
- 9) **OTHER INFORMATION:** State statutes require an annual audit by an independent certified public accountant. The accounting firm of Holman & Frenia, Certified Public Accountants, was selected by the Board. The auditor's report on the basic financial statements and combining individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.
- 10) **ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Hainesport Township Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of Hainesport School District and thereby contributing their full support to the development and maintenance of our financial operation.

Respectfully submitted,

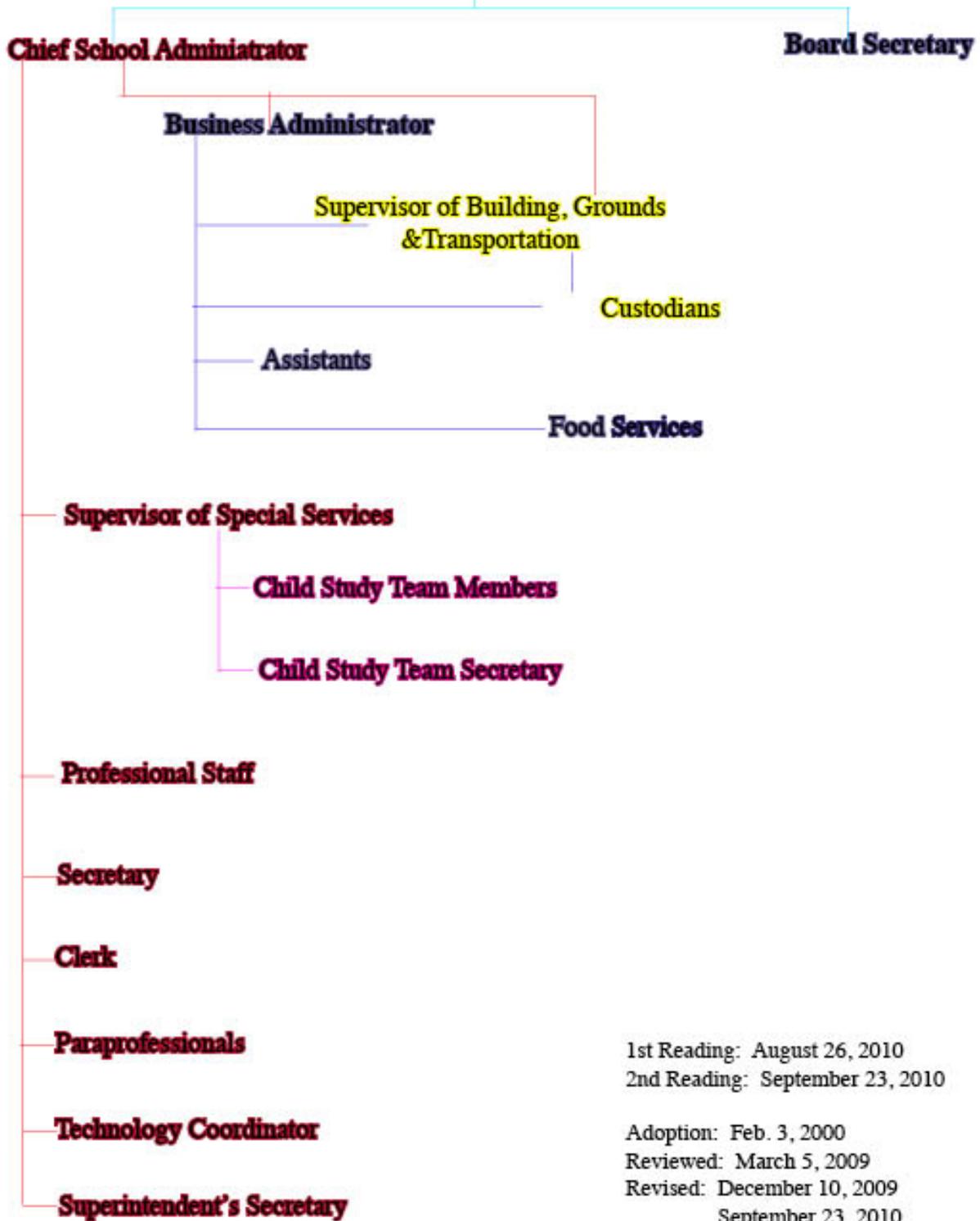

Dr. Joseph S. Campisi
Chief School Administrator


Michael Blake
Board Secretary/Business Administrator

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Organizational Chart

Board of Education



1st Reading: August 26, 2010
2nd Reading: September 23, 2010

Adoption: Feb. 3, 2000
Reviewed: March 5, 2009
Revised: December 10, 2009
September 23, 2010

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HAINESPORT TOWNSHIP BOARD OF EDUCATION
211 Broad Street
Hainesport, New Jersey 08036

ROSTER OF OFFICIALS
JUNE 30, 2015

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Michael Morelli, President	2017
Mary Jean Kneringer, Vice President	2015
Jason Cardonick	2016
Rosa Guilardi	2015
Sherrie Hemingway	2016
Samir Patel	2015
Keith Peacock	2017
Peter Scarpati	2017
Kristin Jakubowski	2015

OTHER OFFICIALS

Dr. Joseph S. Campisi, Chief School Administrator
Michael Blake, Board Secretary/Business Administrator
Sharon Deviney, Treasurer
Capehart & Scatchard, Solicitor

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HAINESPORT TOWNSHIP BOARD OF EDUCATION
Hainesport, New Jersey

CONSULTANTS AND ADVISORS

AUDIT FIRM

Kevin P. Frenia, CPA, PSA
Holman Frenia Allison, P. C.
618 Stokes Road
Medford, New Jersey 08055

ATTORNEY

Capehart & Scatchard
8000 Midlantic Drive, Suite 300
Mt. Laurel, New Jersey 08054

OFFICIAL DEPOSITORY

Bank of America
Mt. Holly, New Jersey 08060

TD Bank
Mt. Holly, New Jersey 08060

Fulton Bank
Mt. Holly, New Jersey 08060

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Hainesport Township School District
County of Burlington
Hainesport, New Jersey 08036

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2015 the District adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No.27*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hainesport Board of Education's basic financial statements. The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of 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 New Jersey OMB's Circular(s) 04-04 and/or 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and the Schedules of Expenditures of State Financial Assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and

reconciling such information directly to the underlying accounting other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of State Financial Assistance are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2015 on our consideration of the Hainesport Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hainesport Board of Education's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia
Certified Public Accountant
Public School Accountant, No. 1011

Medford, New Jersey
December 11, 2015

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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HAINESPORT TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2015

UNAUDITED

As management of the Board of Education of the Hainesport Township, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by \$5,338,342 (net position).

Governmental activities have an unrestricted net position deficit of \$(2,211,097). The accounting treatments in the governmental funds for compensated absences payable, accrued interest payable, the capital improvement program and the last 2 state aid payments, and state statutes that prohibit school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance are primarily responsible for this deficit balance.

The total net position of the School District increased by \$395,634, or a 8.01% increase from the prior fiscal year-end balance.

Fund balance of the School District's governmental funds increased by \$74,323. The majority of the increase was due to the result of less energy consumption and the percentage of health benefits increase less than expected.

As described in Note 19 to the financial statements, "Change in Accounting Principle", the District has adopted the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, for the year ended June 30, 2015. The adoption of this principle resulted in a restatement of the District's opening net position as of July 1, 2014 in the amount of \$ 4,939,079, as indicated in Note 19 to the financial statements.

Business-type activities have unrestricted net position of \$25,439 which may be used to meet the School District's ongoing obligations of the enterprise-related activities (Food Services Program).

The School District's long-term obligations increased by \$1,298,045, which is the result of the school district implementing provisions in GASB 68.

GASB 68

As described in Note 19 to the financial statements, "Prior Period Adjustment/Restatement of Net Position", the District has adopted the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, for the year ended June 30, 2015. The adoption of this principal resulted in a restatement of the District's opening net position as of July 1, 2014 in the amount of \$1,840,837, as indicated in Note 19 to the financial statements.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components:

- 1) District-wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

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

Fund Financial Statements (continued):

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

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

The School District's one enterprise fund (Food Service Fund) is listed individually and is considered to be a major fund.

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

Notes to the Basic Financial Statements

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

District-wide Financial Analysis

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

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

Current and long-term liabilities are classified based on anticipated liquidation either in the near term or in the future. Current liabilities include accounts payable, accrued interest expense on long-term debt, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2015. Long-term liabilities, such as long-term obligations and compensated absences payable will be liquidated from resources that will become available after fiscal year 2015.

The assets of the primary government activities exceeded liabilities by \$5,338,342 with an unrestricted deficit balance of \$2,211,097. As mentioned earlier, deficit unrestricted net position are primarily due to accounting treatment for compensated absences payable, the capital improvement program, accrued interest payable, net pension liability, the last 2 state aid payments, and state statutes that prohibit school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance.

The net position of the primary government do not include internal balances.

A net investment of \$6,616,186 in land, improvements, buildings, equipment and vehicles provide services to the School District's students. Net position of \$(1,277,844) has been restricted as follows:

Other Purposes	\$ 1,050,571
Unrestricted	(2,211,097)
Debt services	(117,318)

**Hainesport Township School District
Comparative Summary of Net Position
As of June 30, 2015 and 2014**

	Governmental Activities		Business-Type Activities		District-Wide	
	2015	2014	2015	2014	2015	2014
Assets:						
Current Assets	\$ 1,572,410	\$ 1,534,649	\$ 21,295	\$ 22,383	\$ 1,593,705	\$ 1,557,032
Capital Assets	12,922,393	13,117,799	4,144	6,685	12,926,537	13,124,484
Total Assets	14,494,803	14,652,448	25,439	34,412	14,520,242	14,686,860
Deferred Outflows of Resources						
Deferred Outflows Related to Pensions	154,525	-	-	-	154,525	-
Total Deferred Outflows of Resources	154,525	-	-	-	154,525	-
Liabilities:						
Current Liabilities	206,944	175,300	-	-	206,944	175,300
Noncurrent Liabilities	8,995,277	7,697,232	-	-	8,995,277	7,697,232
Total Liabilities	9,202,221	7,872,532	-	-	9,202,221	7,872,532
Deferred Inflows of Resources						
Deferred Inflows Related to Pensions	108,765	-	-	-	108,765	-
Total Deferred Inflows of Resources	108,765	-	-	-	108,765	-
Net Position	5,338,342	6,779,916	25,439	34,412	5,363,781	6,814,328
Net Position Consists of:						
Net Investment in Capital Assets	6,616,186	6,249,792	4,144	6,685	6,620,330	6,256,477
Restricted Net Position	933,253	878,264	-	-	933,253	878,264
Unrestricted Net Position/(Deficit)	(2,211,097)	(348,140)	21,295	22,383	(2,189,802)	(325,757)
Net Position	\$ 5,338,342	\$ 6,779,916	\$ 25,439	\$ 34,412	\$ 5,363,781	\$ 6,808,984

Governmental Activities

Governmental activities increased the net position of the School District by \$399,263 during the current fiscal year. This represents a \$369,820 increase in the change in net position from the prior fiscal year.

Business-type Activities

Business Type activities decreased the School District's net position by \$3,629.

Hainesport Township School District
Comparative Schedule of Changes in Net Position
As of June 30, 2015 and 2014

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>District-Wide</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2014</u>	<u>2013</u>
Revenues						
Program Revenues						
Charges for Services	\$ -	\$ -	\$ 137,525	\$ 141,098	\$ 137,525	\$ 141,098
Operating Grants & Contributions	1,946,361	210,049	64,390	67,994	2,010,751	278,043
General Revenues:						
Property Taxes	8,017,409	7,837,909	-	-	8,017,409	7,837,909
State Aid	1,521,131	2,253,571	-	-	1,521,131	2,253,571
Tuition	75,895	80,860	-	-	75,895	80,860
Other Revenues	43,215	180,287	17	8	43,232	180,295
Total Revenues	11,604,011	10,562,676	201,932	209,100	11,805,943	10,771,776
Expenses						
Governmental Activities						
Instruction	4,276,025	4,233,325	-	-	4,276,025	4,233,325
Tuition	297,399	304,022	-	-	297,399	304,022
Related Services	1,009,453	928,369	-	-	1,009,453	928,369
Administrative Services	690,584	694,251	-	-	690,584	694,251
Operations & Maintenance	650,118	616,837	-	-	650,118	616,837
Transportation	543,668	545,865	-	-	543,668	545,865
Unallocated Benefits	3,156,437	2,262,327	-	-	3,156,437	2,262,327
Special Schools	21,657	23,668	-	-	21,657	23,668
Interest on Long-Term Debt	310,499	324,592	-	-	310,499	324,592
Other	248,908	599,977	-	-	248,908	599,977
Business-Type Activities						
Food Service Operations	-	-	205,561	214,444	205,561	214,444
Total Expenses	11,204,748	10,533,233	205,561	214,444	11,410,309	10,747,677
Increase (Decrease) in Net Position Before Transfers	399,263	29,443	(3,629)	(5,344)	395,634	24,099
Changes in Net Position	399,263	29,443	(3,629)	(5,344)	395,634	24,099
Net Position July 1, (restated)	4,939,079	4,991,121	29,068	34,412	4,968,147	5,025,533
Net Position June 30,	\$ 5,338,342	\$ 5,020,564	\$ 25,439	\$ 29,068	\$ 5,363,781	\$ 5,049,632

Financial Analysis of the Governmental Funds

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

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

At the end of the current fiscal year, the School District’s governmental funds reported a combined ending fund balance of \$1,561,449 an increase of \$74,323 in comparison with the prior year. This increase is the result of less energy consumption and the percentage of health benefits increase less than expected.

The unassigned fund balance for the School District at the end of the fiscal year includes the General Fund of \$157,469. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed: 1) restricted cash reserved for future capital outlay expenditures (\$316,100); 2) excess surplus (\$406,767); 3) capital projects (\$353,128); 4) debt service \$281; and 5) appropriated as a revenue source in the subsequent year’s budget (\$327,704).

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

The special revenue fund reflects no fund balance as revenue is generally recognized at the time that the outlays are identified.

General Fund Budgetary Highlights

At the end of the current fiscal year, unassigned fund balance (budgetary basis) of the general fund was \$284,501, while the total fund balance (budgetary basis) was \$1,208,040. As a measure of the general fund’s liquidity, it may be useful to compare both unreserved fund balance (budgetary basis) and total fund balance (budgetary basis) to total general fund expenditures. Actual (budgetary basis) expenditures of the General Fund including other financing uses amounted to \$9,565,145. Unreserved fund balance (budgetary basis) represents 2.97% of expenditures while total fund balance (budgetary basis) represents 12.63% of that same amount.

Capital Asset and Debt Administration

The School District’s capital assets for its governmental and business-type activities as of June 30, 2015, totaled \$12,926,537 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, equipment and vehicles. The total decrease in the District’s capital assets for the current fiscal year was \$197,947. This decrease is primarily due to the current year depreciation expense.

Hainesport Township School District
Capital Assets (net of accumulated depreciation)
As of June 30, 2015 and 2014

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>District-Wide</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Non Depreciable Assets						
Land	\$ 40,490	\$ 40,490	\$ -	\$ -	\$ 40,490	\$ 40,490
Construction in Progress	8,746,762	8,729,385	-	-	8,746,762	8,729,385
Depreciable Assets						
Site Improvements	19,109	22,710	-	-	19,109	22,710
Buildings & Building Improvements	3,961,435	4,138,592	-	-	3,961,435	4,138,592
Equipment	154,597	186,622	4,144	6,685	158,741	193,307
Net Assets	<u>\$ 12,922,393</u>	<u>\$13,117,799</u>	<u>\$ 4,144</u>	<u>\$ 6,685</u>	<u>\$12,926,537</u>	<u>\$13,124,484</u>

Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

Long-term debt - During the fiscal year ended June 30, 2015, the School District had total bonded debt outstanding of \$6,659,335 backed by the full faith and credit of the School District.

General obligation bonds in the amount of \$5,853,000 were issued in the 2009/10 fiscal year in relation to the capital improvement program. All general obligation bonds and capital lease payable decreased during the current fiscal year according to the normal schedule of payments.

The school district continues to maintain its AA rating from Standard & Poor's Corporation for its general obligation bond issues.

State statutes limit the amount of amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was \$23,368,427 and the legal debt margin was \$16,730,427.

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 6) of this report.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered and incorporated into the preparation of the School District's budget for the 2015-16 fiscal year:

- For calendar year 2014, the inflation rate was 0.8 % percent. Salary increases were not finalized for the 2015-2016 school year as of June 30, 2015 as the School District was in negotiations. Health benefit costs are expected to increase 11 percent, prescription benefit costs are expected to increase 11% and dental benefits are expected to increase 3%.

Requests for Information

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Hainesport Township School District Business Administrator, 211 Broad Street P.O. Box 538, Hainesport, New Jersey 08036, telephone number (609) 265-8050.

BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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HAINESPORT TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS
			JUNE 30, 2015
Cash & Cash Equivalents	\$ 1,188,036	\$ 10,730	\$ 1,198,766
Receivables, Net	68,274	4,521	72,795
Inventory	-	6,044	6,044
Restricted Assets:			
Cash & Cash Equivalents	316,100	-	316,100
Capital Assets, Non-Depreciable (Note 5)	8,769,875	-	8,769,875
Capital Assets, Depreciable (Note 5)	4,152,518	4,144	4,156,662
Total Assets	14,494,803	25,439	14,520,242
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	154,525	-	154,525
Total Deferred Outflow of Resources	154,525	-	154,525
Total Assets and Deferred Outflows of Resources	14,649,328	25,439	14,674,767
LIABILITIES			
Accounts Payable	1,981	-	1,981
Intergovernmental Payable	3,254	-	3,254
Pension Payable	78,384	-	78,384
Unearned Revenue	5,726	-	5,726
Accrued Interest Payable	117,599	-	117,599
Noncurrent Liabilities (Note 6):			
Due Within One Year	609,326	-	609,326
Due Beyond One Year	8,385,951	-	8,385,951
Total Liabilities	9,202,221	-	9,202,221
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	108,765	-	108,765
Total Deferred Inflow of Resources	108,765	-	108,765
Total Liabilities and Deferred Inflows of Resources	9,310,986	-	9,310,986
NET POSITION			
Net Investment in Capital Assets	6,616,186	4,144	6,620,330
Restricted For:			
Debt Service	(117,318)	-	(117,318)
Other Purposes	1,050,571	-	1,050,571
Unrestricted	(2,211,097)	21,295	(2,189,802)
Total Net Position	\$ 5,338,342	\$ 25,439	\$ 5,363,781

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

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS
Governmental Activities:						
Instruction:						
Regular	\$ 2,943,711	\$ -	200,658	\$ (2,743,053)	\$ -	\$ (2,743,053)
Special Education	1,172,147	-	-	(1,172,147)	-	(1,172,147)
Other Instruction	160,167	-	-	(160,167)	-	(160,167)
Support Services & Undistributed Costs:						
Tuition	297,399	-	-	(297,399)	-	(297,399)
Student & Instruction Related Services	1,009,453	-	15,803	(993,650)	-	(993,650)
General Administrative Services	295,143	-	-	(295,143)	-	(295,143)
School Administrative Services	153,292	-	-	(153,292)	-	(153,292)
Central Services	242,149	-	-	(242,149)	-	(242,149)
Plant Operations & Maintenance	650,118	-	-	(650,118)	-	(650,118)
Pupil Transportation	543,668	-	-	(543,668)	-	(543,668)
Unallocated Employee Benefits	3,156,437	-	1,729,900	(1,426,537)	-	(1,426,537)
Special Schools	21,657	-	-	(21,657)	-	(21,657)
Interest & Other Changes in Long-Term Debt	310,499	-	-	(310,499)	-	(310,499)
Reduction In Compensated Absences	36,125	-	-	(36,125)	-	(36,125)
Unallocated Depreciation & Amortization	212,783	-	-	(212,783)	-	(212,783)
Cancellation of Prior Year Accounts Receivable	-	-	-	-	-	-
Total Governmental Activities	11,204,748	-	1,946,361	(9,258,387)	-	(9,258,387)

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

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS
Business-Type Activities:						
Food Service	205,561	137,525	64,390	-	(3,646)	(3,646)
Total Business-Type Activities	205,561	137,525	64,390	-	(3,646)	(3,646)
Total Primary Government	\$ 11,410,309	\$ 137,525	\$ 2,010,751	(9,258,387)	(3,646)	(9,262,033)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				7,256,722	-	7,256,722
Taxes Levied for Debt Service				760,687	-	760,687
Federal & State Aid Not Restricted				1,521,131	-	1,521,131
Investment Earnings				-	17	17
Tuition Received				75,895	-	75,895
Miscellaneous Income				43,215	-	43,215
Adjustment to Capital Assets				-	-	-
Cancellation of Prior Year Accounts Payable				-	-	-
Total General Revenues, Special Items, Extraordinary Items & Transfers				9,657,650	17	9,657,667
Change In Net Position				399,263	(3,629)	395,634
Net Position - Beginning, as restated, See Note 19				4,939,079	29,068	4,968,147
Net Position - Ending				\$ 5,338,342	\$ 25,439	\$ 5,363,781

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

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B. Fund Financial Statements

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Governmental Funds

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**HAINESPORT TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015**

ASSETS & OTHER DEBITS	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS
					JUNE 30, 2015
Assets:					
Cash & Cash Equivalents	\$ 840,841	\$ -	\$ 353,401	\$ 8	\$ 1,194,250
Interfund Receivable	-	-	-	273	273
Receivables, Net	52,186	16,088	-	-	68,274
Restricted Cash & Cash Equivalents	316,100	-	-	-	316,100
Total Assets	\$ 1,209,127	\$ 16,088	\$ 353,401	\$ 281	\$ 1,578,897
LIABILITIES & FUND BALANCES					
Liabilities:					
Cash Defecit	\$ -	\$ 6,214	\$ -	\$ -	\$ 6,214
Accounts Payable	1,087	894	-	-	1,981
Intergovernmental Payable	-	3,254	-	-	3,254
Interfund Payable	-	-	273	-	273
Unearned Revenue	-	5,726	-	-	5,726
Total Liabilities	1,087	16,088	273	-	17,448
Fund Balances:					
Restricted for:					
Capital Reserve Account	316,100	-	-	-	316,100
Excess Surplus	406,767	-	-	-	406,767
Excess Surplus Designated for					
Subsequent Year's Expenditures	321,755	-	-	-	321,755
Capital Projects	-	-	353,128	-	353,128
Debt Service	-	-	-	281	281
Assigned to:					
Designated for Subsequent Year's Expenditures	5,949	-	-	-	5,949
Unassigned:	157,469	-	-	-	157,469
Total Fund Balances	1,208,040	-	353,128	281	1,561,449
Total Liabilities & Fund Balances	\$ 1,209,127	\$ 16,088	\$ 353,401	\$ 281	

Amounts reported for *governmental activities* in the statement of net position (A-2) 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 \$18,655,852 and the accumulated depreciation is \$5,733,459.	12,922,393
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.	45,760
Accrued interest on long-term liabilities and pension payable are not reported as liabilities in the Fund.	(195,983)
Long-term liabilities, including net pension liability, bonds payable, compensated absences, and capital leases payable are not due and payable in the current period and therefore are not reported as liabilities in the Funds:	
General Obligation Bonds	(6,638,000)
Net Pension Liability	(1,825,090)
Compensated Absences Payable	(510,852)
Capital Lease Payable	(21,335)
Net Position of Governmental Activities	\$ 5,338,342

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

HAINESPORT TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND TYPES
FOR FISCAL YEAR ENDED JUNE 30, 2015

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	JUNE 30, 2015
Revenues:					
Local Sources:					
Local Tax Levy	\$ 7,256,722	\$ -	\$ -	\$ 760,687	\$ 8,017,409
Tuition	75,895	-	-	-	75,895
Interest on Capital Reserve	-	-	-	-	-
Miscellaneous	36,677	6,265	273	-	43,215
Total Local Sources	7,369,294	6,265	273	760,687	8,136,519
State Sources	2,259,134	-	-	79,124	2,338,258
Federal Sources	15,425	215,187	-	-	230,612
Total Revenues	9,643,853	221,452	273	839,811	10,705,389
Expenditures:					
Current Expense:					
Regular Instruction	2,743,053	200,658	-	-	2,943,711
Special Education Instruction	1,172,147	-	-	-	1,172,147
Other Instruction	160,167	-	-	-	160,167
Support Services:					
Tuition	297,399	-	-	-	297,399
Student & Instruction Related Services					
Services	993,650	15,803	-	-	1,009,453
General Administrative Services	295,143	-	-	-	295,143
School Administrative Services	153,292	-	-	-	153,292
Central Services	242,149	-	-	-	242,149
Plant Operations & Maintenance	650,118	-	-	-	650,118
Pupil Transportation	543,668	-	-	-	543,668
Unallocated Employee Benefits	2,240,938	-	-	-	2,240,938
Capital Outlay	51,764	4,991	1,370	-	58,125
Special Schools	21,657	-	-	-	21,657
Debt Service:					
Principal	-	-	-	570,000	570,000
Interest & Other Charges	-	-	-	273,099	273,099
Total Expenditures	9,565,145	221,452	1,370	843,099	10,631,066
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	78,708	-	(1,097)	(3,288)	74,323
Other Financing Sources/(Uses):					
Transfer From Other Funds	-	-	-	273	273
Transfer To Other Funds	-	-	(273)	-	(273)
Total Other Financing Sources/(Uses)	-	-	(273)	273	-
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses					
Fund Balance - July 1	1,129,332	-	354,498	3,296	1,487,126
Fund Balance - June 30	\$ 1,208,040	\$ -	\$ 353,128	\$ 281	\$ 1,561,449

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

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$	74,323
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Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period:

Depreciation Expense	\$ (212,783)	
Capital Asset Additions	<u>17,377</u>	(195,406)

District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

Unfunded TPAF Pension Expense	(898,622)	
State Share of Unfunded TPAF Pension Expense	898,622	
District Pension Contributions	84,446	
Pension Expense	<u>(101,323)</u>	(16,877.00)

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities liabilities in the statements of net assets.

General Obligation Bonds		570,000
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In the statement of activities, the reduction for Capital Leases should not be an expenditure. Thus the change in Net Position will differ from the change in fund balance by the cost of the asset removed (-).

Original Lease Purchase	(21,123)	
Retirement of Lease	<u>14,293</u>	(6,830)

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 (+).

Prior Year	127,777	
Current Year	<u>(117,599)</u>	10,178

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 a reduction in the reconciliation (-), when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

Prior Year	474,727	
Current Year	<u>(510,852)</u>	(36,125)

Change in Net Position of Governmental Activities	\$	<u>399,263</u>
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Proprietary Funds

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HAINESPORT TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

ASSETS	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS	JUNE 30, 2015
	FOOD SERVICE	
Current Assets:		
Cash & Cash Equivalents	\$ 10,730	\$ 10,730
Accounts Receivable:		
State	237	237
Federal	4,284	4,284
Inventories	6,044	6,044
Total Current Assets	21,295	21,295
Noncurrent Assets:		
Equipment	92,728	92,728
Less: Accumulated Depreciation	(88,584)	(88,584)
Total Noncurrent Assets	4,144	4,144
Total Assets	25,439	25,439
NET POSITION		
Net Investment in Capital Assets	4,144	4,144
Unrestricted	21,295	21,295
Total Net Position	\$ 25,439	\$ 25,439

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

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR FISCAL YEAR ENDED JUNE 30, 2015**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS	
	FOOD SERVICE	JUNE 30, 2015
Operating Revenues:		
Local Sources:		
Daily Sales:		
Reimbursable Programs	\$ 78,778	\$ 78,778
Nonreimbursable Programs	58,747	58,747
	<hr/>	<hr/>
Total Operating Revenue	137,525	137,525
	<hr/>	<hr/>
Operating Expenses:		
Cost of Sales	82,404	82,404
Supplies & Materials	4,950	4,950
Salaries & Fringe Benefits	86,194	86,194
Management Fee	13,000	13,000
Cleaning, Maintenance & Repairs	5,668	5,668
Miscellaneous	10,804	10,804
Depreciation	2,541	2,541
	<hr/>	<hr/>
Total Operating Expenses	205,561	205,561
	<hr/>	<hr/>
Operating Income/(Loss)	(68,036)	(68,036)
	<hr/>	<hr/>
Nonoperating Revenues:		
State Sources:		
State School Lunch Program	1,941	1,941
Federal Sources:		
National School Lunch Program	43,252	43,252
Healthy Hunger-Free Kids Act	2,559	2,559
Food Distribution Program	16,638	16,638
Local Sources:		
Interest Earned on Investments	17	17
	<hr/>	<hr/>
Total Nonoperating Revenues/(Expenses)	64,407	64,407
	<hr/>	<hr/>
Change in Net Position	(3,629)	(3,629)
Total Net Position - Beginning	29,068	29,068
	<hr/>	<hr/>
Total Net Position - Ending	\$ 25,439	\$ 25,439
	<hr/>	<hr/>

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

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS	
	FOOD SERVICE	JUNE 30, 2015
Cash Flows From Operating Activities:		
Receipts from Customers	\$ 137,683	\$ 137,683
Payments to Employees	(86,194)	(86,194)
Payments to Suppliers for Goods & Services	(116,388)	(116,388)
	<u>(64,899)</u>	<u>(64,899)</u>
Net Cash Provided/(Used) by Operating Activities		
Cash Flows From Capital & Related Financing Activities:		
Cash Received From State Sources	1,941	1,941
Cash Received From Federal Sources	62,449	62,449
	<u>64,390</u>	<u>64,390</u>
Net Cash Provided by Capital & Related Financing Activities		
Cash Flows From Investing Activities:		
Interest on Cash Equivalents	17	17
	<u>17</u>	<u>17</u>
Net Cash Provided by Investing Activities		
Net Increase/(Decrease) in Cash & Cash Equivalents	(492)	(492)
Cash & Cash Equivalents, July 1	11,222	11,222
	<u>10,730</u>	<u>10,730</u>
Cash & Cash Equivalents, June 30	<u>\$ 10,730</u>	<u>\$ 10,730</u>
 Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities		
Operating Income/(Loss)	\$ (68,036)	\$ (68,036)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:		
Depreciation Expense	2,541	2,541
Change in Assets & Liabilities:		
(Increase)/Decrease in Inventory	438	438
(Increase)/Decrease in Accounts Receivable	158	158
	<u>2,541</u>	<u>2,541</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ (64,899)</u>	<u>\$ (64,899)</u>

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

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Fiduciary Funds

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**HAINESPORT TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015**

ASSETS	PRIVATE PURPOSE		AGENCY FUNDS		JUNE 30, 2015
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION	STUDENT ACTIVITY	PAYROLL	
Cash & Cash Equivalents	\$ 8,830	\$ 20,456	\$ 21,686	\$ 7,247	\$ 58,219
Total Assets	<u>8,830</u>	<u>20,456</u>	<u>21,686</u>	<u>7,247</u>	<u>58,219</u>
LIABILITIES					
Payroll Deductions & Withholdings	-	-	-	7,247	7,247
Due to Student Groups	-	-	21,686	-	21,686
Accounts Payable	-	566	-	-	566
Total Liabilities	<u>-</u>	<u>566</u>	<u>21,686</u>	<u>7,247</u>	<u>29,499</u>
NET POSITION					
Reserved for Unemployment Claims	-	19,890	-	-	19,890
Reserved for Scholarships	8,830	-	-	-	8,830
Total Net Position	<u>\$ 8,830</u>	<u>\$ 19,890</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,720</u>

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

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015**

ADDITIONS	PRIVATE PUPOSE		JUNE 30, 2015
	UNEMPLOYMENT COMPENSATION	SCHOLARSHIP FUND	
Contributions:			
Employee Contributions	\$ 9,180	\$ -	\$ 9,180
Scholarship Donations	-	245	245
Total Contributions	9,180	245	9,425
Investment Earnings:			
Interest	17	7	24
Net Investment Earnings	17	7	24
Total Additions	9,197	252	9,449
DEDUCTIONS			
Unemployment Claims	2,175	-	2,175
Scholarships Awarded	-	325	325
Service Charges	-	29	29
Total Deductions	2,175	354	2,529
Change in Net Position	7,022	(102)	6,920
Net Position - Beginning of the Year	12,868	8,932	21,800
Net Position - End of the Year	\$ 19,890	\$ 8,830	\$ 28,720

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

HAINESPORT TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

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HAINESPORT TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies

The financial statements of the Hainesport Board of Education (the 'District') have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of more significant accounting policies.

For the year ended June 30, 2015, the District implemented the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. GASB Statement Nos. 68 and 71 establish standards for measuring and recognizing net pension liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures related to pension benefits provided through defined benefit pension plans. In addition, Statement No. 68 requires disclosure of information related to pension benefits.

Reporting Entity

The Hainesport Township Board of Education is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The operation of the District includes one (1) school located in Hainesport Township. The Board is comprised of nine members appointed to three-year terms. These terms are staggered so that three members' terms expire each year. The District provides a full range of educational services appropriate to grade levels K through 8. These include regular, vocational, as well as special education for handicapped students. Students in grades 9 through 12 attend the Rancocas Valley Regional High School District. The Hainesport Township Board of Education has an approximate enrollment at June 30, 2015 of 637 students.

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

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

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

Component Units

GASB Statement No.14, *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain*

HAINESPORT TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Organizations are Component Units. The District had no component units as of for the year ended June 30, 2015.

Government-Wide Financial Statements

The District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column. Fiduciary activities of the District are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule (Exhibit B-3) is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The District's deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax and intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary

HAINESPORT TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE FISCAL YEAR ENDED JUNE 30, 2015

fund and for the non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service funds balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position. The District’s fiduciary funds are Agency Funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency funds are accounted for on a spending or “economic resources” measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District’s enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. However, data from the fiduciary funds is not incorporated in the government-wide financial statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences

HAINESPORT TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE FISCAL YEAR ENDED JUNE 30, 2015

and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Food Service Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, employee salaries and benefits, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements. The District does not maintain any internal service funds.

The District reports the following major governmental funds:

General Fund - The general fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay sub-fund.

As required by the New Jersey Department of Education the District includes budgeted capital outlay in this fund. Generally accepted accounting principles 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, interest earnings and appropriated fund balance. Expenditures are those that 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. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt

HAINESPORT TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

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

The District reports the following major proprietary funds:

Food Service Fund – This fund accounts for the revenues and expenses pertaining to the District’s cafeteria operations.

Additionally, the District reports the following major fiduciary funds:

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

Unemployment Trust Fund – Revenues consist of employee payroll withholdings, interest income, and contributions through the annual budget process of the District. Expenditures consist of unemployment reimbursement claims.

Scholarship Fund – Revenues consist of interest income and donations. Expenditures consist of scholarships provided to students.

Agency Funds - Agency funds are assets held by a governmental entity (either as trustee or as an agent) for other parties that cannot be used to finance the governmental entity’s own operating programs. The district currently maintains Payroll funds and Student Activity Funds as Agency Funds.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

HAINESPORT TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. 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:23-2-2(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:23-2-11.

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

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

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 accounts as presented in the General Fund Budgetary Comparison Schedules 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 Balance – Governmental Funds. Note that the District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last 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. Open encumbrances in governmental funds other than the special revenue fund are reported as reservations of fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the Hainesport Township Board of Education has received advances are reflected in the balance sheet as unearned revenues at fiscal year-end.

HAINESPORT TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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 and Cash Equivalents

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

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

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

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

Tuition Receivable/Payable

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

Inventories

Inventories are valued at cost, utilizing the first-in, first-out method. The cost of inventories are recorded as expenditures when consumed rather than when purchased.

Prepaid Expenses

Prepaid expenses, which benefit future periods, are only recorded in the government-wide financial statements and in the proprietary fund statements. Prepaid expenses in the proprietary fund represent payments made to vendors for services that will benefit periods beyond June 30, 2015. They are recorded as expenditure during the year of purchase.

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 District and that are due within one year. The

HAINESPORT TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE FISCAL YEAR ENDED JUNE 30, 2015

amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances. Balances with fiduciary funds are not considered Internal Balances; therefore those balances are reported on the Statement of Net Position.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The District has established a threshold of \$2,000 for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the District are depreciated or amortized using the straight-line method over the following estimated lives:

Buildings	50 Years
Machinery and Equipment	5-20 Years
Improvements	40 Years

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

In the Government-Wide financial statements, under governmental activities, compensated absences are reported as an expenditure and noncurrent liabilities.

Unearned Revenue

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

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, government 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.

HAINESPORT TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Use of 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 assumption that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Deferred Inflows/Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time.

Fund Balance

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies governmental fund balances as follows:

- Non-spendable – This 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. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These 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) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2015.
- Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

HAINESPORT TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE FISCAL YEAR ENDED JUNE 30, 2015

- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District's policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the District's policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Net Position

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

- Net Investment in Capital Assets – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

The GASB issued Statement 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement 27* effective for fiscal years beginning after June 15, 2014. GASB 68 improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

Pensions

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

HAINESPORT TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Subsequent Events

Hainesport Township Board of Education has evaluated subsequent events occurring after June 30, 2015 through the date of December 11, 2015, which is the date the financial statements were available to be issued.

Note 2. Cash and Cash Equivalents

The District is governed by the deposit limitations of New Jersey state law. The Deposits held at June 30, 2015, and reported at fair value are as follows:

Type	Carrying Value
Deposits	
Demand Deposits	\$ 1,573,085
Total Deposits	<u>\$ 1,573,085</u>
The District's Cash and Cash Equivalents are Reported as Follows:	
Government Activities	\$ 1,504,136
Business-Type Activities	10,730
Fiduciary Funds	<u>58,219</u>
Total Cash and Cash Equivalents	<u>\$ 1,573,085</u>

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA.

HAINESPORT TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 2. Cash and Cash Equivalents (continued):

However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity funds or funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2015, the District's bank balance of \$1,807,366 was exposed to custodial credit risk as follows:

Insured Under FDIC	\$ 250,000
Uninsured and uncollateralized	125,299
Collateralized in the District's Name Under GUDPA (See Note 3)	<u>1,432,067</u>
Total	<u>\$1,807,366</u>

Note 3. Capital Reserve Account

The Hainesport Township Board of Education created their capital reserve account for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

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

Beginning Balance, July 1, 2014	\$ 215,900
Transfer per June Resolution	100,000
Interest Earnings	<u>200</u>
Ending Balance, June 30, 2015	<u>\$ 316,100</u>

Note 4. Accounts Receivable

Accounts receivable at June 30, 2015 consisted of accounts 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:

HAINESPORT TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 4. Accounts Receivable (continued):

	General Fund	Special Revenue Fund	Capital Projects Fund	Proprietary Funds	Total
State Aid	\$ 52,186	\$ -	\$ -	\$ 237	\$ 52,423
Federal Aid	-	16,088	-	4,284	20,372
Other	-	-	-	-	-
Total	\$ 52,186	\$ 16,088	\$ -	\$ 4,521	\$ 72,795

Note 5. Capital Assets

Governmental Activities:

	June 30, 2014	Additions	Deletions	Adjustments	June 30, 2015
<u>Non-Depreciable Assets</u>					
Land	\$ 40,490	\$ -	\$ -	\$ -	\$ 40,490
Construction in Progress	8,729,385	17,377	-	-	8,746,762
Total Non-Depreciable Assets	8,769,875	17,377	-	-	8,787,252
<u>Depreciable Assets</u>					
Land Improvements	218,691	-	-	-	218,691
Buildings	8,030,569	-	-	-	8,030,569
Machinery & Equipment	1,619,340	-	-	-	1,619,340
Subtotal	18,638,475	17,377	-	-	18,655,852
Accumulated Depreciation	(5,520,676)	(212,783)	-	-	(5,733,459)
Total	\$ 13,117,799	\$(195,406)	\$ -	\$ -	\$ 12,922,393

Business-Type Activities:

	June 30, 2014	Additions	Deletions	Adjustments	June 30, 2015
<u>Depreciable Assets</u>					
Machinery & Equipment	\$ 92,728	\$ -	\$ -	\$ -	\$ 92,728
Subtotal	92,728	-	-	-	92,728
Accumulated Depreciation	(86,043)	(2,541)	-	-	(88,584)
Total	\$ 6,685	\$(2,541)	\$ -	\$ -	\$ 4,144

HAINESPORT TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 6. Long-Term Obligations

A. Long-Term Obligation Activity

During the fiscal year ended June 30, 2015 the following changes occurred in liabilities reported in the long-term debt:

	June 30, 2014	Accrued/ Increases	Retired/ Decreases	June 30, 2015	Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 7,208,000	\$ -	\$ (570,000)	\$ 6,638,000	\$ 595,000
Capital Lease Payable	14,505	21,123	(14,293)	21,335	14,293
Compensated Absences	474,727	36,125	-	510,852	-
Net Pension Liability	1,840,837		(15,747)	1,825,090	
Total	\$ 9,538,069	\$ 57,248	\$ (600,040)	\$ 8,995,277	\$ 609,293

B. Bonds Payable

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

Principal and interest due on serial bonds outstanding is as follows:

Year-ending June 30,	Principal	Interest	Total
2016	\$ 595,000	\$ 252,599	\$ 847,599
2017	640,000	229,849	869,849
2018	595,000	204,949	799,949
2019	570,000	187,099	757,099
2020	545,000	167,149	712,149
2021-2025	2,125,000	560,369	2,685,369
2026-2030	1,568,000	183,569	1,751,569
Total	\$ 6,638,000	\$ 1,785,583	\$ 8,423,583

C. Bond Issuances

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

HAINESPORT TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 6. Long-Term Obligations (continued):

C. Bond Issuances (continued)

The Hainesport Township Board of Education has the following bond issues outstanding:

- 2010 School Bonds dated January 12, 2010 at an original issue amount of \$5,853,000 with annual installments that are due through January 15, 2030. These installments bear interest rates ranging from 2% to 4.125%.
- 2005 Refunding of 1997 Series Bonds dated February 1, 2005 at an original issue amount of \$4,990,000 with annual installments that are due through January 1, 2017. These installments bear interest rates ranging from 2% to 4%.

The Hainesport Township Board of Education has retired the following bond issues in the current year:

- 1993 Small Facilities Loan Bonds dated April 18, 1993. The original issue totaled \$200,690 due in annual installments through July 15, 2013, bearing interest of 1.50%.
- 1993 Small Project Loan Bonds dated April 18, 1993. The original issue totaled \$603,070 due in annual installments through July 15, 2013, bearing interest of 5.288%.

D. Bonds Authorized But Not Issued

As of June 30, 2015, the District had no authorized but not issued bonds.

C. Capital Leases Payable

The school district is leasing a truck with a total purchase price of \$21,757 with lease terms of 3 years at a 6.45% annual rate. The school district is also leasing a firewall internet appliance with a total purchase price of \$21,122 with lease terms of 3 years. The following is a schedule of future minimum lease payments under the capital leases, and the present value of the net minimum lease payments at June 30, 2015 are:

Year-ending June 30,	Amount
2016	\$ 14,987
2017	<u>\$ 7,041</u>
Total Minimum Lease Payments	22,028
Less: Amount Representing Interest	<u>(693)</u>
Present Value of Lease Payments	<u>\$ 21,335</u>

HAINESPORT TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 6. Long-Term Obligations (continued):

F. Compensated Absences

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

Note 7. Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at June 30, 2015:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ -	\$ -
Capital Projects Fund	-	273
Debt Service Fund	273	-
	\$ 273	\$ 273
Total	\$ 273	\$ 273

The purpose of interfunds are for short-term borrowings.

Note 8. Inventory

Inventory recorded at June 30, 2015 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food	\$ 4,769
Supplies	<u>1,275</u>
 Total	 <u>\$ 6,044</u>

Note 9: Pension Obligations

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

HAINESPORT TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 9: Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

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

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014 and 2013, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

HAINESPORT TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 9: Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

Three-Year Trend Information for PERS			
<u>Year</u>	<u>Pension</u>	<u>of APC</u>	<u>Pension</u>
<u>Funding</u>	<u>Cost (APC)</u>	<u>Contributed</u>	<u>Obligation</u>
6/30/2015	\$ 79,384	100%	\$ 1,825,090
6/30/2014	84,446	100%	1,840,837
6/30/2013	81,485	100%	-

Components of Net Pension Liability - At June 30, 2015, the District reported a liability of \$1,825,090 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2013, to the measurement date of June 30, 2014. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2014. The District's proportion measured as of June 30, 2014, was .00975%, which was an increase of .00012% from its proportion measured as of June 30, 2013.

Collective Balances at June 30, 2015 and June 30, 2014

	<u>6/30/2015</u>	<u>6/30/2014</u>
	July 1, 2014	July 1, 2013
Actuarial valuation date		
Deferred Outflows of Resources	\$ 154,525	\$ 81,485
Deferred Inflows of Resources	\$ 108,765	N/A
Net Pension Liability	\$ 1,825,090	\$ 1,840,837
District's portion of the Plan's total net pension Liability	0.00975%	0.00963%

HAINESPORT TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 9: Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

Pension Expense and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2015, the District recognized pension expense of \$102,198. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	57,391	-
Net difference between projected and actual earnings on pension plan investments	-	108,765
Changes in proportion and differences between District contributions and proportionate share of contributions	18,750	-
District contributions subsequent to the measurement date	78,384	-
Total	\$ 154,525	\$ 108,765

\$78,384 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2016	\$	(9,930)
2017		(9,930)
2018		(9,930)
2019		(9,930)
2020		(9,930)
Thereafter		17,025

HAINESPORT TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 9: Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

	<u>PERS</u>
Measurement date	June 30, 2014
Actuarial valuation date	July 1, 2013
Interest rate	7.90%
Salary scale	2012-2021 - 2.15-4.40% Based on Age Thereafter - 3.15-5.40% Based on Age
Inflation rate	3.01%

Mortality rates were based on the RP-2000 Combined Healthy Male or Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from base year of 2012 based on Projection Scale AA.

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

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

HAINESPORT TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 9: Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

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

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

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability of the participating employers as of June 30, 2014, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39%) or 1-percentage-point higher (6.39%) than the current rate:

HAINESPORT TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 9: Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

	<u>1%</u> <u>Decrease</u> <u>(4.39%)</u>	<u>Current</u> <u>Discount</u> <u>Rate (5.39%)</u>	<u>1%</u> <u>Increase</u> <u>(6.39%)</u>
District's proportionate share of the net pension liability	2,296,025	1,825,090	1,429,624

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

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

The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

HAINESPORT TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 9: Pension Obligations (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

Basis of Presentation - The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of TPAF and the State as an employer/nonemployer entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of TPAF or the State. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of TPAF to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014 and 2013, the State's pension contribution was less than the actuarial determined amount.

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

Three-Year Trend Information for TPAF (Paid on behalf of the District)

<u>Year</u> <u>Funding</u>	<u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/2015	\$ 203,945	100%	\$ -
6/30/2014	162,184	100%	-
6/30/2013	242,101	100%	-

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

HAINESPORT TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 9: Pension Obligations (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

	<u>TPAF</u>
Measurement date	June 30, 2014
Actuarial valuation date	July 1, 2013
Interest rate	7.90%
Salary scale	Varies Based On Experience
Inflation rate	2.50%

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

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

HAINESPORT TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 9: Pension Obligations (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%
Total	100%	

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

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS & TPAF financial report.

HAINESPORT TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 9: Pension Obligations (continued)

C. Defined Contribution Retirement Plan (DCRP)

The District contributes to the Defined Contribution Retirement Plan (DCRP), a defined contribution pension plan, for its full-time general administrative employees. DCRP is administered by the Division of Pension and Benefits.

Benefit terms, including contribution requirements, for DCRP are established and may be amended by the plan administrator. For each employee in the pension plan, the District is required to contribute 3 percent of base salary, to an individual employee account. Employees make contributions to the pension plan at a rate of 5.5 percent of base salary. Base salary is determined to be annual compensation, exclusive of overtime pay, bonuses, and lump sum payments for longevity, holiday pay, vacation, compensatory time, or accumulated sick leave. For the year ended June 30, 2015, employee contributions totaled \$3,222, and the district recognized pension expense of \$1,632. Employees are immediately vested in their contributions, employer contributions, and earnings on those contributions

Note 10. Post-Retirement Benefits

P.L. 1987, c. 384 and 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 post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 103,432 retirees receiving post-retirement medical benefits, and the state contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits 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 employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2015.

Note 11. Risk Management

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

HAINESPORT TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 11. Risk Management (continued)

New Jersey Unemployment Compensation Insurance – The District has elected to fund their New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s private purpose trust fund for the current and previous two years:

Fiscal Year	Employee Contributions	Interest Earnings	Amount Reimbursed	Account Fees	Ending Balance
2014-2015	\$ 9,180	\$ 17	\$ 1,609	\$ -	\$ 20,456
2013-2014	9,797	4	582	52	12,868
2012-2013	9,657	6	10,368	-	3,701

Note 12. Contingent Liabilities

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2015 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

Note 13. Economic Dependency

The District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the District’s programs and activities.

Note 14. Deferred Compensation

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

Voya Financial

HAINESPORT TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 15. Compensated Absences

The 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. District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for specified dollar amount per sick day accumulated and begin vesting with the employee after one year of service.

The liability for vested compensated absences of the governmental fund types is recorded in the statement of Net Position under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2015 is \$510,852.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2015 there was no liability for compensated absences in the proprietary fund types.

Note 16. Fund Balance Disclosure

General Fund – of the \$1,208,040 General Fund fund balance at June 30, 2015, \$316,100 has been restricted for the Capital Reserve Account; \$406,767 is restricted current year excess surplus; \$327,704 has been appropriated and included as anticipated revenue for the year-ended June 30, 2015; and \$157,469 is unassigned.

Capital Projects Fund – The fund balance of \$353,128 has been restricted for future Capital Projects.

Debt Service Fund – of the Debt Service Fund fund balance at June 30, 2015, \$281 is reserved in accordance with N.J.S.A 7F-41c(2).

Note 17. Calculation of Excess Surplus

In accordance with *N.J.S.A.18A:7F-7*, as amended by P.L. 2004, c.73 (S1701), the designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey School Funding Reform Act of 2008 (SFRA). New Jersey school districts are required to restrict General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2015 is \$406,767.

HAINESPORT TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 18. Deficit in Net Position

As reflected on Exhibit A-1, Statement of Net position, a deficit in unrestricted net position of \$(2,211,097) existed as of June 30, 2015 for governmental activities. The primary causes of this deficit is the District not recognizing the receivable for the last two state aid payments and the recording of the long-term liability for compensated absences and net pension. In accordance with full accrual accounting, which is the basis of accounting for Exhibit A-1, Statement of Net position, such liabilities are required to be recorded in the period in which they are incurred. However, in accordance with the rules and regulations that govern the District in the formulation of their annual budget (see Note 1), compensated absences and pension liabilities that relate to future services, or that are contingent on a specific event outside the control of the District and its employees, are funded in the period in which such services are rendered or in which such events take place. Therefore, this deficit in unrestricted net position for governmental activities does not indicate that the District is facing financial difficulties.

Note 19. Prior Period Adjustment / Restatement of Net Position

Change in Accounting Principal - Net position as of July 1, 2014, has been restated as follows for the implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date.

	<u>Governmental Activities</u>
Net Position as previously reported at June 30, 2014	\$ 6,779,916
Prior period adjustment - Implementation of GASB 68: Net Pension Liability (measurement date as of June 30, 2013)	(1,840,837)
Deferred Outflows - district contributions made during fiscal year 2014	84,446
Pensions Payable at June 30, 2014	<u>(84,446)</u>
Total prior period adjustment	<u>(1,840,837)</u>
Net Position as restated, July 1, 2014	<u>\$ 4,939,079</u>

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**HAINESPORT TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	JUNE 30, 2015			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Revenues:					
Local Sources:					
Local Tax Levy	10-1210-000-000	\$ 7,256,722	-	\$ 7,256,722	\$ -
Tuition	10-1300-000-000	30,000	-	30,000	45,895
Interest on Capital Reserve	10-1000-000-000	200	-	200	(200)
Unrestricted Miscellaneous	10-1000-000-000	7,000	-	7,000	29,677
Total Local Sources		7,293,922	-	7,293,922	75,372
State Sources:					
Categorical Transportation Aid	10-3121-000-000	149,208	-	149,208	-
Categorical Special Education Aid	10-3132-000-000	381,603	-	381,603	-
Equalization Aid	10-3176-000-000	689,609	-	689,609	-
Categorical Security Aid	10-3177-000-000	57,433	-	57,433	-
Adjustment Aid	10-3178-000-000	96,002	-	96,002	-
Under Adequacy Aid	10-3195-000-000	4,376	-	4,376	-
PARCC Readiness Aid	10-3197-000-000	6,455	-	6,455	-
Per Pupil Aid	10-3198-000-000	6,455	-	6,455	-
Extraordinary Aid	10-3131-000-000	-	-	-	17,444
Non-Public Transportation Aid	10-XXX-000-000	-	-	-	17,057
Nonbudgeted:					
On-Behalf TPAF Pension Contribution		-	-	-	203,945
On-Behalf TPAF Post-Retirement Medical		-	-	-	323,762
Reimbursed TPAF Social Security		-	-	-	303,571
Total State Sources		1,391,141	-	1,391,141	865,779

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	JUNE 30, 2015		FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS			
Federal Sources:						
Medicaid Reimbursement	10-4200-000-000	9,758	-	9,758	15,425	5,667
Total Federal Sources		9,758	-	9,758	15,425	5,667
Total Revenues		8,694,821	-	8,694,821	9,641,639	946,818
Expenditures:						
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Preschool	11-105-100-101	77,910	-	77,910	77,683	227
Kindergarten	11-110-100-101	105,201	(3,000)	102,201	98,818	3,383
Grades 1 - 5	11-120-100-101	1,386,163	(82,860)	1,303,303	1,298,883	4,420
Grades 6 - 8	11-130-100-101	798,237	(25,900)	772,337	771,562	775
Home Instruction - Regular Programs:						
Salaries of Teachers	11-150-100-101	20,000	(3,500)	16,500	15,403	1,097
Purchased Professional - Educational Services	11-150-100-320	500	3,500	4,000	3,560	440
Regular Programs - Undistributed Instruction:						
Other Salaries for Instruction	11-190-100-106	122,806	(2,146)	120,660	113,663	6,997
Purchased Professional - Educational Services	11-190-100-320	-	38,606	38,606	36,927	1,679
Other Purchased Services	11-190-100-500	11,498	1,642	13,140	13,140	-
General Supplies	11-190-100-610	227,200	61,548	288,748	277,059	11,689
Textbooks	11-190-100-640	25,000	12,000	37,000	36,355	645
Other Objects	11-190-100-800	-	-	-	-	-
Total Regular Programs		2,774,515	(110)	2,774,405	2,743,053	31,352

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	JUNE 30, 2015			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Special Education:					
Multiple Disabilities:					
Salaries of Teachers	11-212-100-101	110,689	(2,000)	108,689	1,395
Other Salaries of Instruction	11-212-100-106	21,135	5,114	26,249	565
Purchased Professional - Educational Services	11-212-100-320	-	2,000	2,000	853
General Supplies	11-212-100-610	900	300	1,200	97
Total Multiple Disabilities		132,724	5,414	138,138	2,910
Resource Room / Resource Center:					
Salaries of Teachers	11-213-100-101	1,035,528	(752)	1,034,776	16,907
Purchased Professional - Educational Services	11-213-100-320	-	15,000	15,000	1,041
General Supplies	11-213-100-610	5,100	5	5,105	14
Total Resource Room/Resource Center		1,040,628	14,253	1,054,881	17,962
Total Special Education		1,173,352	19,667	1,193,019	20,872
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	11-230-100-101	114,558	(43,900)	70,658	7,092
Other Salaries for Instruction	11-230-100-106	-	-	-	-
Purchased Professional - Educational Services	11-230-100-320	-	10,394	10,394	-
General Supplies	11-230-100-610	900	16,495	17,395	493
Total Basic Skills/Remedial - Instruction		115,458	(17,011)	98,447	7,585

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	JUNE 30, 2015			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
School Sponsored Cocurricular Activities:					
Salaries	11-401-100-100	37,800	-	37,800	2,009
Supplies and Materials	11-401-100-600	-	-	-	-
Other Objects	11-401-100-800	6,900	10	6,910	1,511
Total School Sponsored Cocurricular - Activities		44,700	10	44,710	3,520
School Sponsored Athletics - Instruction:					
Salaries	11-402-100-100	24,700	(300)	24,400	702
Purchased Services(300-500 Series)	11-402-100-500	4,000	300	4,300	96
Supplies and Materials	11-402-100-600	250	-	250	37
Total School Sponsored Athletics - Instruction		28,950	-	28,950	835
Total - Instruction		4,136,975	2,556	4,139,531	64,164
Undistributed Expenditures					
Instruction:					0
Tuition to Other LEAs Within State					
Regular	11-000-100-561	-	23,871	23,871	-
Tuition to Other LEAs Within State					
Special	11-000-100-562	61,638	50,626	112,264	-
Tuition to CSSD & Regional Day					
School	11-000-100-565	42,604	35,118	77,722	2,907
Tuition to Private Schools for					
Disabled Within the State	11-000-100-566	182,414	(95,371)	87,043	594
Total Undistributed Expenditures - Instruction		286,656	14,244	300,900	3,501

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	JUNE 30, 2015			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Health Services:					
Salaries	11-000-213-100	67,172	2,545	69,717	100
Purchased Professional & Technical Services	11-000-213-300	7,200	4,770	11,970	270
Supplies and Materials	11-000-213-600	3,000	500	3,500	58
Total Health Services		77,372	7,815	85,187	428
Other Support Services - Students - Related Services:					
Salaries	11-000-216-100	89,019	(36,745)	52,274	377
Supplies and Materials	11-000-216-600	600	500	1,100	188
Total Other Support Services - Students - Related Services		89,619	(36,245)	53,374	565
Other Support Services - Students - Extraordinary Services:					
Salaries	11-000-217-100	111,651	(45,641)	66,010	637
Purchased Professional & Educational Services	11-000-217-320	140,000	45,000	185,000	2,943
Supplies and Materials	11-000-217-600	1,200	1,000	2,200	126
Total Other Support Services - Students - Extraordinary Services		252,851	359	253,210	3,706

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	JUNE 30, 2015			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Other Support Services - Students - Regular:					
Salaries of Other Professional Staff	11-000-218-104	142,974	605	143,579	-
Supplies and Materials	11-000-218-600	900	38	938	4
Total Other Support Services - Students - Regular		143,874	643	144,517	4
Other Support Services - Students - Special Services:					
Salaries of Other Professional Staff	11-000-219-104	212,824	-	212,824	146
Salaries of Secretarial & Clerical Assistants	11-000-219-105	35,602	-	35,602	479
Purchased Professional - Educational Services	11-000-219-320	8,032	-	8,032	1
Miscellaneous Purchased Services	11-000-219-592	3,300	-	3,300	1
Other Purchased Services	11-000-219-500	100	100	200	39
Supplies and Materials	11-000-219-600	6,500	4,500	11,000	666
Total Other Support Services - Students-Special Services		266,358	4,600	270,958	1,332
Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	11-000-221-102	87,394	(9,300)	78,094	94
Salaries of Other Professional Staff	11-000-221-104	17,000	(14,840)	2,160	160

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	JUNE 30, 2015			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Salaries of Secretarial & Clerical Assistants	11-000-221-105	1,500	600	2,100	1,560	540
Purchased Professional - Educational Services	11-000-221-320	20,000	18,440	38,440	37,071	1,369
Purchased Professional & Technical Services	11-000-221-340	10,000	(2,500)	7,500	7,500	-
Other Purchased Services	11-000-221-500	100	-	100	23	77
Supplies and Materials	11-000-221-600	3,050	-	3,050	1,174	1,876
Total Improvement of Instruction Services		139,044	(7,600)	131,444	127,328	4,116
Educational Media Services/School Library:						
Salaries	11-000-222-100	69,699	(5,393)	64,306	54,938	9,368
Purchased Professional & Technical Services	11-000-222-300	-	500	500	98	402
Other Purchased Services	11-000-222-500	4,800	34	4,834	3,408	1,426
Supplies and Materials	11-000-222-600	12,000	(2,254)	9,746	6,667	3,079
Total Educational Media Services/School Library		86,499	(7,113)	79,386	65,111	14,275
Support Services General Administration:						
Salaries	11-000-230-100	175,749	24,436	200,185	175,554	24,631
Legal Services	11-000-230-331	40,000	(3,677)	36,323	35,013	1,310
Audit Services	11-000-230-332	20,500	-	20,500	18,230	2,270
Internal Control Audit Fees	11-000-230-333	-	-	-	-	-
Architectural/Engineering Services	11-000-230-334	2,000	6,677	8,677	8,677	-

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	JUNE 30, 2015			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Purchased Technical Services	11-000-230-340	25,000	-	25,000	19,760	5,240
Communications/Telephone	11-000-230-530	16,000	-	16,000	13,771	2,229
BOE Other Purchased Services	11-000-230-585	2,000	1,780	3,780	1,482	2,298
Other Purchased Services (400-500)	11-000-230-590	13,050	943	13,993	10,127	3,866
General Supplies	11-000-230-610	2,000	-	2,000	1,670	330
Supplies and Materials	11-000-230-660	5,500	500	6,000	5,788	212
BOE Membership Dues & Fees	11-000-230-895	5,100	-	5,100	5,071	29
Total Support Services General Administration		306,899	30,659	337,558	295,143	42,415
Support Services School Administration:						
Salaries of Other Professional Staff	11-000-240-104	75,000	11,999	86,999	65,000	21,999
Support Services School Administration (continued):						
Salaries of Secretarial & Clerical Assistants	11-000-240-105	76,815	1,004	77,819	74,411	3,408
Other Purchased Services(400-500)	11-000-240-500	8,889	3,100	11,989	11,359	630
Supplies and Materials	11-000-240-600	2,500	200	2,700	2,522	178
Total Support Services School Administration		163,204	16,303	179,507	153,292	26,215
Support Services Human Resources						
Salaries	11-000-250-100	137,318	2,485	139,803	137,875	1,928
Other Purchased Services	11-000-250-500	7,744	799	8,543	7,507	1,036
Supplies and Materials	11-000-250-600	3,000	1,500	4,500	4,267	233
Total Support Services Humm Resources		148,062	4,784	152,846	149,649	3,197

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	JUNE 30, 2015			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Central Services:					
Salaries	11-000-251-100	-	-	-	-
Purchased Professional & Technical Services	11-000-251-320	75,000	17,500	92,500	92,500
Miscellaneous Purchased Services	11-000-251-592	-	-	-	-
Supplies and Materials	11-000-251-600	-	-	-	-
Total Central Services		75,000	17,500	92,500	92,500
Allowable Maintenance for School Facilities:					
Cleaning, Repair & Maintenance Services	11-000-261-420	67,000	-	67,000	59,434
Total Allowable Maintenance for School Facilities		67,000	-	67,000	59,434
Other Operation & Maintenance of Plant:					
Salaries	11-000-262-100	165,942	-	165,942	160,896
Salaries of Non-Instructional Aides	11-000-262-107	47,055	-	47,055	38,846
Cleaning, Repair, and Maintenance Services	11-000-262-420	117,312	-	117,312	117,312
Other Purchased Property Services	11-000-262-490	40,000	(265)	39,735	35,834
Insurance	11-000-262-520	39,420	265	39,685	39,685
Miscellaneous Purchased Services	11-000-262-592	500	-	500	200
General Supplies	11-000-262-610	52,250	(3,070)	49,180	40,938
Energy (Heat & Electricity)	11-000-262-622	175,000	-	175,000	156,973
Total Other Operation & Maintenance of Plant		637,479	(3,070)	634,409	590,684
					43,725

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

ACCOUNT NUMBER	JUNE 30, 2015			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
11-000-270-107	3,878	182	4,060	86
11-000-270-511	279,004	(15,582)	263,422	44
11-000-270-512	8,000	2,000	10,000	801
11-000-270-513	110,000	(5,900)	104,100	16
11-000-270-515	90,000	37,000	127,000	625
11-000-270-519	25,000	700	25,700	0
11-000-270-800	10,000	3,000	13,000	56
11-000-270-XX	-	-	-	1,986
	525,882	21,400	547,282	3,614

Student Transportation Services:

- Salaries of Non-Instructional Aid
- Contracted Services (Between Home & School) - Vendors
- Contracted Services (Other Than Between Home & School) - Vendors
- Contracted Services (Between Home & School) - Joint Agreement
- Contracted Services - ESC's & CTSA's - (Special Education Students) - Joint Agreements
- Contracted Services (Aid in Lieu of Payments-Non Public)
- Other Objects
- Miscellaneous - Student Transp.

Total Student Transportation Services

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	JUNE 30, 2015			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	11-000-291-220	115,000	-	115,000	82,798
Other Retirement Contributions - Regular	11-000-291-241	90,000	-	90,000	86,226
Other Retirement Contributions DCRP	11-000-291-248	3,243	-	3,243	1,632
Unemployment Compensation	11-000-291-250	25,000	(15,000)	10,000	-
Workmen's Compensation	11-000-291-260	73,500	(5,000)	68,500	60,552
Health Benefits	11-000-291-270	1,358,500	(62,562)	1,295,938	1,147,253
Tuition Reimbursements	11-000-291-280	12,000	12,000	24,000	21,332
Other Employee Benefits	11-000-291-290	10,000	-	10,000	9,867
Total Unallocated Benefits		1,687,243	(70,562)	1,616,681	1,409,660
Nonbudgeted:					
On-Behalf TPAF Pension Contribution		-	-	-	203,945
On-Behalf TPAF Post-Retirement Medical		-	-	-	323,762
Reimbursed TPAF Social Security		-	-	-	303,571
Total Undistributed Expenditures		4,953,042	(6,283)	4,946,759	5,416,357
Total Expenditures - Current Expense		9,090,017	(3,727)	9,086,290	9,491,724

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	JUNE 30, 2015			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Equipment:					
Undistributed - Custodial Services	12-000-262-730	7,946	3,070	11,016	-
Total Equipment		7,946	3,070	11,016	-
Facilities Acquisition & Construction Services:					
Construction Services	12-000-400-450	-	-	0	-
Lease Purchase Agreement Principal	12-000-400-721	-	-	-	-
Custodial Equipment	12-000-262-730	-	-	-	-
Other Objects	12-000-400-800	40,748	-	40,748	-
Total Facilities Acquisition & Construction Services		40,748	-	40,748	-
Total Capital Outlay		48,694	3,070	51,764	-
Special Schools:					
Summer School - Instruction:					
Salaries of Teachers	13-422-100-101	15,000	2,559	17,559	-
Other Salaries for Instruction	13-400-100-106	5,000	(902)	4,098	-
Purchased Professional Services	13-422-200-300	1,000	(1,000)	-	-
General Supplies	13-422-100-600	-	-	-	-
Total Special Schools		21,000	657	21,657	-
Total Expenditures		9,159,711	-	9,159,711	(405,434)

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

ACCOUNT NUMBER	JUNE 30, 2015		POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures Before Other Financing Sources/(Uses)	(464,890)	(464,890)	541,384
Excess/(Deficiency) of Revenues Over/(Under) Expenditures After Other Financing Sources/(Uses)	(464,890)	(464,890)	541,384
Fund Balances, July 1	1,258,694	1,258,694	-
Fund Balances, June 30	\$ 793,804	\$ 793,804	\$ 541,384

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Capital Reserve	\$ 316,100
Current Year Excess Surplus	406,767
Excess Surplus Designated of Subsequent Year's Expenditures	321,755
Assigned to:	
Year-End Encumbrances	116
Designated for Subsequent Year's Expenditures	5,949
Unassigned Fund Balance	<u>284,501</u>
Subtotal	1,335,188
Reconciliation to Governmental Fund Statements (GAAP):	
Last Two State Aid Payments Not Recognized on GAAP Basis	<u>(127,148)</u>
Total Fund Balance per Governmental Funds (GAAP)	<u>\$ 1,208,040</u>

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	JUNE 30, 2015				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
REVENUES					
State Sources	\$ -	\$ -	\$ -	-	\$ -
Federal Sources	174,287	48,701	222,988	215,187	(7,801)
Local Sources	-	11,991	11,991	6,265	(5,726)
Total Revenues	174,287	60,692	234,979	221,452	(13,527)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	28,192	6,302	34,494	34,494	-
Tuition	134,778	35,607	170,385	164,095	6,290
General Supplies	-	5,306	5,306	795	4,511
Textbooks	-	4,000	4,000	1,274	2,726
Total Instruction	162,970	51,215	214,185	200,658	13,527
Support Services:					
Personal Services - Employee Benefits	6,484	2,484	8,968	8,968	-
Purchased Professional - Educational Services	4,833	2,002	6,835	6,835	-
Other Purchased Services	-	4,991	4,991	-	4,991
Total Support Services	11,317	9,477	20,794	15,803	4,991
Facilities Acquisition & Construction Services:					
Other Professional & Technical Services	-	-	-	4,991	(4,991)
Total Facilities Acquisition & Construction Services	-	-	-	4,991	(4,991)
Total Expenditures	174,287	60,692	234,979	221,452	13,527
Total Outflows	174,287	60,692	234,979	221,452	13,527
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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**HAINESPORT TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR FISCAL YEAR ENDED JUNE 30, 2015**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 9,641,639	\$ 221,452
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	129,362	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(127,148)	-
	<hr/>	<hr/>
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 9,643,853</u>	<u>\$ 221,452</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	<u>\$ 9,565,145</u>	<u>\$ 221,452</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, & Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 9,565,145</u>	<u>\$ 221,452</u>

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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**HAINESPORT BOARD OF EDUCATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District's proportion of the net pension liability (asset)	0.00975%	0.00963%	N/A							
District's proportionate share of the net pension liability (asset)	\$1,825,090	\$1,840,837	N/A							
District's covered-employee payroll	\$ 581,363	\$ 631,093	**N/A							
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	313.93%	291.69%	N/A							
Plan fiduciary net position as a percentage of the total pension liability	52.08%	48.72%	N/A							

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**HAINESPORT BOARD OF EDUCATION
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually required contribution	\$ 78,384	\$ 84,446	\$ 81,485	**N/A						
Contributions in relation to the contractually required contribution	78,384	84,446	81,485	**N/A						
Contribution deficiency (excess)	\$ -	\$ -	\$ -	**N/A						
District's covered-employee payroll	\$ 581,363	\$ 691,093	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
Contributions as a percentage of covered-employee payroll	13.48%	12.22%	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**HAINESPORT BOARD OF EDUCATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND
LAST TEN FISCAL YEARS**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District's proportion of the net pension liability (asset)	0.038333%	0.03747%	N/A							
State's proportionate share of the net pension liability (asset) associated with the District	\$20,490,228	\$18,935,957	N/A							
District's covered-employee payroll	\$ 4,306,207	\$ 4,429,511	**N/A							
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	33.76%	**N/A							

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

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**HAINESPORT TOWNSHIP BOARD OF EDUCATION
ACCOUNTING AND REPORTING FOR PENSIONS (GASB 68)
CHANGE OF BENEFIT TERMS AND ASSUMPTIONS
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

Teachers Pension and Annuity Fund (TPAF)

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

Changes of assumptions. Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

Public Employees' Retirement System (PERS)

Changes of benefit terms. The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

Changes of assumptions. Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA.

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**HAINESPORT TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	IDEA PART B BASIC	IDEA PART B PRESCHOOL	TITLE I PART A	TITLE II PART A	TITLE III	PTO GRANT	LOCAL SAFETY GRANT	TOTAL 2015
Revenues:								
State Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Sources	152,413	11,682	43,462	6,835	795	-	-	215,187
Local Sources	-	-	-	-	-	1,274	4,991	6,265
Total Revenues	\$ 152,413	\$ 11,682	\$ 43,462	\$ 6,835	\$ 795	\$ 1,274	\$ 4,991	\$ 221,452
Expenditures:								
Instruction:								
Salaries of Teachers	\$ -	\$ -	\$ 34,494	\$ -	\$ -	\$ -	\$ -	\$ 34,494
Purchased Professional Technical Services	-	-	-	-	-	-	-	-
Tuition	152,413	11,682	-	-	-	-	-	164,095
Supplies	-	-	-	-	795	1,274	-	2,069
Other Purchased Services	-	-	-	-	-	-	-	-
Total Instruction	152,413	11,682	34,494	-	795	1,274	-	200,658
Support Services:								
Employee Benefits	-	-	8,968	-	-	-	-	8,968
Purchased Professional Educational Services	-	-	-	6,835	-	-	-	6,835
Travel	-	-	-	-	-	-	-	-
Total Support Services	-	-	8,968	6,835	-	-	-	15,803
Facilities Acquisition & Construction Services:								
Other Professional & Technical Services	-	-	-	-	-	-	4,991	4,991
Instructional Equipment	-	-	-	-	-	-	-	-
Total Facilities Acquisition & Construction Services	-	-	-	-	-	-	4,991	4,991
Total Expenditures	\$ 152,413	\$ 11,682	\$ 43,462	\$ 6,835	\$ 795	\$ 1,274	\$ 4,991	\$ 221,452

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F. Capital Projects Fund

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**HAINESPORT TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2015**

PROJECT	DATE	APPROPRIATION	EXPENDITURES		PRIOR YEAR RECEIVABLES CANCELLED	PRIOR YEAR PAYABLES CANCELLED	UNEXPENDED BALANCE
			TO DATE PRIOR YEAR	CURRENT YEAR			
Various Projects & Rehabilitations	1/12/11	\$ 9,645,657	\$ 9,291,159	\$ 1,370	\$ -	\$ -	\$ 353,128
Total			\$ 9,291,159	\$ 1,370	\$ -	\$ -	\$ 353,128

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2015**

Revenues & Other Financing Sources:	
Cancellation of Prior Year	
Accounts Payable	\$ -
	<hr/>
Total Revenues & Other Financing Sources	-
	<hr/>
Expenditures & Other Financing Uses:	
Cancellation of Prior Year	
Accounts Receivable	-
	<hr/>
Total Expenditures & Other Financing Uses	1,370
	<hr/>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(1,370)
Fund Balance - Beginning	354,498
	<hr/>
Fund Balance - Ending	\$ 353,128
	<hr/> <hr/>

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
VARIOUS PROJECTS & REHABILITATIONS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SDA Grant	\$ 3,772,202	\$ -	\$ 3,772,202	\$ 3,772,202
Bond Proceeds	5,853,000	-	5,853,000	5,853,000
Transfer from Capital Reserve	20,455	-	20,455	20,455
Cancellation of Prior Year Accounts Payable	1,000	-	1,000	-
Total Reserve	9,646,657	-	9,646,657	9,645,657
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	1,106,261	1,370	1,107,631	914,505
Construction Services	7,649,015	-	7,649,015	8,570,178
Equipment Purchases	183,665	-	183,665	160,974
Cancellation of Prior Year Accounts Receivable	353,218	-	353,218	-
Total Expenditures & Other Financing Uses	9,292,159	1,370	9,293,529	9,645,657
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 354,498	\$ (1,370)	\$ 353,128	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	1910-050-09-0ZQO
Grant Date	12/30/2009
Bond Authorization Date	1/21/2011
Bonds Authorized	\$ 5,853,000
Bonds Issued	5,853,000
Original Authorized Cost	9,625,202
Additional Authorized Cost	20,455
Revised Authorized Cost	9,645,657
Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	96.34%
Original Target Completion Date	5/1/2011
Revised Target Completion Date	8/1/2013

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G. Proprietary Funds

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Enterprise Funds

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**HAINESPORT TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2015**

ASSETS	FOOD SERVICE FUND	2015
Current Assets:		
Cash & Cash Equivalents	\$ 10,730	\$ 10,730
Accounts Receivable:		
State	237	237
Federal	4,284	4,284
Inventories	6,044	6,044
	<hr/>	<hr/>
Total Current Assets	21,295	21,295
Noncurrent Assets:		
Equipment	92,728	92,728
Less: Accumulated Depreciation	(88,584)	(88,584)
	<hr/>	<hr/>
Total Noncurrent Assets	4,144	4,144
	<hr/>	<hr/>
Total Assets	25,439	25,439
	<hr/>	<hr/>
NET POSITION		
Net Investment in Capital Assets	4,144	4,144
Unrestricted	21,295	21,295
	<hr/>	<hr/>
Total Net Position	\$ 25,439	\$ 25,439
	<hr/> <hr/>	<hr/> <hr/>

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
AS OF JUNE 30, 2015**

	FOOD SERVICE FUND	2015
Operating Revenues:		
Local Sources:		
Daily Sales:		
Reimbursable Programs	\$ 78,778	\$ 78,778
Nonreimbursable Programs	58,747	58,747
	<hr/>	<hr/>
Total Operating Revenue	137,525	137,525
	<hr/>	<hr/>
Operating Expenses:		
Cost of Sales	82,404	82,404
Supplies & Materials	4,950	4,950
Salaries & Fringe Benefits	86,194	86,194
Management Fee	13,000	13,000
Cleaning, Maintenance & Repairs	5,668	5,668
Miscellaneous	10,804	10,804
Depreciation	2,541	2,541
	<hr/>	<hr/>
Total Operating Expenses	205,561	205,561
	<hr/>	<hr/>
Operating Income/(Loss)	(68,036)	(68,036)
	<hr/>	<hr/>
Nonoperating Revenues:		
State Sources:		
State School Lunch Program	1,941	1,941
Federal Sources:		
National School Lunch Program	43,252	43,252
Healthy Hunger-Free Kids Act	2,559	2,559
Food Distribution Program	16,638	16,638
Local Sources:		
Interest Revenue	17	17
	<hr/>	<hr/>
Total Nonoperating Revenues/(Expenses)	64,407	64,407
	<hr/>	<hr/>
Change in Net Position	(3,629)	(3,629)
Total Net Position - Beginning	29,068	29,068
	<hr/>	<hr/>
Total Net Position - Ending	\$ 25,439	\$ 25,439
	<hr/> <hr/>	<hr/> <hr/>

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2015**

	FOOD SERVICE FUND	2015
Cash Flows From Operating Activities:		
Receipts from Customers	\$ 137,683	\$ 137,683
Payments to Employees	(86,194)	(86,194)
Payments to Suppliers	(116,388)	(116,388)
	<u> </u>	<u> </u>
Net Cash Provided/(Used) by Operating Activities	<u>(64,899)</u>	<u>(64,899)</u>
Cash Flows From Capital & Related Financing Activities:		
Cash Received From State Sources	1,941	1,941
Cash Received From Federal Sources	62,449	62,449
	<u> </u>	<u> </u>
Net Cash Provided by Capital & Related Financing Activities	<u>64,390</u>	<u>64,390</u>
Cash Flows From Investing Activities:		
Interest on Cash Equivalents	17	17
	<u> </u>	<u> </u>
Net Cash Provided by Investing Activities	<u>17</u>	<u>17</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	(492)	(492)
Cash & Cash Equivalents, July 1	11,222	11,222
	<u> </u>	<u> </u>
Cash and Cash Equivalents, June 30	<u>\$ 10,730</u>	<u>\$ 10,730</u>

Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities

Operating Income/(Loss)	\$ (68,036)	\$ (68,036)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:		
Depreciation Expense	2,541	2,541
Net Adjustment to Capital Assets	-	-
Change in Assets & Liabilities:		
(Increase)/Decrease in Inventory	438	438
(Increase)/Decrease in Accounts Receivable	158	158
	<u> </u>	<u> </u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ (64,899)</u>	<u>\$ (64,899)</u>

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Internal Service Fund

Not Applicable

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H. Fiduciary Fund

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**HAINESPORT TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015**

ASSETS	TRUST FUNDS		AGENCY FUNDS		
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION	STUDENT ACTIVITY	PAYROLL	2015
Cash & Cash Equivalents	\$ 8,830	\$ 20,456	\$ 21,686	\$ 7,247	\$ 58,219
Total Assets	8,830	20,456	21,686	7,247	58,219
LIABILITIES					
Payroll Deductions Payable	-	-	-	7,247	7,247
Due to Student Groups	-	-	21,686	-	21,686
Accounts Payable	-	566	-	-	566
Interfund Payable	-	-	-	-	-
Total Liabilities	-	566	21,686	7,247	29,499
NET POSITION					
Held in Trust for Unemployment Claims	-	19,890	-	-	19,890
Held in Trust for Scholarships	8,830	-	-	-	8,830
Total Net Position	\$ 8,830	\$ 19,890	\$ -	\$ -	\$ 28,720

HAINESPORT TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
COMPARATIVE COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2015

	<u>PRIVATE PURPOSE</u>		2015
	<u>SCHOLARSHIP FUNDS</u>	<u>UNEMPLOYMENT COMPENSATION</u>	
Operating Revenues:			
Local Sources:			
Interest on Investments	\$ 7	\$ 17	\$ 24
Scholarship Donation	245	-	245
Employee Withholdings	-	9,180	9,180
Total Operating Revenues	<u>252</u>	<u>9,197</u>	<u>9,449</u>
Operating Expenditures:			
Unemployment Compensation Claims	-	2,175	2,175
Scholarships	325	-	325
Service Charges	29	-	29
Total Operating Expenses	<u>354</u>	<u>2,175</u>	<u>2,529</u>
Excess/(Deficit) of Revenues Over Expenditures	(102)	7,022	6,920
Net Position, July 1	<u>8,932</u>	<u>12,868</u>	<u>21,800</u>
Net Position, June 30	<u>\$ 8,830</u>	<u>\$ 19,890</u>	<u>\$ 28,720</u>

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2015**

ASSETS	BALANCE JULY 1, 2014	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2015
Hainesport School	\$ 18,655	\$ 55,327	\$ 52,296	\$ 21,686
Total Assets	<u>\$ 18,655</u>	<u>\$ 55,327</u>	<u>\$ 52,296</u>	<u>\$ 21,686</u>

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2015**

ASSETS	BALANCE JULY 1, 2014	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2015
Cash & Cash Equivalents	\$ 8,296	\$ 5,661,681	\$ 5,662,730	\$ 7,247
Total Assets	<u>\$ 8,296</u>	<u>\$ 5,661,681</u>	<u>\$ 5,662,730</u>	<u>\$ 7,247</u>
LIABILITIES				
Net Payroll	\$ -	\$ 3,082,900	\$ 3,082,900	\$ -
Payroll Deductions & Withholdings	8,249	2,578,781	2,579,783	7,247
Interfund Payable	47		47	-
Total Liabilities	<u>\$ 8,296</u>	<u>\$ 5,661,681</u>	<u>\$ 5,662,730</u>	<u>\$ 7,247</u>

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I. Long-Term Debt

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**HAINESPORT TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE
JUNE 30, 2015**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES DATE	AMOUNT	INTEREST RATE	BALANCE JULY 1, 2014	ISSUED	RETIRED	BALANCE JUNE 30, 2015
Refunding 1997 Issue	02/01/04	\$ 4,990,000	02/01/16	\$ 525,000	3.75%	\$ 1,595,000	\$ -	\$ 500,000	\$ 1,095,000
			02/01/17	570,000	4.00%				
School Bonds	01/21/10	5,853,000	1/15/16	70,000	2.50%	5,613,000	-	70,000	5,543,000
			1/15/17	70,000	3.00%				
			1/15/18	595,000	3.00%				
			1/15/19	570,000	3.50%				
			1/15/20	545,000	3.50%				
			1/15/21	475,000	4.00%				
			1/15/22	450,000	4.00%				
			1/15/23	425,000	4.00%				
			1/15/24	400,000	4.00%				
			1/15/25	375,000	4.00%				
	1/15/26	350,000	4.00%						
	1/15/27	325,000	4.00%						
	1/15/28	310,000	4.00%						
	1/15/29	300,000	4.00%						
	1/15/30	283,000	4.13%						
Total						\$ 7,208,000	\$ -	\$ 570,000	\$ 6,638,000

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2015**

SERIES	DATE OF LEASE	MATURITY DATE	INTEREST RATE	AMOUNT OF ORIGINAL ISSUE		AMOUNT OUTSTANDING JUNE 30, 2014	ISSUED	RETIRED	AMOUNT OUTSTANDING JUNE 30, 2015
				PRINCIPAL	INTEREST				
Truck Lease	12/11/2013	12/11/2016	6.45%	\$ 21,757	\$ 2,774	\$ 14,505		\$ 7,252	\$ 7,253
Firewall Lease	7/16/2014	7/16/2017	0.00%	\$ 21,123	\$ -	-	21,123	7,041	14,082
Total				\$	\$	\$ 14,505	\$ 21,123	\$ 14,293	\$ 21,335

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	JUNE 30, 2015			VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Revenues:				
Local Sources:				
Local Tax Levy	\$ 760,687	\$ -	\$ 760,687	\$ -
State Sources:				
Debt Service Aid Type II	79,124	-	79,124	-
Total Revenues	839,811	-	839,811	-
Expenditures				
Regular Debt Service:				
Interest	273,099	-	273,099	-
Redemption of Principal	570,000	-	570,000	-
Total Expenditures	843,099	-	843,099	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(3,288)	-	(3,288)	-
Other Financing Sources: Operating Transfers In	-	-	273	273
Total Other Financing Sources	-	-	273	273
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses) Fund Balance, July 1	(3,288) 3,296	-	(3,288) 3,296	273 -
Fund Balance, June 30	8	8	8	281

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STATISTICAL SECTION (Unaudited)

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HAINESPORT TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental Activities:										
Net Investment in Capital Assets	\$ 6,616,186	\$ 6,249,792	\$ 5,427,129	\$ 4,760,097	\$ 1,797,899	\$(3,640,978)	\$ 1,092,687	\$ 850,905	\$ 699,744	\$ 639,738
Restricted	933,253	878,264	1,656,735	1,965,048	4,079,480	9,041,522	557,534	755,069	964,860	967,645
Unrestricted	(2,211,097)	(348,140)	(302,783)	(331,769)	(311,657)	(390,618)	(453,681)	(383,474)	(282,601)	(537,888)
Total Governmental Activities										
Net Position	\$ 5,338,342	\$ 6,779,916	\$ 6,781,081	\$ 6,393,376	\$ 5,565,722	\$ 5,009,926	\$ 1,196,540	\$ 1,222,500	\$ 1,382,002	\$ 1,069,495
Business-Type Activities:										
Net Investment in Capital Assets	\$ 4,144	\$ 6,685	\$ 18,364	\$ 24,825	\$ 27,957	\$ 25,758	\$ 36,004	\$ 46,250	\$ 56,497	\$ 66,745
Unrestricted	21,295	22,383	16,048	21,537	30,816	45,836	36,365	27,945	32,961	14,338
Total Business-Type Activities										
Net Position	\$ 25,439	\$ 29,068	\$ 34,412	\$ 46,362	\$ 58,773	\$ 71,594	\$ 72,369	\$ 74,195	\$ 89,458	\$ 81,083
District-Wide:										
Net Investment in Capital Assets	\$ 6,620,330	\$ 6,256,477	\$ 5,445,493	\$ 4,784,922	\$ 1,825,856	\$(3,615,220)	\$ 1,128,691	\$ 897,155	\$ 756,241	\$ 706,483
Restricted	933,253	878,264	1,656,735	1,965,048	4,079,480	9,041,522	557,534	755,069	964,860	967,645
Unrestricted	(2,189,802)	(325,757)	(286,735)	(310,232)	(280,841)	(344,782)	(417,316)	(355,529)	(249,640)	(523,550)
Total District Net Position										
	\$ 5,363,781	\$ 6,808,984	\$ 6,815,493	\$ 6,439,738	\$ 5,624,495	\$ 5,081,520	\$ 1,268,909	\$ 1,296,695	\$ 1,471,460	\$ 1,150,578

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 2,943,711	\$ 2,965,800	\$ 2,856,967	\$ 2,844,048	\$ 2,712,862	\$ 3,006,838	\$ 3,270,169	\$ 3,242,491	\$ 3,105,943	\$ 2,982,576
Special Education	1,172,147	1,132,731	1,028,678	975,785	948,708	342,215	592,843	627,149	602,389	499,941
Other Instruction	160,167	134,794	130,141	117,169	90,950	1,045,373	337,861	374,962	279,590	319,072
Support Services & Undistributed Costs:										
Tuition	297,399	304,022	126,004	109,621	180,687	40,606	162,611	195,680	119,028	54,701
Student & Instruction Related Services	1,009,453	928,369	1,018,276	929,005	864,118	842,708	251,134	847,522	731,685	726,640
General & Business Administrative Services	448,435	493,919	464,490	469,545	470,951	606,213	359,778	331,099	401,559	333,831
Central Services	242,149	200,332	197,523	194,514	204,368	209,806	204,439	197,652	176,262	166,389
Plant Operations & Maintenance	650,118	616,837	591,871	637,909	684,113	690,863	670,793	710,586	600,518	470,160
Pupil Transportation	543,668	545,865	483,172	451,866	495,641	404,197	442,779	484,950	450,249	446,995
Business & Other Support Services	-	-	-	-	-	-	-	-	-	-
Unallocated Employee Benefits	3,156,437	2,262,327	2,405,015	2,223,838	2,084,430	2,135,543	2,065,618	2,183,718	1,977,556	1,701,561
Special Schools	21,657	23,668	18,092	2,736	3,054	25,498	21,456	27,062	16,360	10,399
Interest on Long-Term Debt	310,499	324,592	332,612	330,103	346,958	242,451	161,566	181,349	196,903	211,452
Reduction In Compensated Absences	36,125	(25,064)	(3,877)	(14,419)	7,749	(47,199)	-	-	-	-
Unallocated Depreciation	212,783	271,823	389,571	198,080	292,583	221,839	33,989	35,126	35,347	35,021
Cancellation of Prior Years Accounts Receivable	-	353,218	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	11,204,748	10,533,233	10,038,535	9,469,800	9,387,172	9,766,951	9,508,198	9,682,990	8,933,372	8,196,078
Business-Type Activities:										
Food Service	205,561	214,444	244,464	249,694	250,631	242,376	246,433	211,239	181,523	180,957

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total Business-Type Activities										
Expense	205,561	214,444	236,703	244,464	249,694	250,631	242,376	246,433	211,239	181,523
Total District Expenses	\$ 11,410,309	\$ 10,747,677	\$ 10,275,238	\$ 9,714,264	\$ 9,636,866	\$ 10,017,582	\$ 9,750,574	\$ 9,929,423	\$ 9,144,611	\$ 8,377,601
Program Revenues:										
Governmental Activities:										
Operating Grants & Contributions	\$ 1,946,361	\$ 210,049	\$ 220,489	\$ 255,956	\$ 246,661	\$ 261,175	\$ 875,347	\$ 1,026,259	\$ 1,015,823	\$ 762,721
Total Governmental Activities Program Revenues	1,946,361	210,049	220,489	255,956	246,661	261,175	875,347	1,026,259	1,015,823	762,721
Charges for Services:										
Food Service	137,525	141,098	153,668	167,297	176,660	185,569	179,098	173,857	168,696	134,912
Operating Grants & Contributions	64,390	67,994	71,069	64,733	59,774	63,995	61,323	56,676	50,118	41,840
Total Business-Type Activities Program Revenues	201,915	209,092	224,737	232,030	236,434	249,564	240,421	230,533	218,814	176,752
Total District Program Revenues	\$ 2,148,276	\$ 419,141	\$ 445,226	\$ 487,986	\$ 483,095	\$ 510,739	\$ 1,115,768	\$ 1,256,792	\$ 1,234,637	\$ 939,473
Net/(Expense)/Revenue:										
Governmental Activities Business-Type Activities	\$ (9,258,387)	\$ (10,323,184)	\$ (9,818,046)	\$ (9,213,844)	\$ (9,140,511)	\$ (9,505,776)	\$ (8,632,851)	\$ (8,656,731)	\$ (7,917,549)	\$ (7,433,357)
	(3,646)	(5,352)	(11,966)	(12,434)	(13,260)	(1,067)	(1,955)	(15,900)	7,575	(4,771)
Total Government-Wide Net Expense	\$ (9,262,033)	\$ (10,328,536)	\$ (9,830,012)	\$ (9,226,278)	\$ (9,153,771)	\$ (9,506,843)	\$ (8,634,806)	\$ (8,672,631)	\$ (7,909,974)	\$ (7,438,128)

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET ASSETS - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
FISCAL YEAR ENDING JUNE 30,										
General Revenues & Other Changes in Net Position										
Governmental Activities										
Property Taxes Levied for General Purposes, Net	\$ 7,256,722	\$ 7,025,828	\$ 6,952,443	\$ 6,934,825	\$ 6,804,063	\$ 6,588,096	\$ 6,424,790	\$ 6,289,590	\$ 6,053,150	\$ 5,745,356
Taxes Levied for Debt Service	760,687	812,081	799,167	788,941	731,242	506,624	505,786	492,912	504,147	493,357
Unrestricted Grants & Contributions	1,521,131	2,253,571	2,319,140	2,193,908	1,873,911	6,026,342	1,508,966	1,561,782	1,515,225	1,513,067
Tuition Received	75,895	80,860	87,086	66,000	112,567	135,433	106,260	38,289	46,882	4,265
Investment Earnings	-	200	500	2,208	2,461	3,223	3,935	12,235	11,891	10,270
Miscellaneous Income	43,215	38,372	47,414	55,616	172,063	59,444	57,154	102,420	98,763	89,853
Arbitrage Rebate Payment	-	-	-	-	-	-	-	-	-	-
Cancellation of Debt Due to State Refunding	-	-	-	-	-	-	-	-	-	-
Adjustment to Capital Assets	-	140,715	-	-	-	-	-	-	-	-
Cancellation of Prior Years	-	-	-	-	-	-	-	-	-	-
Accounts Payable	-	1,000	-	-	-	-	-	-	-	-
Total Governmental Activities	9,657,650	10,352,627	10,205,750	10,041,498	9,696,307	13,319,162	8,606,891	8,497,228	8,230,058	7,856,168
Business-Type Activities										
Investment Earnings	17	8	16	23	439	292	129	637	800	411
Total Business-Type Activities	17	8	16	23	439	292	129	637	800	411
Total District-Wide	\$ 9,657,667	\$ 10,352,635	\$ 10,205,766	\$ 10,041,521	\$ 9,696,746	#####	\$ 8,607,020	\$ 8,497,865	\$ 8,230,858	\$ 7,856,579
Change in Net Position:										
Governmental Activities	\$ 399,263	\$ 29,443	\$ 387,704	\$ 827,654	\$ 555,796	\$ 3,813,386	\$ (25,960)	\$ (159,503)	\$ 312,509	\$ 422,811
Business-Type Activities	(3,629)	(5,344)	(11,950)	(12,411)	(12,821)	(775)	(1,826)	(15,263)	8,375	(4,360)
Total District-Wide	\$ 395,634	\$ 24,099	\$ 375,754	\$ 815,243	\$ 542,975	\$ 3,812,611	\$ (27,786)	\$ (174,766)	\$ 320,884	\$ 418,451

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
FUND BALANCES AND GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund:										
Restricted	\$ 1,044,622	\$ 718,854	\$ 540,849	\$ 485,302	\$ 361,412	\$ 258,445	\$ 255,222	\$ 246,337	\$ 426,835	\$ 612,432
Assigned To	5,949	283,891	543,912	438,760	143,578	-	-	-	-	-
Unassigned	157,469	126,587	197,008	171,899	206,430	131,616	420,818	715,631	715,369	378,160
Total General Fund	1,208,040	1,129,332	1,281,769	1,095,961	711,420	390,061	676,040	961,968	1,142,204	990,592
All Other Governmental Funds:										
Committed To	\$ -	\$ -	\$ -	\$ 279,090	\$ 1,868,283	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned To	-	-	-	7,636	9,037	-	-	-	-	-
Restricted, Reported in:										
Capital Projects Fund	353,128	354,498	706,716	901,810	1,848,076	8,909,209	-	5,238	20,865	36,652
Debt Service Fund	281	3,296	3,990	340	6,302	23,423	618	1,946	14,550	14,724
Total All Other Governmental Funds	\$ 353,409	\$ 357,794	\$ 710,706	\$ 1,188,876	\$ 3,731,698	\$ 8,932,632	\$ 618	\$ 7,184	\$ 35,415	\$ 51,376

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues:										
Tax Levy	\$ 8,017,409	\$ 7,837,909	\$ 7,751,611	\$ 7,723,767	\$ 7,535,305	\$ 7,094,720	\$ 6,930,576	\$ 6,782,502	\$ 6,557,297	\$ 6,238,713
Tuition	75,895	80,860	87,086	66,000	112,567	135,433	106,260	38,289	46,882	4,265
Interest Earnings	-	200	500	2,208	2,461	3,223	3,935	12,235	11,891	10,270
Miscellaneous	43,215	38,372	47,414	55,616	172,063	59,444	57,154	102,420	98,763	89,854
State Sources	2,338,258	2,248,535	2,294,571	2,128,179	1,858,476	5,849,596	2,166,147	2,404,670	2,333,047	2,082,458
Federal Sources	230,612	215,085	245,058	321,685	262,096	437,921	218,166	183,371	198,001	193,330
Total Revenue	10,705,389	10,420,961	10,426,240	10,297,455	9,942,968	13,580,337	9,482,238	9,523,487	9,245,881	8,618,890
Expenditures:										
Current Expense:										
Regular Instruction	2,943,711	2,965,800	2,856,967	2,844,048	2,712,862	3,006,838	3,108,594	2,945,509	2,940,551	2,790,996
Special Education Instruction	1,172,147	1,132,731	1,028,678	975,785	948,708	342,215	592,843	627,149	602,389	499,941
Other Instruction	160,167	134,794	130,141	117,169	90,950	1,045,373	337,861	374,962	279,590	319,072
Support Services:										
Tuition	297,399	304,022	126,004	109,621	180,687	40,606	162,611	195,680	119,028	54,701
Student & Instruction Related Services	1,009,453	928,369	1,018,276	929,005	864,118	842,708	933,162	847,522	731,685	726,640
School Administrative Services	153,292	176,092	159,784	161,021	161,823	253,819	251,134	243,644	239,983	306,462
General Administrative Services	295,143	317,827	304,706	308,524	309,128	364,400	333,442	303,625	373,864	237,340
Central Services	242,149	200,332	197,323	194,514	204,368	209,806	204,439	197,652	176,262	166,389
Plant Operations & Maintenance	650,118	616,837	591,871	637,909	684,113	690,863	669,978	677,799	599,651	528,222
Pupil Transportation	543,668	545,865	483,172	451,866	495,641	404,197	429,611	471,213	436,402	402,384
Other Support Services	2,240,938	2,262,327	2,405,015	2,223,838	2,084,430	2,135,543	2,065,618	2,183,718	1,977,558	1,596,282
Special Schools	21,657	23,668	18,092	2,736	3,054	25,498	21,456	27,062	16,360	10,399
Capital Outlay	58,125	87,911	506,212	2,616,484	5,239,350	822,442	61,120	234,762	15,787	3,471
Debt Service:										
Principal	570,000	605,167	578,262	551,448	499,763	453,160	431,672	410,207	398,823	372,492
Interest & Other Charges	273,099	294,107	313,899	331,768	343,548	149,834	171,191	191,470	202,299	220,589
Total Expenditures	10,631,066	10,595,849	10,718,602	12,455,736	14,822,543	10,787,302	9,774,732	9,931,974	9,110,232	8,235,380

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	74,323	(174,888)	(292,362)	(2,158,281)	(4,879,575)	2,793,035	(292,494)	(408,487)	135,649	383,510
Other Financing Sources/(Uses):										
Proceeds from Bond Issuance	-	-	-	-	-	5,853,000	-	-	-	-
Cancellation of Prior Years Accounts Payable	-	1,000	-	-	-	-	-	-	-	-
Cancellation of Prior Years Accounts Receivable	-	(353,218)	-	-	-	-	-	-	-	-
Lease Purchase Agreement	-	21,757	-	-	-	-	-	200,000	-	-
Transfers In	273	8	3,650	22,129	21,316	23,414	5,238	23,404	1,337	1,584
Transfers Out	(273)	(8)	(3,650)	(22,129)	(21,316)	(23,414)	(5,238)	(23,404)	(1,337)	(1,584)
Total Other Financing Sources/ (Uses)	-	(330,461)	-	-	-	5,853,000	-	200,000	-	-
Net Change in Fund Balance	\$ 74,323	\$ (505,349)	\$ (292,362)	\$ (2,158,281)	\$ (4,879,575)	\$ 8,646,035	\$ (292,494)	\$ (208,487)	\$ 135,649	\$ 383,510
Debt Service as a Percentage of Noncapital Expenditures	7.97%	8.56%	8.74%	8.98%	8.80%	6.05%	6.21%	6.20%	6.61%	7.20%

HAINESPORT TOWNSHIP SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

FISCAL YEAR ENDED JUNE 30,	INTEREST ON INVESTMENTS	TUITION	PRIOR YEAR REFUNDS	RENTAL OF FACILITIES	SALE OF SCHOOL BUSES	MISCELLANEOUS	TOTAL
2015	\$ 1,195	\$ 75,895	\$ 7,269	\$ 9,248	\$ -	\$ 18,965	\$ 112,572
2014	1,195	80,860	7,269	9,248	-	13,194	111,766
2013	2,238	87,086	7,446	10,004	-	24,576	131,350
2012	2,284	66,000	23,218	5,938	-	21,261	118,701
2011	15,805	112,567	-	-	119,000	18,403	265,775
2010	13,661	135,433	5,664	5,988	-	9,806	170,552
2009	20,895	106,260	33,801	5,366	-	1,027	167,349
2008	84,393	38,289	13,030	8,725	-	8,507	152,944
2007	100,675	46,882	-	9,120	-	859	157,536
2006	54,137	4,265	22,119	6,060	-	17,808	104,389

Source: District Records

HAINESPORT TOWNSHIP SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
 LAST TEN FISCAL YEARS

FISCAL YEAR ENDED DECEMBER 31,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TAX EXEMPT PROPERTY	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2015	\$ 17,589,300	\$ 605,896,300	\$ 8,740,600	\$ 363,800	\$ 80,125,000	\$ 46,460,900	\$ 606,000	\$ 759,781,900	\$ 1,271,371	\$ 761,053,271	\$ 47,121,600	1.067	\$ 780,920,684
2014	14,931,100	608,153,200	7,841,800	361,800	81,808,400	47,825,200	606,000	761,527,500	1,223,181	762,750,681	44,457,500	1.051	780,765,445
2013	15,858,500	607,273,000	9,180,700	356,600	78,592,900	48,382,700	606,000	760,250,400	1,178,706	761,429,106	43,909,000	1.029	-
2012	7,072,400	359,354,600	4,916,000	321,000	40,490,733	26,969,900	247,500	439,372,133	723,220	440,095,353	16,960,900	1.761	-
2011	7,353,700	356,556,700	5,219,500	349,100	40,933,333	27,543,700	247,500	438,203,533	734,285	438,937,818	16,286,400	1.760	-
2010	7,509,600	355,461,900	5,618,900	221,300	42,825,433	28,180,100	247,500	440,064,733	935,159	440,999,892	15,613,500	1.709	-
2009	9,394,000	353,561,400	5,818,900	221,300	39,800,433	29,918,500	247,500	438,962,033	864,453	439,826,486	15,583,900	1.614	-
2008	9,168,000	351,430,400	5,768,600	221,300	39,889,933	29,918,500	247,500	436,644,233	657,300	437,301,533	15,425,600	1.584	-
2007	8,893,800	352,740,900	4,762,400	221,700	35,102,400	30,836,700	247,500	432,805,400	888,480	433,693,880	15,425,600	1.565	817,347,978
2006	10,628,000	340,352,400	5,157,900	223,200	40,020,700	27,174,900	247,500	423,804,600	1,002,720	424,807,320	15,218,500	1.544	701,924,862

Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)**

FISCAL YEAR ENDED DECEMBER 31,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES				TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE	GENERAL OBLIGATION DEBT SERVICE	TOTAL DIRECT	HAINESPORT TOWNSHIP	REGIONAL SCHOOL	BURLINGTON COUNTY		
2015	0.927	0.140	1.067	0.316	0.412	0.455	2.250	
2014	0.951	0.100	1.051	0.330	0.355	0.391	2.127	
2013	0.849	0.180	1.029	0.315	0.338	0.394	2.076	
2012	1.581	0.180	1.761	0.502	0.559	0.709	3.531	
2011	1.580	0.180	1.760	0.499	0.543	0.746	3.548	
2010	1.587	0.122	1.709	0.491	0.525	0.761	3.486	
2009	1.508	0.106	1.614	0.475	0.564	0.808	3.461	
2008	1.468	0.116	1.584	0.481	0.533	0.792	3.390	
2007	1.452	0.113	1.565	0.453	0.597	0.795	3.410	
2006	1.425	0.119	1.544	0.433	0.546	0.732	3.255	

Source: Municipal Tax Collector

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO**

TAXPAYER	2015		
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% OF TOTAL DISTRICT NET ASSESSED VALUE
DDRM Crossroads Plaza	\$ 13,353,200	1	1.71%
Berry Drive, LLC	9,692,700	2	1.24%
Mt. Laurel Rd Limited Partnership	6,295,300	3	0.81%
Creek Crossing II, LLC	4,948,300	4	0.63%
Hoppecke USA Rem, LLC	3,279,100	5	0.42%
South Hainesport Industrial Trust	3,201,900	6	0.41%
Ventimiglia, Giuseppe	2,509,400	7	0.32%
Landmark Property Management, Inc	2,424,000	8	0.31%
Creek Crossing, LLC	2,421,600	9	0.31%
Hainesport Complex LP	2,406,000	10	0.31%
Total	<u>\$ 50,531,500</u>		<u>6.47%</u>

TAXPAYER	2006		
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% OF TOTAL DISTRICT NET ASSESSED VALUE
Inland Southeast Hainesport	\$ 10,465,000	1	2.53%
South Hainesport Industrial Trust	6,223,100	2	1.50%
Mount Laurel Road LTD	4,161,000	3	1.00%
Berry Drive, LLC	2,908,500	4	0.70%
Creek Crossing II	2,682,600	5	0.65%
Arrow International	2,531,800	6	0.61%
White Cap Inc.	1,731,500	7	0.42%
Guiseppe Ventimiglia	1,639,100	8	0.40%
Creek Crossing , LLC	1,570,700	9	0.38%
Drenk Institute	1,338,500	10	0.32%
Total	<u>\$ 35,251,800</u>		<u>8.51%</u>

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY	
		AMOUNT	PERCENTAGE OF LEVY
2015	\$ 8,017,409	\$ 8,017,409	100.00%
2014	7,837,909	7,837,909	100.00%
2013	7,751,611	7,751,611	100.00%
2012	7,723,767	7,723,767	100.00%
2011	7,535,305	7,535,305	100.00%
2010	7,094,720	7,094,720	100.00%
2009	6,930,576	6,930,576	100.00%
2008	6,782,502	6,782,502	100.00%
2007	6,557,297	6,557,297	100.00%
2006	6,238,713	6,238,713	100.00%

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

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

GOVERNMENTAL ACTIVITIES			
FISCAL YEAR ENDED JUNE 30,	GENERAL OBLIGATION BONDS	CAPITAL LEASES	TOTAL DISTRICT
2015	\$ 6,638,000	\$ 7,253	\$ 6,645,253
2014	7,234,907	-	7,234,907
2013	8,391,431	-	8,391,431
2012	8,942,878	40,000	8,982,878
2011	9,442,640	52,006	9,494,646
2010	4,042,800	132,006	4,174,806
2009	4,474,473	199,376	4,673,849
2008	4,884,679	65,569	4,950,248
2007	5,283,503	90,637	5,374,140
2006	5,655,995	59,710	5,715,705

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	<u>GENERAL BONDED DEBT OUTSTANDING</u>			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING	
2015	\$ 6,638,000	\$ -	\$ 6,638,000	0.87%
2014	7,208,000	-	7,208,000	1.64%
2013	7,234,907	-	7,234,907	1.64%
2012	8,391,431	-	8,391,431	1.90%
2011	8,942,878	-	8,942,878	2.03%
2010	9,442,640	-	9,442,640	2.15%
2009	4,042,800	-	4,042,800	0.92%
2008	4,474,473	-	4,474,473	1.03%
2007	4,884,679	-	4,884,679	1.15%
2006	5,283,503	-	5,283,503	1.28%

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2015**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Hainesport Township	\$7,342,951	100.00%	\$ 7,342,951
Burlington County	303,216,431	1.71%	5,185,001
Rancocas Valley Regional High School	16,543,000	17.70%	2,927,666
Subtotal, Overlapping Debt			15,455,618
Hainesport Township School District Direct Debt			6,638,000
Total Direct & Overlapping Debt			<u>\$ 22,093,618</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Burlington County Board of Taxation.

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Dollars in Thousands)**

	FISCAL YEAR									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Debt Limit	\$ 23,368,427	\$ 23,757,219	\$ 24,652,707	\$ 25,604,732	\$ 26,698,346	\$ 18,047,574	\$ 26,076,502	\$ 23,611,432	\$ 20,477,708	\$ 17,047,821
Total Net Debt Applicable to Limit	6,638,000	7,208,000	7,813,169	8,391,431	8,942,878	9,442,640	4,042,800	4,474,473	4,884,679	5,283,503
Legal Debt Margin	<u>\$ 16,730,427</u>	<u>\$ 16,549,219</u>	<u>\$ 16,839,538</u>	<u>\$ 17,213,301</u>	<u>\$ 17,755,468</u>	<u>\$ 8,604,934</u>	<u>\$ 22,033,702</u>	<u>\$ 19,136,959</u>	<u>\$ 15,593,029</u>	<u>\$ 11,764,318</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	28.41%	30.34%	31.69%	32.77%	33.50%	52.32%	15.50%	18.95%	23.85%	30.99%

Legal Debt Margin Calculation for Fiscal Year 2013

Equalized Valuation Basis	
2014	\$ 778,817,243
2013	\$ 775,528,308
2012	<u>\$ 782,497,120</u>
	<u>\$ 2,336,842,671</u>
Average Equalized Valuation of Taxable Property	<u>\$ 778,947,557</u>
Debt Limit (3 % of Average Equalization Value) Net Bonded School Debt	<u>\$ 23,368,427</u> <u>6,638,000</u>
Legal Debt Margin	<u>\$ 16,730,427</u>

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

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

YEAR	POPULATION ^a	PERSONAL INCOME (THOUSANDS OF DOLLARS) ^b	BURLINGTON COUNTY PER CAPITA INCOME ^c	UNEMPLOYMENT RATE ^d
2015	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A
2013	6,117	N/A	N/A	9.8%
2012	6,134	313,318,586	51,079	7.6%
2011	6,121	303,760,746	49,626	7.4%
2010	6,115	292,596,635	47,849	7.6%
2009	5,951	283,160,482	47,582	7.1%
2008	5,955	285,750,675	47,985	4.1%
2007	5,997	278,890,485	46,505	3.0%
2006	6,099	272,728,983	44,717	3.3%

Source: NJ Dept of Labor and Workforce Development

^a NJ Dept of Labor & Workforce Development

^b Based upon the Municipal population & per capita personal income presented.

^c Provided by the NJ Department of Labor & Workforce Development

^d Provided by the NJ Department of Labor & Workforce Development

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

	2015
	EMPLOYEES
Shop Rite Supermarket	180
PRN Medical Transport	150
Visiting Nurse	120
Hainesport Township School District	93
Tranquility Salon & Spa	70
Hainesport Auto & Truck Repair	53
Brother's Electric, Inc.	50
Classic Cars Nissan, Inc.	50
Center for Kidney Care & Renal	40
Perry Videx, LLC	40
Total	846

2006 Information was not available

Source: Burlington County Economic Development

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Instruction:										
Regular	39	40	45	43	40	49	51	49	50	47
Special Education	18	19	19	19	18	12	12	11	13	15
Other Special Education	2	2	1	1	1	4	6	6	3	3
Support Services:										
Student & Instruction Related Services	21	21	15	14	11	14	13	13	10	10
School Administrative Services	5	5	5	5	5	5	4	4	4	4
Business Administrative Services	3	3	3	3	4	4	5	5	5	5
Plant Operations & Maintenance	3	3	7	9	8	9	9	9	9	9
Pupil Transportation	-	-	-	-	-	3	3	3	3	3
Total	91	93	95	94	87	100	103	100	97	96

Source: District Personnel Records

HAINESPORT TOWNSHIP SCHOOL DISTRICT
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS

FISCAL YEAR	JUNE 30, ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO	AVERAGE DAILY ENROLLMENT (ADE)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2015	637	\$ 9,729,842	\$ 15,274	7.14%	59	11.80:1	639.0	600.0	-3.75%	93.90%
2014	674	9,608,664	14,256	5.24%	61	11.05:1	663.9	637.2	-1.25%	95.98%
2013	688	9,320,229	13,547	4.97%	59	11.66:1	672.3	650.8	-3.59%	96.80%
2012	694	8,956,036	12,905	3.36%	57	12.18:1	697.3	668.8	-0.41%	95.91%
2011	700	8,739,882	12,486	-6.78%	57	12.28:1	700.2	669.3	0.66%	95.59%
2010	699	9,361,866	13,393	-1.21%	56	12.48:1	695.6	653.5	3.28%	93.95%
2009	672	9,110,749	13,558	-1.92%	57	11.79:1	673.5	634.5	-9.94%	94.21%
2008	658	9,095,535	13,823	8.39%	56	11.75:1	747.8	619.2	15.06%	82.80%
2007	666	8,493,321	12,753	11.52%	56	11.89:1	649.9	621.0	-2.81%	95.55%
2006	668	7,638,828	11,435	0.64%	55	12.15:1	668.7	637.1	6.01%	95.27%

Sources: District records

**HAINESPORT TOWNSHIP BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

DISTRICT BUILDINGS	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Elementary Schools:										
Hainesport Elementary (1925):	97,782	97,782	97,782	97,782	97,782	97,782	97,782	97,782	97,782	97,782
Square Feet	636	636	636	636	636	636	636	636	636	636
Capacity (Students)	637	674	688	694	700	699	672	658	666	668
Enrollment										

Number of Schools at June 30, 2013:
Elementary = 1

Source: District Facilities Office

**HAINESPORT TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS**

SCHOOL FACILITIES	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Hainesport Elementary	\$ 59,434	\$ 66,499	\$ 26,850	\$ 72,581	\$ 60,240	\$ 57,287	\$ 55,694	\$ 43,807	\$ 48,381	\$ 35,164

* 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

**HAINESPORT TOWNSHIP BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2015**

	COVERAGE	SELF-INSURED RETENTION	DEDUCTIBLE
School Package Policy - Utica National Insurance Company:			
Building & Contents (All Locations)			
Limits of Liability per Occurrence	\$ 18,218,116	\$ -	\$ 1,000
General Liability	3,000,000	-	-
Flood	25,000	-	-
Automobile Liability	1,000,000	-	1,000
Crime Coverage	100,000	-	-
Inland Marine	30,000	-	250
Umbrella Liability	5,000,000	10,000	-
New Jersey School Boards Association:			
Workers' Compensation	2,000,000	-	-
The Maskin Group:			
Student Accident	1,000,000	-	-
New Jersey School Boards Association:			
Surety Bonds:			
Treasurer	200,000	-	-

Source: District records.

SINGLE AUDIT SECTION

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EXHIBIT K-1

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

Honorable President and Members
of the Board of Education
Hainesport Board of Education
County of Burlington
Hainesport, New Jersey 08036

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental and business-type activities, each major fund and the aggregate remaining fund information of the Hainesport Board of Education, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Hainesport Board of Education’s basic financial statements, and have issued our report thereon dated December 11, 2015.

Internal Control Over Financial Reporting

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

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

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

in the accompanying schedule of findings and questioned costs as Finding 2015-001 that we considered to be a significant deficiency.

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia
Certified Public Accountant
Public School Accountant, No. 1011

Medford, New Jersey
December 11, 2015

EXHIBIT K-2

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-
133 AND NEW JERSEY OMB CIRCULAR 04-04 AND/OR 15-08.**

Honorable President and Members
of the Board of Education
Hainesport Board of Education
County of Burlington
Hainesport, New Jersey 08036

Report on Compliance for Each Major State Program

We have audited Hainesport Board of Education's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2015. Hainesport Board of Education's major state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Hainesport Board of Education's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; the *New Jersey State Aid/Grant Compliance Supplement*; the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circulars 04-04 and 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Hainesport Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

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

Report on Internal Control Over Compliance

Management of Hainesport Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Hainesport Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB's Circular(s) 04-04 and/or 15-08, 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 Hainesport Board of Education's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB's Circular(s) 04-04 and/or 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia
Certified Public Accountant
Public School Accountant, No. 1011

Medford, New Jersey
December 11, 2015

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**HAINESPORT TOWNSHIP BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2015**

Note 1. General

The accompanying schedules of expenditures of federal awards and state financial assistance include state award activity of the Board of Education, Hainesport Township School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All state awards received directly from state agencies, as well as state financial assistance passed through other government agencies is included on the schedule of expenditures of state financial assistance.

Note 2. Basis of Accounting

The accompanying schedules of expenditures of financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Note 1 to the Board's 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 last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A.18A:22-44.2*. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A.18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$2,214 for the general fund and \$0 for the special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

HAINESPORT TOWNSHIP BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE (continued):
JUNE 30, 2015

Note 3. Relationship to Basic Financial Statements (continued):

	State
General Fund	\$ 2,259,134
Special Revenue Fund	-
Debt Service Fund	79,124
Food Service Fund	<u>1,941</u>
 Total Financial Assistance	 <u><u>\$ 2,340,199</u></u>

Note 4. Relationship to State Financial Reports

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

Note 5. Other

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

Note 6. State Loans Outstanding

Hainesport Board of Education had no loan balances outstanding at June 30, 2015.

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2015**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	Yes
Noncompliance material to basic financial Statements noted?	None Reported

State Awards

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Internal Control over major programs:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Any audit findings disclosed that are required to be reported in accordance With NJ OMB Circular Letter 04-04 and/or 15-08	None Reported

Identification of major programs:

GMIS Number(s)	Name of State Program
15-495-034-5095-078	Equalization Aid
15-495-034-5120-089	Special Education Categorical Aid
15-495-034-5120-084	Categorical Security Aid
15-495-034-5120-085	Adjustment Aid
15-495-034-5120-083	Educational Adequacy Aid
15-495-034-5120-098	PARCC Readiness Aid
15-495-034-5120-097	Per Pupil Growth Aid
15-495-034-5094-003	Reimbursed TPAF Social Security Contributions

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2015**

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements for which *Government Auditing Standards* requires reporting in a Circular A-133 audit.

Finding 2015-001:

Criteria:

The records of the student activities fund (receipts and disbursements) were poorly maintained. Proper documentation was not maintained for several transactions.

Condition:

Proper documentation for all transactions in the student activities should be properly maintained.

Context:

Sources of receipts and purpose of disbursements cannot be properly identified.

Cause:

Lack of understanding of minimum documentation requirements.

Effect:

District records may not accurately reflect transactions within the student activity funds.

Recommendation:

That immediate action be taken to strengthen financial reporting within the student activity fund.

View of Responsible Officials and Planned Corrective Action:

The district agrees with the finding. Immediate corrective action will be taken.

Section III – State Financial Assistance Finding & Questioned Costs

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and New Jersey OMB's Circular Letter 04-04 and/or 15-08.

No Current Year Findings

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMET
For the Fiscal Year Ended June 30, 2015**

This section identifies the status of prior-year findings related to the basic financial statements and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (section .315 (a)(b)) and New Jersey OMB's Circular 04-04 and/or 15-08.

No Prior Year Findings