

**BOROUGH OF HADDON HEIGHTS
COUNTY OF CAMDEN**

REPORT OF AUDIT

**FOR THE YEAR ENDING
DECEMBER 31, 2014**



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BOROUGH OF HADDON HEIGHTS

PART I

REPORT OF AUDIT OF FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
DECEMBER 31, 2014**

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Council
Borough of Haddon Heights
Haddon Heights, New Jersey 08035

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Haddon Heights, in the County of Camden, State of New Jersey, as of December 31, 2014 and 2013, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed assets group of accounts for the year ended December 31, 2014 and the related notes to the financial statements, which collectively comprise the Borough'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 the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, 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 Borough'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 entity'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.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough of Haddon Heights, in the County of Camden, State of New Jersey, as of December 31, 2014 and 2013, or the results of its operations and changes in fund balance for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Haddon Heights, in the County of Camden, State of New Jersey, as of December 31, 2014 and 2013, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis, expenditures - regulatory basis of the various funds, and general fixed assets, for the year ended December 31, 2014 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in Note 1.

Other Information

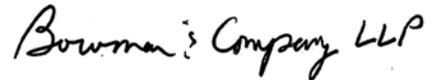
Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements.

The supplementary financial statements presented for the various funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information described in the previous paragraph is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 9, 2015 on our consideration of the Borough of Haddon Heights', in the County of Camden, State of New Jersey, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of Haddon Heights' internal control over financial reporting.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Robert S. Marrone
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
June 9, 2015

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

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Council
Borough of Haddon Heights
Haddon Heights, New Jersey 08035

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey of the Borough of Haddon Heights, in the County of Camden, State of New Jersey, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated June 9, 2015. That report indicated that the Borough of Haddon Heights' financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough of Haddon Heights' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, we do not express an opinion on the effectiveness of Borough of Haddon Heights' 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Recommendations that we consider to be significant deficiencies, Finding Nos. 2014-001, 2014-002 and 2014-003.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Borough of Haddon Heights' 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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards or audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which are described in the accompanying Schedule of Findings and Recommendations as items 2014-001, 2014-002 and 2014-003.

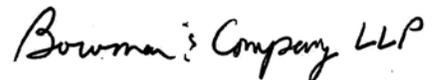
The Borough of Haddon Heights' Response to Findings

The Borough of Haddon Heights' response to the findings identified in our audit is described in the accompanying Schedule of Findings and Recommendations. The Borough's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Robert S. Marrone
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
June 9, 2015

BOROUGH OF HADDON HEIGHTS

CURRENT FUND

Statements of Assets, Liabilities, Reserves, and Fund Balances - Regulatory Basis
As of December 31, 2014 and 2013

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
ASSETS			
Regular Fund:			
Cash:			
Cash--Treasurer	SA-1	\$ 1,432,757.37	\$ 606,681.92
Cash--Change Funds	SA-5	200.00	200.00
Due from State of NJ - Senior Citizens and Vet. Deductions	SA-2	12,335.69	10,219.71
		<u>1,445,293.06</u>	<u>617,101.63</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-3	386,815.91	383,149.40
Tax Title Liens Receivable	SA-4	1,046.56	862.10
Prepaid School Taxes	SA-12		1,998.00
Revenue Accounts Receivable	SA-6	16,208.36	10,719.19
Due from State of NJ - Burial Permit Fees	SA-1	5.00	
Due from Federal, State and Other Grant Fund	SA-17	35,772.99	251,643.88
Due from General Capital Fund	C		47,887.12
Due from Animal Control Fund	A	1.45	1.25
Due from Trust Other Fund	B	3,883.35	17,496.89
		<u>443,733.62</u>	<u>713,757.83</u>
Deferred Charges:			
Overexpenditure of Appropriation	A-3	2,625.12	
		<u>1,891,651.80</u>	<u>1,330,859.46</u>
Federal, State and Other Grant Fund:			
Due from General Capital Fund	SA-20	57,667.21	
Federal, State and Other Grants Receivable	SA-18	385,347.64	544,237.57
		<u>443,014.85</u>	<u>544,237.57</u>
		<u>\$ 2,334,666.65</u>	<u>\$ 1,875,097.03</u>

(Continued)

BOROUGH OF HADDON HEIGHTS
CURRENT FUND

Statements of Assets, Liabilities, Reserves, and Fund Balances - Regulatory Basis
As of December 31, 2014 and 2013

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3;SA-7	\$ 234,456.37	\$ 92,991.53
Reserve for Encumbrances	A-3	84,586.07	74,265.75
Prepaid Taxes	SA-8	126,889.00	89,723.41
Tax Overpayments	SA-9	2,324.27	4,131.24
Due County for Added and Omitted Taxes	SA-11	26,320.24	10,307.64
Due to State of New Jersey:			
Marriage License Fees	SA-14	100.00	375.00
DCA Training Fees	SA-15	1,571.00	1,643.00
Accounts Payable	SA-16	1,820.11	
Reserve for Master Plan Update	A	2,873.36	2,873.36
Reserve for Payment of Debt Service	A-2;SA-1	15,311.20	
Due to General Capital Fund	C	131,310.89	
		<u>627,562.51</u>	<u>276,310.93</u>
Reserves for Receivables	A	443,733.62	713,757.83
Fund Balance	A-1	820,355.67	340,790.70
		<u>1,891,651.80</u>	<u>1,330,859.46</u>
Federal, State and Other Grant Fund:			
Federal, State and Other Grants-- Unappropriated	SA-19	17,068.61	23,365.65
Federal, State and Other Grants-- Appropriated	SA-20	246,804.26	243,008.04
Reserve for Encumbrances	SA-20&SA-17	568.39	26,220.00
Contracts Payable	SA-20	142,800.60	
Due to Current Fund	SA-17	35,772.99	251,643.88
		<u>443,014.85</u>	<u>544,237.57</u>
		<u>\$ 2,334,666.65</u>	<u>\$ 1,875,097.03</u>

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

BOROUGH OF HADDON HEIGHTS
CURRENT FUND

Statements of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<u>Revenue and Other Income Realized:</u>		
Fund Balance Utilized	\$ 230,000.00	\$ 135,000.00
Miscellaneous Revenues Anticipated	3,106,053.84	1,674,151.54
Receipts from Delinquent Taxes	385,129.66	339,132.87
Receipts from Current Taxes	23,687,215.34	23,052,579.89
Nonbudget Revenues	57,146.32	55,073.87
Other Credits to Income:		
Cancellation of Encumbrances	1,280.00	9,518.22
Cancellation of Accounts Payable		2,739.05
Cancellation of Federal and State Grants Appropriated	37,064.60	
Unexpended Balance of Appropriation Reserves	46,182.51	154,313.45
Refund of Prior Year Expenditures	1,830.77	
Reserves Liquidated:		
Prepaid School Taxes	1,998.00	
Due from Grant Fund	215,870.89	
Due from Trust Other Fund	13,613.54	22,431.62
Due from General Capital Fund	47,887.12	
	<u>27,831,272.59</u>	<u>25,444,940.51</u>
<u>Expenditures:</u>		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	2,567,825.00	2,518,764.00
Other Expenses	3,069,510.00	2,911,643.00
Deferred Charges and Statutory Expenditures	563,480.00	630,262.00
Appropriations Excluded from "CAPS"		
Operations:		
Salaries and Wages	14,470.83	11,317.93
Other Expenses	598,453.06	438,655.31
Capital Improvements	47,500.00	40,345.00
Municipal Debt Service	1,659,757.55	443,977.97
Deferred Charges and Judgments	128,455.30	
County Taxes	6,415,046.96	6,229,538.58
Due County for Added and Omitted Taxes	26,320.24	10,307.64
Local District School Tax	11,994,444.00	11,752,115.00
Prior Year Senior Citizens Disallowed	2,000.00	2,000.00
Refund of Prior Year Revenue		2,914.77
Reserve Created for Prepaid School Taxes		1,998.00
Reserve Created for Burial Permit Fees	5.00	
Cancellation of Federal and State Grants Receivable	37,064.60	

(Continued)

BOROUGH OF HADDON HEIGHTS
CURRENT FUND

Statements of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<u>Expenditures (Cont'd):</u>		
Interfunds Created:		
Due from Animal Control Fund	\$ 0.20	
Due from Federal, State and Other Grant Fund		\$ 154,314.82
Due from General Capital Fund		43,753.00
	<u>27,124,332.74</u>	<u>25,191,907.02</u>
Total Expenditures		
Excess in Revenue	706,939.85	253,033.49
Adjustments to Income Before Fund Balance:		
Expenditures Included above which are by		
Statute Deferred Charges to Budget of		
Succeeding Year	<u>2,625.12</u>	
Statutory Excess to Fund Balance	709,564.97	253,033.49
Fund Balance January 1	<u>340,790.70</u>	<u>222,757.21</u>
	1,050,355.67	475,790.70
Decreased by:		
Utilization as Anticipated Revenue	<u>230,000.00</u>	<u>135,000.00</u>
Fund Balance December 31	<u>\$ 820,355.67</u>	<u>\$ 340,790.70</u>

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

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2014

	Anticipated Budget	Special N.J.S.A. 40A:4-87	Realized	Excess
Fund Balance	\$ 230,000.00		\$ 230,000.00	-
Miscellaneous Revenues:				
Licenses:				
Other	3,000.00		4,297.00	\$ 1,297.00
Fees and Permits	33,400.00		46,300.92	12,900.92
Fines and Costs:				
Municipal Court	195,000.00		216,211.60	21,211.60
Interest and Costs on Taxes	50,000.00		79,207.47	29,207.47
Cable TV Franchise Fee	100,000.00		109,416.95	9,416.95
Payments in Lieu of Taxes	54,500.00		56,107.90	1,607.90
Consolidated Municipal Property Tax Relief Aid	4,728.00		4,728.00	
Energy Receipts Tax P.L. 1997, Chapters 162 & 167)	749,481.00		749,481.00	
Uniform Construction Code Fees	110,000.00		120,266.00	10,266.00
Uniform Fire Safety Act	17,500.00		20,778.75	3,278.75
Reserve Payment of Debt Service	1,329,501.30		1,329,501.30	
Facilities Rentals	39,000.00		39,665.00	665.00
Recreation Fees	40,000.00		50,053.06	10,053.06
Public and Private Revenues Offset With Appropriations:				
Body Armor	2,212.48		2,212.48	
Recycling	9,643.82		9,643.82	
Municipal Alliance	4,893.00	\$ 11,074.00	15,967.00	
Municipal Court Alcohol Ed & Rehab		354.48	354.48	
Clean Communities Program		12,806.76	12,806.76	
Drive Sober or Get Pulled Over		7,500.00	7,500.00	
Community Stewardship Program		20,000.00	20,000.00	
NJDOT - 2013 Road Program		200,000.00	200,000.00	
Bulletproof Vest Partnership Grant		1,188.00	1,188.00	
Pedestrian Safety Enforcement Fund		3,750.00	3,750.00	
Drunk Driving Enforcement Fund	2,216.35		2,216.35	
Over the Limit	4,400.00		4,400.00	
Subtotal Miscellaneous Revenues	2,749,475.95	256,673.24	3,106,053.84	99,904.65
Receipts from Delinquent Taxes	280,000.00		385,129.66	105,129.66
Subtotal General Revenues	3,259,475.95	256,673.24	3,721,183.50	205,034.31
Amount to be Raised by Taxes for Support of				
Municipal Budget	5,304,453.24		5,425,117.38	120,664.14
Minimum Library Tax	265,982.84		265,982.84	
Subtotal Amount to be Raised by Taxes	5,570,436.08		5,691,100.22	120,664.14
Budget Totals	8,829,912.03	256,673.24	9,412,283.72	325,698.45
Nonbudget Revenues			57,146.32	57,146.32
	<u>\$ 8,829,912.03</u>	<u>\$ 256,673.24</u>	<u>\$ 9,469,430.04</u>	<u>\$ 382,844.77</u>

(Continued)

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2014

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections:

Revenue from Collections	\$ 23,687,215.34
Allocated to:	
School, County, and Library Taxes	18,701,794.04
Balance for Support of Municipal Budget Revenues	4,985,421.30
Add:	
Appropriation: "Reserve for Uncollected Taxes"	439,696.08
Amount for Support of Municipal Budget Appropriations	\$ 5,425,117.38

Delinquent Taxes:	
Receipts	\$ 385,129.66

Licenses -- Other:	
Raffle Licenses	\$ 80.00
Board of Health	2,045.00
Registrar of Vital Statistics - Marriage Licenses	2,172.00
	\$ 4,297.00

Fees and Permits -- Other:	
Street Openings	\$ 14,352.00
Curb and Sidewalk	3,475.00
Planning Board Fees	2,900.00
Zoning Board Fees	2,525.00
Register of Vital Statistics - Death Certificates	16,035.00
Police Permits	1,548.92
Overnight Parking	3,665.00
Solicitor Permits	1,800.00
	\$ 46,300.92

(Continued)

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2014

Analysis of Realized Revenue: (Continued)

Analysis of Non-Budget Revenue

Sr Citizens & Vets Deduction Administration	\$ 1,745.00	
Tax Sale Costs	5,378.06	
Certificate of Redemption	200.00	
Sale of Municipal Assets	15,785.00	
Sewer Connections	1,300.00	
Interest on Investments	2,081.30	
Motor Vehicle Inspections	9,077.00	
NSF Check Charge	125.00	
Scrap Metal	1,610.30	
JIF Rebate	9,733.78	
Conrail Right of Way	1,225.00	
Property Maintenance Lien	1,752.45	
Miscellaneous	<u>5,395.24</u>	
		\$ 55,408.13
Due from General Capital Fund - Interest		1,018.69
Due from Animal Control Fund - Interest		1.45
Due from Trust Other - Interest		219.15
Due from Trust Other - TTL - Interest		412.28
Due from Trust Other - Payroll - Interest		<u>86.62</u>
		<u><u>\$ 57,146.32</u></u>

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

BOROUGH OF HADDON HEIGHTS
CURRENT FUND

Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2014

	Appropriations		Expended		Reserved	Overexpended	Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered			
OPERATIONS WITHIN "CAPS"							
GENERAL GOVERNMENT:							
Operations							
Other Expense	\$ 13,000.00	\$ 13,000.00	\$ 11,876.86	\$	1,123.14		
Postage	12,000.00	12,000.00	10,856.89	\$ 765.15	377.96		
Office Supplies	14,000.00	14,000.00	10,798.98	109.00	3,092.02		
Marketing Events and Communications							
General Aministration	21,400.00	38,400.00	36,409.22	1,913.11	77.67		
Other Expenses							
Municipal Clerk	98,000.00	113,500.00	113,499.07		0.93		
Salaries and Wages	21,160.00	21,160.00	20,062.29	193.40	904.31		
Other Expenses							
Financial Administration							
Salaries and Wages	58,200.00	54,700.00	54,689.70		10.30		
Other Expenses	12,200.00	12,700.00	12,477.77		222.23		
Audit Services							
Other Expenses	38,500.00	38,500.00	38,500.00				
Assessment of Taxes							
Salaries and Wages	46,100.00	46,300.00	46,290.41		9.59		
Other Expenses	12,824.00	12,624.00	7,396.28	3,750.00	1,477.72		
Collection of Taxes							
Salaries and Wages	66,500.00	71,300.00	71,296.54		3.46		
Other Expenses	6,900.00	6,900.00	5,565.46		1,334.54		
Legal Services							
Contractual	10,000.00	10,000.00	8,100.00		1,900.00		
Other Expenses	30,000.00	40,000.00	33,282.14		6,717.86		
Engineering Services and Costs							
Other Expenses	40,000.00	40,000.00	38,081.25		1,918.75		
Municipal Prosecutor							
Other Expenses	9,000.00	9,000.00	8,625.00		375.00		
Municipal Building							
Salaries and Wages	42,800.00	42,800.00	39,698.95		3,101.05		
Other Expenses	29,750.00	29,750.00	24,973.28	984.16	3,792.56		

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2014

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	
OPERATIONS WITHIN "CAPS" (CONT'D)					
Insurance:					
General Liability	\$ 115,000.00	\$ 112,500.00	\$ 102,173.49		\$ 10,326.51
Worker's Compensation	160,000.00	157,000.00	156,924.04		75.96
Employee Group Insurance	1,327,215.00	1,211,815.00	1,171,078.72		40,736.28
Employee Benefit Waiver	38,000.00	27,500.00	17,476.34		10,023.66
Unemployment Compensation	5,000.00				
Temporary Disability	2,000.00	2,000.00	1,994.88		5.12
LAND USE ADMINISTRATION:					
Planning Board:					
Salaries and Wages	6,500.00	6,500.00	6,498.26		1.74
Other Expenses	3,800.00	3,800.00	3,231.21	\$ 207.88	360.91
Zoning Board of Adjustments:					
Salaries and Wages	15,000.00	15,000.00	14,799.98		200.02
Environmental Commission					
Other Expenses	550.00	550.00	470.00		80.00
PUBLIC SAFETY:					
Police					
Salaries and Wages	1,336,000.00	1,341,000.00	1,335,806.18		5,193.82
Other Expenses	76,106.00	64,106.00	46,830.70	11,631.65	5,643.65
Fire					
Salaries and Wages	135,600.00	136,100.00	135,634.52		465.48
Other Expenses	43,100.00	42,600.00	30,202.87	7,500.20	4,896.93
Fire Hydrant Service	73,200.00	71,200.00	65,225.60		5,974.40
Fire Safety Official:					
Salaries and Wages	16,450.00	16,450.00	16,178.86		271.14
Other Expenses	600.00	600.00	147.83	96.08	356.09
Office of Emergency Management:					
Salaries and Wages	1,400.00	1,400.00	1,394.89		5.11
Other Expenses	150.00	250.00	195.51		54.49
Municipal Court:					
Salaries and Wages	132,500.00	132,500.00	102,987.98		29,512.02
Other Expenses	6,130.00	6,130.00	4,906.64		1,223.36
PUBLIC WORKS:					
Public Works:					
Salaries and Wages	501,525.00	496,525.00	487,403.32		9,121.68
Other Expenses	129,600.00	149,600.00	139,348.12	6,223.77	4,028.11
Garbage and Trash Removal					
Other Expenses	280,000.00	283,200.00	235,583.31	23,750.00	23,866.69
Vehicle Maintenance	41,500.00	41,500.00	29,155.02	9,878.15	2,466.83
Solid Waste Disposal	177,000.00	227,000.00	207,777.44	296.00	18,926.56

**BOROUGH OF HADDON HEIGHTS
CURRENT FUND**

Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2014

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	
<u>OPERATIONS WITHIN "CAPS" (CONT'D)</u>					
<u>HEALTH AND WELFARE:</u>					
Dog Regulation					
Contractual	\$ 10,500.00	\$ 10,500.00	\$ 10,032.50	\$	467.50
<u>RECREATION AND EDUCATION:</u>					
Parks and Recreation					
Salaries and Wages	17,500.00	20,200.00	20,055.26		144.74
Other Expenses	46,950.00	44,250.00	36,429.46	\$ 472.00	7,348.54
Historic Commission					
Other Expenses	2,000.00	2,000.00			2,000.00
<u>CODE ENFORCEMENT AND ADMINISTRATION:</u>					
Construction Code Official					
Salaries and Wages	75,550.00	73,550.00	72,414.84		1,135.16
Other Expenses	3,375.00	3,375.00	1,684.34		1,690.66
<u>UNCLASSIFIED AND BULK PURCHASES:</u>					
Utilities:					
Gasoline	67,000.00	67,000.00	61,498.41	5,035.40	466.19
Telephone	37,000.00	37,000.00	35,802.82	690.05	507.13
Electric Utilities	69,000.00	104,000.00	96,011.92	2,974.06	5,014.02
Street Lighting	62,000.00	92,000.00	84,193.40		7,806.60
Water Utilities	10,000.00	10,000.00	9,392.65	47.81	559.54
Total Operations Within "CAPS"	5,607,135.00	5,637,335.00	5,333,421.40	76,517.87	227,395.73
Total Operations Including Contingent - within "CAPS"					
Detail:					
Salaries and Wages	2,549,625.00	2,567,825.00	2,518,648.76		49,176.24
Other Expenses	3,057,510.00	3,069,510.00	2,814,772.64	76,517.87	178,219.49
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS":</u>					
STATUTORY EXPENDITURES:					
Deferred Charges:					
Judgments (N.J.S.A. 40A:4-45.3cc)	37,000.00	37,000.00	37,000.00		
Contribution to:					
Social Security System (O.A.S.I.)	120,000.00	120,000.00	117,412.75		2,587.25
Public Employees Retirement System	113,420.00	101,920.00	101,858.00		62.00
Police and Fireman's Retirement System of NJ	323,260.00	304,560.00	304,527.00		33.00
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"	593,680.00	563,480.00	560,797.75		2,682.25

BOROUGH OF HADDON HEIGHTS
CURRENT FUND

Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2014

	Appropriations		Expended		Reserved	Overexpended	Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered			
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	\$ 6,200,815.00	\$ 6,200,815.00	\$ 5,894,219.15	\$ 76,517.87	\$ 230,077.98		
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>							
Maintenance of Free Public Library	270,000.00	270,000.00	270,000.00				
Employee Group Insurance	31,185.00	31,185.00	31,185.00				
Sewer and Trash Collection Services	13,300.00	13,300.00	2,374.00	8,068.20	2,857.80		
Recycling Tax	10,000.00	10,000.00	8,479.41		1,520.59		
Length of Service Award Program	8,400.00	8,400.00	8,400.00				
Total Other Operations Excluded from "CAPS"	332,885.00	332,885.00	320,438.41	8,068.20	4,378.39		
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>							
Public and Private Programs Offset by Revenues:							
Municipal Alliance (N.J.S.A. 40A:4-87, \$11,074.00)	4,893.00	15,967.00	15,967.00				
Recycling Tonnage Grant	9,643.82	9,643.82	9,643.82				
Bullet Proof Vest (N.J.S.A. 40A4-87, \$1,188.00)		1,188.00	1,188.00				
NJDOT - 2013 Road Program (N.J.S.A. 40A:4-87, \$200,000.00)		200,000.00	200,000.00				
Municipal Court Alcohol Ed & Rehab (N.J.S.A. 40A:4-87, \$354.48)		354.48	354.48				
Clean Communities (N.J.S.A. 40A:4-87, \$12,806.76)		12,806.76	12,806.76				
Community Stewardship Incentive (N.J.S.A. 40A:4-87, \$20,000)		20,000.00	20,000.00				
Pedestrian Safety Enforcement Grant (N.J.S.A. 40A:4-87, \$3,750)		3,750.00	3,750.00				
Drive Sober or Get Pulled Over (N.J.S.A. 40A:4-87, \$7,500)		7,500.00	7,500.00				
Over the Limit Under Arrest	4,400.00	4,400.00	4,400.00				
Body Armor Grant (N.J.S.A. 40A:4-87, \$1,813.49+)	2,212.48	2,212.48	2,212.48				
Drunk Driving Enforcement Fund	2,216.35	2,216.35	2,216.35				
Total Public and Private Programs Offset by Revenues	23,365.65	280,038.89	280,038.89				
TOTAL OPERATIONS - EXCLUDED FROM "CAPS"	356,250.65	612,923.89	600,477.30	8,068.20	4,378.39		
Detail:							
Salaries and Wages	6,616.35	14,470.83	14,470.83				
Other Expenses	349,634.30	598,453.06	586,006.47	8,068.20	4,378.39		
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>							
Capital Improvement Fund	47,500.00	47,500.00	47,500.00				
TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"	47,500.00	47,500.00	47,500.00				

BOROUGH OF HADDON HEIGHTS
CURRENT FUND

Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2014

	Appropriations		Expended		Unexpended Balance Canceled	
	Budget	Budget After Modification	Paid or Charged	Encumbered		Reserved
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	\$ 280,000.00	\$ 280,000.00	\$ 280,000.00			
Interest on Bonds	100,775.00	100,775.00	103,400.12			
Interest on Notes	19,500.00	19,500.00	19,485.29			
Principal on Notes	1,242,570.00	1,242,570.00	1,242,570.00			\$ 14.71
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	14,350.00	14,350.00	14,302.14			47.86
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	1,657,195.00	1,657,195.00	1,659,757.55			62.57
<u>DEFERRED CHARGES - EXCLUDED FROM "CAPS"</u>						
Deferred Charged to Future Taxation - Unfunded Ordinance	128,455.30	128,455.30	128,455.30			
TOTAL DEFERRED CHARGES - EXCLUDED FROM "CAPS"	128,455.30	128,455.30	128,455.30			
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	2,189,400.95	2,446,074.19	2,436,190.15	\$ 8,068.20	\$ 4,378.39	2,625.12
SUBTOTAL GENERAL APPROPRIATIONS	8,390,215.95	8,646,889.19	8,330,409.30	\$ 84,586.07	234,456.37	\$ 2,625.12
RESERVE FOR UNCOLLECTED TAXES	439,696.08	439,696.08	439,696.08			
TOTAL GENERAL APPROPRIATIONS	\$ 8,829,912.03	\$ 9,086,585.27	\$ 8,770,105.38	\$ 84,586.07	\$ 234,456.37	\$ 2,625.12
Budget		\$ 8,829,912.03				
Appropriation by NJ 40A:4-87		256,673.24				
		<u>\$ 9,086,585.27</u>				
Federal, State and Other Grants -- Appropriated			\$ 280,038.89			
Reserve for Uncollected Taxes			439,696.08			
Disbursed by Trust Other Fund			10,102.73			
Disbursed			8,040,267.68			
			<u>\$ 8,770,105.38</u>			

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

BOROUGH OF HADDON HEIGHTS
TRUST FUND
 Statements of Assets, Liabilities, and Reserves - Regulatory Basis
 As of December 31, 2014 and 2013

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash	SB-1	\$ 660.21	\$ 818.96
Other Funds:			
Cash	SB-1	781,009.19	611,937.93
Due from General Capital Fund	SB-1		23,144.25
Due from County of Camden:			
Community Development Block Grant Receivable	SB-4	40,800.00	35,208.50
		<u>821,809.19</u>	<u>670,290.68</u>
		<u>\$ 822,469.40</u>	<u>\$ 671,109.64</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Due to Current Fund	SB-1	\$ 1.45	\$ 1.25
Due to State of New Jersey	SB-3	12.80	2.40
Reserve for Animal Control Encumbrances	SB-2	167.75	647.50
Reserve for Animal Control Expenditures	SB-2	478.21	167.81
		<u>660.21</u>	<u>818.96</u>
Other Funds:			
Due to Current Fund	SB-6	3,883.35	17,496.89
Reserve for Encumbrances	SB-9	10,987.94	6,532.22
Reserve for Community Development Block Grant	SB-5	40,800.00	21,512.57
Reserve for Recycling	SB-7	10,194.29	19,374.91
Reserve for Public Defender	SB-7	3,879.75	4,433.87
Reserve for Unemployment Compensation	SB-7	12,311.59	8,780.98
Reserve for Uniform Fire Safety Code - Penalties	SB-7	3,577.79	3,842.95
Reserve for Street Opening Deposits	SB-7	1,948.00	2,125.00
Reserve for Planning & Zoning Board	SB-7	26,893.68	3,541.52
Reserve for Tax Title Lien Redemptions - Outside Liens	SB-7	378,030.11	299,436.60
Reserve for Citizen Donations for Police Department	SB-7	4,533.63	5,716.95
Reserve for POAA	SB-7	4,192.28	3,566.28
Reserve for Municipal Drug Alliance Donations	SB-7	35,096.17	33,320.57
Reserve for Police Forfeiture	SB-7	2,187.44	2,187.14
Reserve for Fire Department	SB-7	516.12	516.12
Reserve for Off Duty Police	SB-7	100,197.44	61,567.67
Reserve for Memorial Clock Donations	SB-7	4,423.03	6,923.03
Reserve for Fourth of July Parade	SB-7	76.95	135.11
Reserve for Land Deposits	SB-7	154,245.34	154,875.84
Reserve for Community Garden	SB-7	723.64	531.89
Reserve for Haddon Heights Report	SB-7	9,582.02	
Reserve for Shade Tree Donations	SB-7	500.00	
Reserve for Payroll Deductions Payable	SB-8	13,028.63	13,872.57
		<u>821,809.19</u>	<u>670,290.68</u>
		<u>\$ 822,469.40</u>	<u>\$ 671,109.64</u>

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

BOROUGH OF HADDON HEIGHTS
GENERAL CAPITAL FUND

Statements of Assets, Liabilities, Reserves and Fund Balances - Regulatory Basis
As of December 31, 2014 and 2013

<u>ASSETS</u>	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Cash	SC-1	\$ 670,905.80	\$ 178,986.87
Due from Current Fund	SC-5	131,310.89	
Deferred Charges to Future Taxation:			
Funded	SC-3	5,744,184.32	3,002,847.53
Unfunded	SC-4	17,627.45	3,519,152.75
		<u>\$ 6,564,028.46</u>	<u>\$ 6,700,987.15</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Due to Current Fund	SC-5		\$ 47,887.12
Due to Trust Other Fund	SC-2		23,144.25
Due to Federal and State Grant Fund	SC-2	\$ 57,667.21	
Capital Improvement Fund	SC-6	406.22	406.22
Improvement Authorizations:			
Funded	SC-7	635,818.10	5,421.46
Unfunded	SC-7	2,576.77	777,501.95
Contracts Payable	SC-8	10,717.26	127,635.37
Reserve for Encumbrances	SC-9	98,945.58	41,448.25
Reserve to Pay Debt Service	SC-2	13,200.00	
Bond Anticipation Notes	SC-10		2,674,182.00
Green Trust Loan Payable	SC-11	123,184.32	134,847.53
General Serial Bonds	SC-12	5,621,000.00	2,868,000.00
Fund Balance	C	513.00	513.00
		<u>\$ 6,564,028.46</u>	<u>\$ 6,700,987.15</u>

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

BOROUGH OF HADDON HEIGHTS
 GENERAL FIXED ASSET GROUP OF ACCOUNTS
 Statement of General Fixed Asset Group of Accounts
 For the Year Ended December 31, 2014

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Fixed Assets:				
Land	\$ 9,494,100.00			\$ 9,494,100.00
Buildings	5,864,144.23	\$ 77,417.67		5,941,561.90
Equipment	472,906.93	53,195.46	\$ 51,769.00	474,333.39
Vehicles	2,400,901.48	184,426.00	229,190.00	2,356,137.48
	<hr/>			
Total Fixed Assets	\$ 18,232,052.64	\$ 315,039.13	\$ 280,959.00	\$ 18,266,132.77
	<hr/>			
Total Investment in Fixed Assets	\$ 18,232,052.64	\$ 315,039.13	\$ 280,959.00	\$ 18,266,132.77
	<hr/>			

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

BOROUGH OF HADDON HEIGHTS
Notes to Financial Statements
For the Year Ended December 31, 2014

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

Description of Financial Reporting Entity - The Borough of Haddon Heights was incorporated in March, 1904 and is located in southwest New Jersey approximately seven miles southeast of the City of Philadelphia. The population according to the 2010 census is 7,473.

The Borough form of government is in accordance with N.J.S.A. 40A:60-1 et seq. The government consists of a Mayor and six Council Members. Executive and administrative responsibility rests with the Mayor with the Council Members having legislative responsibility. The Borough clerk assists the governing body in their duties.

Component Units - The financial statements of the component units of the Borough of Haddon Heights are not presented in accordance with Governmental Accounting Standards Board Statement No. 14, as amended by GASB Statements No. 39 and No. 61. If the provisions of GASBS No. 14, as amended by GASBS Nos. 39 and 61 had been complied with, the financial statements of the following component unit would have been either blended or discretely presented with the financial statements of the Borough, the primary government:

James N. Alexander III Haddon Heights Public Library
608 Station Avenue
Haddon Heights, New Jersey 08035

Annual financial reports may be inspected directly at the office of the component unit during regular business hours.

Basis of Accounting, Measurement Focus and Basis of Presentation - The financial statements of the Borough of Haddon Heights contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the Requirements of Audit are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this Note.

In accordance with the "Requirements", the Borough of Haddon Heights accounts for its financial transactions through the use of separate funds which are described as follows:

Current Fund - The Current Fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

Trust Funds - The various Trust Funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund - The General Capital Fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

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

Budgets and Budgetary Accounting - The Borough of Haddon Heights must adopt an annual budget for its Current Fund in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the Borough's financial statements.

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

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

The cash management plan adopted by the Borough of Haddon Heights requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

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

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

General Fixed Assets - Accounting for Governmental Fixed Assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of \$5,000, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. Buildings and improvements are stated at assessed value when acquired. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. The Borough is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements and transfers of fixed assets. In addition, a Statement of General Fixed Assets, reflecting the activity for the year, must be included in the Borough's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage or theft.

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

Deferred Charges - The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A. 40A:4-46 et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

Liens Sold for Other Governmental Units - Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

Fund Balance - Fund Balance included in the current fund represents amounts available for anticipation as revenue in future years budgets, with certain restrictions.

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

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from Federal and State grants are realized when anticipated as such in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Borough's annual budget, but also the amounts required in support of the budgets of the County of Camden, Borough of Haddon Heights School District and Borough of Haddon Heights Library. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The municipality is responsible for levying, collecting and remitting school taxes for the Borough of Haddon Heights School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31.

County Taxes - The municipality is responsible for levying, collecting and remitting county taxes for the County of Camden. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

James N. Alexander III Haddon Heights Public Library - The municipality is required to collect library taxes required by N.J.S.A. 40:54-8 which is based on 1/3 of a mil of the Borough's equalized valuation of the prior year.

Reserve for Uncollected Taxes - The inclusion of the "Reserve for Uncollected Taxes" appropriation in the Borough's annual budget protects the Borough from taxes not paid currently. The Reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriations for principal and interest payments on outstanding general capital and notes are provided on the cash basis..

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

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

Long-Term Debt - Long-Term Debt, relative to the acquisition of capital assets, is recorded as a liability in the General Capital Fund. Where an improvement is a "local Improvement", i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the Trust Fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

Compensated Absences and Postemployment Benefits - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

Note 2: **CASH AND CASH EQUIVALENTS**

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Borough's deposits might not be recovered. Although the Borough does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

As of December 31, 2014, the Borough's bank balances of \$2,965,721.38 were exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 132,240.24
Insured Under G.U.D.P.A. Held by Pledging Financial Institutions	2,296,063.90
FDIC Insured	<u>537,417.24</u>
Total	<u><u>\$ 2,965,721.38</u></u>

Note 3: **PROPERTY TAXES**

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four years.

Comparative Schedule of Tax Rates

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Tax Rate	\$2.928	\$2.851	\$2.692	\$2.586	\$2.543
Apportionment of Tax Rate:					
Municipal	\$.647	\$.626	\$.568	\$0.559	\$0.630
Municipal Library	.032	.032	.032	0.032	
County	.764	.740	.688	0.636	0.602
County Open Space Preservation Trust Fund	.020	.020	.020	0.020	
Local School	1.465	1.433	1.384	1.339	1.311

Assessed Valuation

2014	\$ 819,066,331.00
2013	820,503,229.00
2012	821,236,781.00
2011	821,164,213.00
2010	820,544,102.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2014	\$24,080,561.64	\$23,687,215.34	98.37%
2013	23,440,911.52	23,052,579.89	98.34%
2012	22,168,317.66	21,820,309.89	98.43%
2011	21,284,565.82	21,011,302.97	98.72%
2010	20,928,354.49	20,568,770.37	98.28%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2014	\$1,046.56	\$386,815.91	\$387,862.47	1.61%
2013	862.10	383,149.40	384,011.50	1.64%
2012	682.48	334,682.51	335,364.99	1.51%
2011	324.47	269,551.94	269,876.41	1.27%
2010	290.66	348,698.73	348,989.39	1.67%

Note 3: **PROPERTY TAXES (CONT'D)**

The following comparison is made of the number of tax title liens receivable on December 31 of the last five years:

<u>Year</u>	<u>Number</u>
2014	2
2013	2
2012	2
2011	1
2010	1

Note 4: **FUND BALANCES APPROPRIATED**

The following schedule details the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets.

<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized In Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<u>Current Fund</u>			
2014	\$820,355.67	\$434,700.00	52.02%
2013	340,790.70	230,000.00	67.49%
2012	222,757.21	135,000.00	60.60%
2011	431,000.86	339,150.00	78.69%
2010	807,172.18	519,695.00	64.39%

Note 5: **INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2014:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$39,657.79	\$131,310.89
Federal and State Grant Fund	57,667.21	35,772.99
Trust-- Other Funds		3,883.35
Trust-- Animal Control Fund		1.45
General Capital Fund	<u>131,310.89</u>	<u>57,667.21</u>
	<u>\$228,635.89</u>	<u>\$228,635.89</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During 2015, the Borough expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 6: **PENSION PLANS**

The Borough of Haddon Heights contributes to two cost-sharing multiple-employer defined benefit pension plans, the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS), which are administered by the New Jersey Division of Pensions and Benefits. In addition, Township employees may participate in the Defined Contribution Retirement Program (DCRP), which is a defined contribution pension plan and is also administered by the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

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

Public Employees' Retirement System - The PERS was established in 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2008, the increase was effective with the payroll period that began immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased to 6.5% plus an additional 1.0% phased-in over seven years. The phase-in of the additional incremental member contribution amount began July 1, 2012 and increases each subsequent July 1. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The Borough is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions, were as follows:

<u>Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Paid by Borough</u>
2014	\$20,262.00	\$81,596.00	\$101,858.00	\$101,858.00
2013	42,845.00	85,240.00	128,085.00	128,085.00
2012	48,946.00	82,184.00	131,130.00	111,339.00

Police and Firemen's Retirement System - The PFRS was established in 1944. The PFRS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:16A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 204, P.L. 1989, plan members enrolled in the Police and Firemen's Retirement System are required to contribute 8.5% of their annual covered salary. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased to 10% in October, 2011. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

 Note 6: **PENSION PLANS (CONT'D)**

The Borough is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions, were as follows:

<u>Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Paid by Borough</u>
2014	\$108,589.00	\$162,359.00	\$270,948.00	\$270,948.00
2013	162,560.00	196,292.00	358,852.00	358,852.00
2012	150,255.00	156,886.00	307,141.00	307,141.00

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

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

The Borough of Haddon Heights adopted a Defined Contribution Retirement Program on August 19, 2008. Currently there are no participants in the program.

Early Retirement Incentive Program – Legislation enacted in 1991 and 1993 made early retirement available through Early Retirement Incentive Programs. These programs, which were subject to the approval of the Borough's governing body, were available to employees who met certain minimum requirements. The governing body of the Borough approved the program on October 5, 1993 for eligible members of the PERS. Three employees applied for early retirement during the 1993 program. Program costs are billed annually by the Division of Pensions. As of December 31, 2014, the accrued liability to the PERS for the 1993 program was approximately \$103,758.00 payable in approximate annual installments of \$34,586.00 to April 1, 2017.

Related Party Investments - The Division of Pensions and Benefits does not invest in securities issued by the Borough.

Note 7: POSTEMPLOYMENT HEALTHCARE BENEFITS PLAN

Plan Description -The Borough contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 1977, the Borough authorized participation in the SHBP's post-retirement benefit program through resolution number 77-62. Upon retirement, full time employees with a minimum of twenty-five years of service are entitled to paid health benefits for themselves and their spouses with the Borough paying 100% of the costs. The Borough adopted Ordinance 2010-1361 which changed eligibility for those hired after January 1, 2007. Upon retirement, employees hired after January 1, 2007 are entitled to paid health benefits for themselves only. There were 19 retirees who were grandfathered into having spousal health insurance coverage. The most recent retiree health benefit stipulations are outlined in Ordinance 2011-1371.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions/.

Funding Policy - Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Borough on a monthly basis. The Borough funds these benefits on a pay-as-you-go basis and therefore does not record accrued expense related to these benefits.

The Borough contributions to SHBP for the years ended December 31, 2014, 2013, and 2012, were \$616,424.67, \$580,970.31, and \$518,280.13, respectively, which equaled the required contributions for each year. There were 35 retired employees eligible at December 31, 2014.

Note 8: COMPENSATED ABSENCES

Employees of the Borough of Haddon Heights, after one year, are entitled to ten paid sick leave days each year. Sick days not used in a calendar year shall be accumulated up to seventy-five days to be taken consecutively, immediately prior to the employee's retirement. However, effective in 2011, accumulation of sick days is no longer permitted for new employees. An employee must have twenty-five years of service to be eligible for retirement. Borough employees are not entitled to accumulate vacation days; they must be used within the calendar year. Department heads, however, may accumulate five vacation days per year, which can be taken at retirement.

The Borough does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2014, accrued benefits for compensated absences are valued at \$141,840.30.

Note 9: DEFERRED COMPENSATION SALARY ACCOUNT

The Borough offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Borough or its creditors. Since the Borough does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Borough's financial statements.

Note 10: LENGTH OF SERVICE AWARDS PROGRAM

The Borough's Length of Service Awards Program (LOSAP) was created by a Borough Ordinance adopted on September 4, 2002 pursuant to Section 457 (e)(11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program as enacted into federal law in 1997. The voters of the Borough of Haddon Heights approved the adoption of the LOSAP at the general election held on November 4, 2003, and the first year of eligibility for entrance into the LOSAP by qualified volunteers was calendar year 2004. The LOSAP provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Borough or its creditors. Since the Borough does not have a fiduciary relationship with the LOSAP, the balances and activities of the LOSAP are not reported in the Borough's financial statements.

As required by N.J.A.C. 5:30-14.49, the Borough must have an annual review of its LOSAP performed in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Note 11: **LEASE OBLIGATIONS**

At December 31, 2014, the Borough had lease agreements in effect for the following:

Capital:
One (1) Chevrolet Caprice Police Vehicle

Operating:
Two (2) Photocopiers

The following is an analysis of capital and operating leases.

Capital Leases - The following capital fixed assets were acquired by capital lease.

	<u>B a l a n c e</u>	
	<u>Dec. 31, 2014</u>	<u>Dec. 31, 2013</u>
Vehicle	\$17,097.26	\$34,194.52

Future minimum lease payments under capital lease agreements are as follows:

<u>Year</u>	<u>Amount</u>
2015	\$17,097.26

Operating Leases - Future minimum rental payments under operating lease agreements are as follows:

<u>Year</u>	<u>Amount</u>
2015	\$4,476.96
2016	4,476.96
2017	1,492.32

Rental payments under operating leases for the year 2014 were \$4,476.96.

Note 12: **CAPITAL DEBT****Summary of Debt**

	<u>Year 2014</u>	<u>Year 2013</u>	<u>Year 2012</u>
<u>Issued</u>			
General:			
Bonds and Notes	\$5,621,000.00	\$5,542,182.00	\$5,591,682.00
Long-Term Loans	123,184.32	134,847.53	157,242.83
Total Issued	5,744,184.32	5,677,029.53	5,748,924.83
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	17,627.45	844,970.75	145,485.75
Total Authorized but Not Issued	17,627.45	844,970.75	145,485.75
Total Issued and Authorized but Not Issued	5,761,811.77	6,522,000.28	5,894,410.58
Deductions:			
Reserve to Pay Debt Service	28,511.20	----	----
Total Deductions	28,511.20	----	----
Net Debt	\$5,733,300.57	\$6,522,000.28	\$5,894,410.58

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicated a statutory net debt of 0.72%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$12,210,000.00	\$12,210,000.00	
General	5,761,811.77	28,511.20	\$5,733,300.57
	\$17,971,811.77	\$12,238,511.20	\$5,733,300.57

Net Debt \$5,733,300.57 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$795,315,693.00 equals 0.72%

Note 12: **CAPITAL DEBT (CONT'D)**

Borrowing Power Under N.J.S.A.40A:2-6 As Amended

3 1/2% of Equalized Valuation Basis (Municipal)	\$27,836,049.26
Net Debt	<u>5,733,300.57</u>
Remaining Borrowing Power	<u>\$22,102,748.69</u>

A revised Annual Debt Statement should be filed by the Chief Financial Officer.

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding

<u>Year</u>	<u>Principal</u>	<u>General Bonds</u>	
		<u>Interest</u>	<u>Total</u>
2015	\$435,000.00	\$178,370.11	\$613,370.11
2016	475,000.00	160,248.00	635,248.00
2017	505,000.00	145,103.00	650,103.00
2018	545,000.00	128,371.25	673,371.25
2019	565,000.00	109,460.00	674,460.00
2020-24	1,918,000.00	298,330.00	2,216,330.00
2025-29	1,178,000.00	107,400.00	1,285,400.00

<u>Year</u>	<u>Principal</u>	<u>General Loans</u>	
		<u>Interest</u>	<u>Total</u>
2015	\$11,897.64	\$2,404.49	\$14,302.13
2016	12,136.78	2,165.35	14,302.13
2017	12,380.73	1,921.40	14,302.13
2018	12,629.59	1,672.55	14,302.14
2019	12,883.44	1,418.70	14,302.14
2020-24	61,256.14	3,103.43	64,359.57

Note 13: **DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2014, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following fund:

	<u>Balance Dec. 31, 2014</u>	<u>2015 Budget Appropriation</u>
Current Fund:		
Overexpenditure of Appropriation	2,625.12	2,625.12

The appropriation in the 2015 Budget as adopted is not less than that required by the statutes.

Note 14: **JOINT INSURANCE POOL**

The Borough of Haddon Heights is a member of the Garden State Municipal Joint Insurance Fund. The Fund provides its members with the following coverage:

Workers' Compensation and Employer's Liability
 General Liability
 Employee Dishonesty / Public Officials Bonds
 Liability other than Motor Vehicles
 Property Damage other than Motor Vehicles
 Motor Vehicle Liability & Physical Damage
 Equipment Breakdown
 Inland Marina Coverage
 Cyber Liability
 Pollution Liability
 Law Enforcement Liability
 Boiler & Machinery

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

The Fund publishes its own financial report for the year ended December 31, 2014, which can be obtained from:

Garden State Municipal Joint Insurance Fund
 c/o NIP Group
 900 Route 9 North, Suite 503
 Woodbridge, NJ 07095-1003

Note 15: **NEW JERSEY UNEMPLOYMENT COMPENSATION INSURANCE**

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Borough 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 Borough is billed quarterly for amounts due to the State. The following is a summary of Borough contributions, reimbursements to the State for benefits paid and the ending balance of the Borough's trust fund for the current and previous two years:

<u>Year</u>	<u>Borough Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014	\$1,386.88	\$4,917.49	\$12,311.59
2013	None	None	8,780.98
2012	None	None	8,780.98

Note 16: **LITIGATION**

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

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
Statement of Current Cash
Per N.J.S. 40A: 5-5 - Treasurer
For the Year Ended December 31, 2014

Balance Dec. 31, 2013		\$	606,681.92
Increased by Receipts:			
Taxes Receivable	\$ 23,894,505.61		
Prepaid Taxes	124,024.79		
Tax Overpayments	5,520.27		
Due State of New Jersey - Senior Citizens and Veterans Deductions	84,000.00		
Consolidated Municipal Property Tax Relief Aid	4,728.00		
Energy Receipts Tax P.L. 1997, Chapters 162 & 167)	749,481.00		
Interest and Costs on Taxes	79,207.47		
Payments in Lieu of Taxes	56,107.90		
Reserve Payment of Debt Service	1,344,812.50		
Revenue Accounts Receivable	606,989.28		
Miscellaneous Revenue Not Anticipated	55,408.13		
Due to State of N.J. - Marriage License Fees	725.00		
Due to State of N.J. - DCA Training Fees	5,698.00		
Due Federal and State Grant Fund	366,351.46		
Due Trust-Other Fund	201,832.99		
Bond Anticipation Note Proceeds Received by Current Fund	699,485.00		
General Capital Deposit Received by Current Fund	13,200.00		
Due General Capital Fund	<u>200,000.00</u>		
			<u>28,492,077.40</u>
			29,098,759.32
Decreased by Disbursements:			
2013 Appropriation Reserves	117,974.66		
2014 Appropriations	8,040,267.68		
County Taxes	6,415,046.96		
Due County for Added and Omitted Taxes	10,307.64		
Local District School Tax	11,992,446.00		
Refund Tax Overpayments	4,463.03		
Due to State of N.J. - Marriage License Fees	1,000.00		
Due to State of N.J. - DCA Training Fees	5,770.00		
Due to State of N.J. - Burial Permit Fees	5.00		
Due Trust Other Fund	195,772.11		
Due Federal and State Grant Fund	150,480.57		
Due General Capital Fund	<u>732,468.30</u>		
			<u>27,666,001.95</u>
Balance Dec. 31, 2014		\$	<u><u>1,432,757.37</u></u>

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
Statement of Due from State of New Jersey
Veterans' and Senior Citizens' Deductions
For the Year Ended December 31, 2014

Balance Dec. 31, 2013		\$ 10,219.71
Increased by:		
Deductions per Tax Billing:		
Senior Citizens	\$ 13,750.00	
Veterans	<u>75,000.00</u>	
	88,750.00	
Deductions Disallowed by Collector - 2014 Taxes	<u>3,384.02</u>	
	85,365.98	
Deductions Allowed by Collector - 2014 Taxes	<u>2,750.00</u>	
	\$ 88,115.98	
Less		
Deductions Disallowed by Tax Collector for 2013 Taxes	<u>2,000.00</u>	
		<u>86,115.98</u>
		96,335.69
Decreased by:		
Received from State of New Jersey		<u>84,000.00</u>
Balance Dec. 31, 2014		<u><u>\$ 12,335.69</u></u>

BOROUGH OF HADDON HEIGHTS

CURRENT FUND

Statement of Taxes Receivable and Analysis of Property Tax Levy
For the Year Ended December 31, 2014

Year	Balance Dec. 31, 2013	Levy	Added Taxes	2013 Collections	2014 Collections	Due from State of New Jersey	Transfer to Liens	Canceled	Balance Dec. 31, 2014
2012	\$ 2,458.46				\$ 2,458.46				
2013	380,690.94		\$ 2,000.00		382,671.20				\$ 19.74
	383,149.40		2,000.00		385,129.66				19.74
2014		\$ 24,080,561.64		\$ 89,723.41	23,509,375.95	\$ 88,115.98	\$ 184.46	\$ 6,365.67	386,796.17
	\$ 383,149.40	\$ 24,080,561.64	\$ 2,000.00	\$ 89,723.41	\$ 23,894,505.61	\$ 88,115.98	\$ 184.46	\$ 6,365.67	\$ 386,815.91

Analysis of 2014 Property Tax Levy

Tax Yield:

General Property Tax \$ 23,982,262.02
 Added Taxes (54:4-63.1 et. seq.) 98,299.62
\$ 24,080,561.64

Tax Levy:

Local School District Tax \$ 11,994,444.00

County Taxes:

County Tax \$ 6,415,046.96
 Due County for Added and Omitted Taxes 26,320.24

Total County Taxes 6,441,367.20

Library Tax 265,982.84

Local Tax for Municipal Purposes 5,304,453.24

Add: Additional Tax Levied 74,314.36

5,378,767.60

\$ 24,080,561.64

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
Statement of Tax Title Liens
For the Year Ended December 31, 2014

Balance Dec. 31, 2013	\$ 862.10
Increased by:	
Transfer from Taxes Receivable	184.46
Balance Dec. 31, 2014	\$ 1,046.56

Exhibit SA-5

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
Schedule of Change Funds
For the Year Ended December 31, 2014

Balance Dec. 31, 2013	\$ 200.00
Increased by:	
Transferred from Court Office	100.00
	300.00
Decreased by:	
Transferred to Tax Office	100.00
Balance Dec. 31, 2014	\$ 200.00
<u>Office</u>	
Tax Collector	\$ 200.00

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2014

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Accrued</u>	<u>Received</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Borough Clerk:				
Licenses		\$ 80.00	\$ 80.00	
Fees and Permits				
Street Opening		14,352.00	14,352.00	
Solicitor Permits		1,800.00	1,800.00	
Board of Health:				
Licenses		2,045.00	2,045.00	
Registrar of Vital Statistics:				
Licenses		2,172.00	2,172.00	
Fees & Permits		16,035.00	16,035.00	
Planning & Zoning Board:				
Fees & Permits				
Planning Board Fees		2,900.00	2,900.00	
Zoning Board Fees		2,525.00	2,525.00	
Curb & Sidewalk Fees		3,475.00	3,475.00	
Police Department				
Fees & Permits				
Overnight Parking Permits		3,665.00	3,665.00	
Police Permits		1,548.92	1,548.92	
Fire Department				
Uniform Fire Safety Act		20,778.75	20,778.75	
Construction Code Official				
Fees & Permits		120,266.00	120,266.00	
Recreation Department				
Recreation Fees		50,053.06	50,053.06	
Cabin Rentals		39,665.00	39,665.00	
Municipal Court				
Fines and Costs	\$ 10,719.19	221,700.77	216,211.60	\$ 16,208.36
Cable TV Franchise Fees		109,416.95	109,416.95	
	<u>\$ 10,719.19</u>	<u>\$ 612,478.45</u>	<u>\$ 606,989.28</u>	<u>\$ 16,208.36</u>

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2014

	<u>Balance Dec. 31, 2013</u>		<u>Balance</u>	<u>Paid or</u>	<u>Balance</u>
	<u>Reserved</u>	<u>Encumbered</u>	<u>After</u>	<u>Charged</u>	<u>Lapsed</u>
			<u>Modification</u>		
<u>OPERATIONS WITHIN "CAPS"</u>					
GENERAL GOVERNMENT:					
Operations Manager					
Other Expense	\$ 2,523.72	\$ 300.00	\$ 2,823.72	\$ 1,922.50	\$ 901.22
Postage	460.70		460.70		460.70
Office Supplies	401.30	1,091.00	1,492.30	1,091.00	401.30
Municipal Clerk					
Salaries and Wages	11.68		11.68		11.68
Other Expenses	600.99	439.64	1,040.63	501.99	538.64
Financial Administration					
Salaries and Wages	71.70		71.70		71.70
Other Expenses	399.94		399.94		399.94
Assessment of Taxes					
Salaries and Wages	23.03		23.03		23.03
Other Expenses	160.05	3,000.00	3,160.05	1,595.00	1,565.05
Collection of Taxes					
Salaries and Wages	280.78		280.78		280.78
Other Expenses	649.10		649.10		649.10
Legal Services					
Contractual	2,900.00		2,900.00	2,900.00	
Other Expenses	1,585.86	3,769.66	5,355.52	3,769.66	1,585.86
Engineering Services and Costs					
Other Expenses	123.38		123.38		123.38
Municipal Prosecutor					
Other Expenses	1,875.00		1,875.00	1,500.00	375.00
Municipal Building					
Salaries and Wages	120.45		120.45		120.45
Other Expenses	27.18	5,842.80	5,869.98	5,222.51	647.47
Planning Board:					
Salaries and Wages	1,551.09		1,551.09		1,551.09
Other Expenses	921.84		921.84	450.00	471.84
Zoning Board of Adjustments:					
Salaries and Wages	18.16		18.16		18.16
Environmental Commission					
Other Expenses	120.00	70.00	190.00	70.00	120.00
Insurance:					
General Liability	44.43		44.43		44.43
Worker's Compensation	190.84		190.84		190.84
Employee Group Insurance	26,666.93	4,142.83	30,809.76	20,574.00	10,235.76
Unemployment Compensation	862.65		862.65		862.65
Temporary Disability	114.20		114.20		114.20
PUBLIC SAFETY:					
Police					
Salaries and Wages	37.11		37.11		37.11
Other Expenses	2,948.97	5,510.90	8,459.87	3,073.09	5,386.78
Fire					
Salaries and Wages	1,446.26		1,446.26		1,446.26
Other Expenses	1,323.87	7,008.98	8,332.85	7,919.78	413.07
Fire Hydrant Service	6,572.80	6,016.80	12,589.60	12,033.60	556.00
Fire Safety Official:					
Salaries and Wages	307.06		307.06		307.06
Other Expenses	786.44		786.44		786.44
Office of Emergency Management:					
Salaries and Wages	105.10		105.10		105.10
Other Expenses	375.00		375.00		375.00

(Continued)

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2014

	<u>Balance Dec. 31, 2013</u>		<u>Balance</u>	<u>Paid or</u>	<u>Balance</u>
	<u>Reserved</u>	<u>Encumbered</u>	<u>After</u>	<u>Charged</u>	<u>Lapsed</u>
			<u>Modification</u>		
<u>OPERATIONS WITHIN "CAPS" (CONT'D)</u>					
PUBLIC WORKS:					
Public Works:					
Salaries and Wages	\$ 1,322.44		\$ 1,322.44		\$ 1,322.44
Other Expenses	199.63	\$ 14,240.07	14,439.70	\$ 12,589.54	1,850.16
Garbage and Trash Removal					
Other Expenses	23,166.67		23,166.67	23,166.67	
Vehicle Maintenance	230.48	11,541.00	11,771.48	11,692.35	79.13
Solid Waste Disposal	552.75	177.00	729.75	463.00	266.75
HEALTH AND WELFARE:					
Dog Regulation					
Contractual	8.50		8.50		8.50
RECREATION AND EDUCATION:					
Parks and Playgrounds					
Salaries and Wages	6.30		6.30		6.30
Other Expenses	987.46	2,596.00	3,583.46	2,596.00	987.46
Historic Commission					
Other Expenses	30.00		30.00		30.00
Municipal Court					
Salaries and Wages	98.12		98.12		98.12
Other Expenses	1,365.53	155.50	1,521.03	155.50	1,365.53
CODE ENFORCEMENT:					
Construction Code Official					
Salaries and Wages	21.30		21.30		21.30
Other Expenses	853.32	1,246.83	2,100.15	1,246.83	853.32
UNCLASSIFIED:					
Utilities:					
Gasoline	2,674.41	3,997.79	6,672.20	2,193.64	4,478.56
Telephone	3,096.99	1,838.95	4,935.94	2,810.76	2,125.18
Electric Utilities	271.66		271.66		271.66
Street Lighting	97.45		97.45		97.45
Water Utilities	898.59		898.59	257.35	641.24
<u>STATUTORY EXPENDITURES -</u>					
<u>MUNICIPAL WITHIN "CAPS":</u>					
Contribution to:					
Social Security	2.09		2.09		2.09
Public Employees Retirement System	41.39		41.39		41.39
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>					
Recycling Tax	144.84		144.84		144.84
Interlocal Service Agreement - N.J.S.A. 40A:					
Intergovernmental Services Sewer System	314.00		314.00		314.00
TOTAL GENERAL APPROPRIATIONS	\$ 92,991.53	\$ 72,985.75	\$ 165,977.28	\$ 119,794.77	\$ 46,182.51
Disbursed				\$ 117,974.66	
Accounts Payable				1,820.11	
				<u>\$ 119,794.77</u>	

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
 Statement of Prepaid Taxes
 For the Year Ended December 31, 2014

Balance Dec. 31, 2013		\$ 89,723.41
Increased by:		
Collection 2015 Taxes	\$ 124,024.79	
Overpayments Applied	<u>2,864.21</u>	
		<u>126,889.00</u>
		216,612.41
Decreased by:		
Application to 2014 Taxes		<u>89,723.41</u>
Balance Dec. 31, 2014		<u><u>\$ 126,889.00</u></u>

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
 Statement of Tax Overpayments
 For the Year Ended December 31, 2014

Balance Dec. 31, 2013		\$ 4,131.24
Increased by:		
Receipts		<u>5,520.27</u>
		9,651.51
Decreased by:		
Applied to Prepaid Taxes	\$ 2,864.21	
Refunds	<u>4,463.03</u>	
		<u>7,327.24</u>
Balance Dec. 31, 2014		<u><u>\$ 2,324.27</u></u>

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
 Statement of County Taxes
 For the Year Ended December 31, 2014

2014 Levy -		
County General	\$ 6,255,429.76	
County Open Space	<u>159,617.20</u>	
		\$ 6,415,046.96
Decreased by:		
Disbursements		<u>\$ 6,415,046.96</u>

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
 Statement of Amount Due to County for Added and Omitted Taxes
 For the Year Ended December 31, 2014

Balance December 31, 2013		\$ 10,307.64
Increased by:		
County Share of 2014 Levy		
Added Taxes and Added/Omitted Taxes		<u>26,320.24</u>
		36,627.88
Decreased by:		
Disbursements		<u>10,307.64</u>
Balance December 31, 2014		<u>\$ 26,320.24</u>

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
 Statement of Prepaid School Taxes
 For the Year Ended December 31, 2014

Balance December 31, 2013 (Prepaid)	\$	1,998.00
Increased by:		
Disbursements		<u>11,992,446.00</u>
		11,994,444.00
Decreased by:		
2014 Levy		<u><u>\$11,994,444.00</u></u>

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
 Statement of Library Tax
 For the Year Ended December 31, 2014

2014 Levy	\$	265,982.84
Funded by Municipal Budget		<u>4,017.16</u>
		\$ 270,000.00
Decreased by:		
Payments by Budget Appropriation		<u><u>\$ 270,000.00</u></u>

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
Statement of Due to State of New Jersey - Marriage License Fees
For the Year Ended December 31, 2014

Balance Dec. 31, 2013	\$ 375.00
Increased by:	
Receipts	<u>725.00</u>
	1,100.00
Decreased by:	
Disbursements	<u>1,000.00</u>
Balance Dec. 31, 2014	<u><u>\$ 100.00</u></u>

Exhibit SA-15

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
Statement of Due to State of New Jersey - DCA Fees
For the Year Ended December 31, 2014

Balance Dec. 31, 2013.	\$ 1,643.00
Increased by:	
Receipts	<u>5,698.00</u>
	7,341.00
Decreased by:	
Disbursements	<u>5,770.00</u>
Balance Dec. 31, 2014	<u><u>\$ 1,571.00</u></u>

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
 Schedule of Accounts Payable
 For the Year Ended December 31, 2014

Analysis of Balance Dec. 31, 2014

Vendor:

Nassau Electric Co., Inc.	\$ 500.00
Camden County College	\$140.00
Security Alarm Service	900.00
KDI, Inc.	280.11
	<hr/>
	\$ 1,820.11
	<hr/> <hr/>

Exhibit SA-17

BOROUGH OF HADDON HEIGHTS
FEDERAL, STATE AND OTHER GRANT FUND
 Statement of Due To Current Fund
 For the Year Ended December 31, 2014

Balance Dec. 31, 2013		\$ 251,643.88
Increased by:		
Current Fund Disbursements on Behalf of Grant Fund:		
Prior Year Encumbrances	\$ 26,220.00	
Grants Appropriated	124,260.57	
		<hr/>
	150,480.57	
Cancellation of Grants Appropriated	37,064.60	
		<hr/>
		187,545.17
		<hr/>
		439,189.05
Decreased by:		
Current Fund Receipts on Behalf of Grant Fund:		
Refund of Prior Year Expenditures	3,596.03	
Grants Receivable	362,755.43	
		<hr/>
	366,351.46	
Cancellation of Grants Receivable	37,064.60	
		<hr/>
		403,416.06
		<hr/>
Balance Dec. 31, 2014		\$ 35,772.99
		<hr/> <hr/>

BOROUGH OF HADDON HEIGHTS
FEDERAL, STATE AND OTHER GRANT FUND
Statement of Federal, State and Other Grants Receivable
For the Year Ended December 31, 2014

<u>Program</u>	<u>Balance Dec. 31, 2013</u>	<u>Accrued</u>	<u>Received in Current Fund</u>	<u>Canceled</u>	<u>Balance Dec. 31, 2014</u>
Federal Grants:					
New Jersey Department of Transportation:					
Enhancement Grant	\$ 16,698.76			\$ 16,698.76	
Enhancement Grant	17,365.84			17,365.84	
2011 Road Program	8,343.40			8,343.40	
2012 Road Program	74,555.72			5,149.05	\$ 69,406.67
2013 Road Program		\$ 200,000.00	\$ 107,100.45		92,899.55
Pedestrian And Bicycle Facilities	188,122.55		162,601.13		25,521.42
DVRPC TCDI Grant	16,399.69			16,399.69	
New Jersey Department of Environmental Protection:					
Stormwater Regulation Program	2,117.00			2,117.00	
Historic Commission - Architectural Survey	3,599.00				3,599.00
Historic Commission - Preservation	50,000.00		40,000.00		10,000.00
Bullet Proof Vest		1,188.00			1,188.00
Federal Occupant Protection Grant	2,000.00			2,000.00	
Total Federal Grants	379,201.96	201,188.00	309,701.58	68,073.74	202,614.64
State Grants:					
Body Armor Fund		1,765.27	1,765.27		
Camden County Open Space - Devon Ave	25,000.00				25,000.00
Camden County Open Space - W. Atlantic Ave	20,000.00				20,000.00
Community Stewardship Incentive		20,000.00			20,000.00
Clean Communities Grant		12,806.76	12,806.76		
Drive Sober or Get Pulled Over		7,500.00	5,000.00		2,500.00
Pedestrian Safety Enforcement		3,750.00	3,750.00		
Drunk Driving Enforcement		2,214.01	2,214.01		
Environmental Services Program	1,000.00			1,000.00	
Green Communities	3,000.00		3,000.00		
Municipal Alliance on Alcoholism and Drug Abuse		13,518.53	13,518.53		
Municipal Court Alcohol Education, Rehabilitation and Enforcement Fund		354.48	354.48		
Over the Limit Under Arrest					
Recycling Tonnage Grant	802.61	10,644.80	10,644.80	802.61	
Hazardous Discharge Site Remediation	114,533.00				114,533.00
Total State Grants	164,335.61	72,553.85	53,053.85	1,802.61	182,033.00
Other Grants:					
JIF Safety Award	700.00				700.00
Total All Grants	\$ 544,237.57	\$ 273,741.85	\$ 362,755.43	\$ 69,876.35	\$ 385,347.64
Grants Appropriated				\$ 32,811.75	
Fund Balance				<u>37,064.60</u>	
				<u>\$ 69,876.35</u>	

BOROUGH OF HADDON HEIGHTS
FEDERAL, STATE AND OTHER GRANT FUND
Statement of Reserve for Federal, State and Other Grants - Unappropriated
For the Year Ended December 31, 2014

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Grants</u> <u>Accrued</u>	Realized as Miscellaneous Revenue in <u>2014</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Federal Grants				
Bullet Proof Vest		\$ 1,188.00	\$ 1,188.00	
Transportation Grant - 2013 Program		200,000.00	200,000.00	
		<u>201,188.00</u>	<u>201,188.00</u>	
State Grants:				
Body Armor Fund	\$ 2,212.48	1,765.27	2,212.48	\$ 1,765.27
Clean Communities Program		12,806.76	12,806.76	
Community Stewardship Incentive		20,000.00	20,000.00	
Pedestrian Safety Enforcement		3,750.00	3,750.00	
Drive Sober or Get Pulled Over		7,500.00	7,500.00	
Drunk Driving Enforcement Grant	2,216.35	2,214.01	2,216.35	2,214.01
Municipal Alliance on Alcoholism and Drug Abuse	4,893.00	13,518.53	15,967.00	2,444.53
Over the Limit Under Arrest	4,400.00		4,400.00	
Alcohol Education, Rehabilitation and Enforcement Fund		354.48	354.48	
Recycling Tonnage Grant	9,643.82	10,644.80	9,643.82	10,644.80
Total State Grants	<u>23,365.65</u>	<u>72,553.85</u>	<u>78,850.89</u>	<u>17,068.61</u>
Total All Grants	<u>\$ 23,365.65</u>	<u>\$ 273,741.85</u>	<u>\$ 280,038.89</u>	<u>\$ 17,068.61</u>

BOROUGH OF HADDON HEIGHTS
FEDERAL, STATE AND OTHER GRANT FUND
 Statement of Reserve for Federal, State and Other Grants - Appropriated
 For the Year Ended December 31, 2014

Program	Balance Dec. 31, 2013	Transferred from 2014 Appropriations	Refund of Prior Year Expenditures	Paid or Charged	Canceled	Balance Dec. 31, 2014
Federal Grants:						
NJ Department of Transportation Enhancement Grant - Scenic Enhancement #2	\$ 9,825.21		\$ 17,948.35		\$ 27,773.56	
Transportation Grant - FY2010 Road Program	6,291.04				6,291.04	
Transportation Grant - 2011 Program	232.42		8,110.98		8,343.40	
Transportation Grant - 2012	56,265.20		16,679.56	63,097.82	5,149.05	\$ 4,697.89
Transportation Grant - 2013		\$ 200,000.00		142,800.60		57,199.40
Pedestrian And Bicycle Facilities			1,787.28			
TCDI Grant	1,749.62		14,650.07		16,399.69	
Bullet Proof Vest		1,188.00		690.00		498.00
NJ Dept Storm Water Regulation Program	30.00		2,087.00		2,117.00	
NJDEP Historic Commission - Architectural Survey	2,514.00			2,215.00		299.00
NJDEP Historic Commission - Preservation	50,000.00			100.00		49,900.00
NJDEP Historic Preservation Grant	386.23					386.23
Total Federal Grants	127,293.72	201,188.00	61,263.24	210,690.70	66,073.74	112,980.52
State Grants:						
Alcohol Abuse Grant - Station House	1,000.00					
Body Armor Fund	1,015.91	2,212.48		3,228.39	1,000.00	
Camden County Open Space - Devon Ave	355.00			355.00		
Camden County Open Space - W Atlantic Ave	20,000.00					20,000.00
Pedestrian Safety Enforcement						
Community Stewardship Incentive		3,750.00		3,750.00		
Clean Communities Grant	55,549.94	20,000.00		20,000.00		67,662.58
Click It or Ticket	4,200.00	12,806.76		694.12		4,200.00
Community Planning Advocacy	36.66					36.66
Domestic Violence	25.06					25.06
Drive Sober or Get Pulled Over		7,500.00		6,300.00		1,200.00
Drunk Driving Enforcement Grant	9,424.48	2,216.35		631.54		11,009.29
Hazardous Discharge Site Remediation - Devon Ave	388.02					388.02
Municipal Alliance on Alcoholism and Drug Abuse	1,889.26	15,967.00		12,205.75		5,650.51
Municipal Court Alcohol Education, Rehabilitation and Enforcement	3,138.10	354.48				3,492.58
Over the Limit Under Arrest		4,400.00		4,400.00		

(Continued)

BOROUGH OF HADDON HEIGHTS
FEDERAL, STATE AND OTHER GRANT FUND
 Statement of Reserve for Federal, State and Other Grants - Appropriated
 For the Year Ended December 31, 2014

Program	Balance Dec. 31, 2013	Transferred from 2014 Appropriations	Refund of Prior Year Expenditures	Paid or Charged	Canceled	Balance Dec. 31, 2014
State Grants (Cont'd):						
PEOSHA --Immunization of Employees	\$ 3,079.20			\$ 2,000.00	\$	1,079.20
Recycling Tonnage Grant	12,956.85	\$ 9,643.82	\$	5,374.06	802.61	16,424.00
Sustainable Jersey Small Grant	2,380.00					2,380.00
Total State Grants	115,438.48	78,850.89		56,938.86	3,802.61	133,547.90
Other Grants:						
JIF Safety Award	243.15					243.15
Comcast Grant	32.69					32.69
Total Other Grants	275.84					275.84
Total All Grants	\$ 243,008.04	\$ 280,038.89	\$ 61,263.24	\$ 267,629.56	\$ 69,876.35	\$ 246,804.26
Due from General Capital Fund			\$ 57,667.21			
Due from Current Fund			3,596.03			
			\$ 61,263.24			
Disbursements - Current Fund				\$ 124,260.57		
Encumbrances				568.39		
Contracts Payable				142,800.60		
				\$ 267,629.56		
Grants Receivable					\$ 32,811.75	
Fund Balance					37,064.60	
					\$ 69,876.35	

SUPPLEMENTAL EXHIBITS

TRUST FUND

BOROUGH OF HADDON HEIGHTS
TRUST FUND
Statement of Trust Cash
Per N.J.S. 40A: 5-5 - Treasurer
For the Year Ended December 31, 2014

	<u>Animal Control</u>	<u>Other Trust</u>
Balance Dec. 31, 2013	\$ 818.96	\$ 611,937.93
Increased by Receipts:		
Animal Control Fees	\$ 2,766.40	
Due to State of New Jersey - Department of Health	360.60	
Due Current Fund	1.45	\$ 196,490.16
Due General Capital		30,460.19
Reserve for Community Development Block Grant Funds		14,808.50
Payroll Deductions Payable		2,801,124.29
Miscellaneous Trust Reserves		831,931.13
	<u>3,128.45</u>	<u>3,874,814.27</u>
	3,947.41	4,486,752.20
Decreased by Disbursements		
Expenditures under R.S. 4:19-15.11--Cash	2,288.25	
State Registration Fees	350.20	
Reserve for Encumbrances	647.50	6,532.22
Due Current Fund	1.25	204,845.38
Due General Capital		7,315.94
Reserve for Community Development Block Grant Funds		1,112.57
Payroll Deductions Payable		2,807,226.55
Miscellaneous Trust Reserves		678,710.35
	<u>3,287.20</u>	<u>3,705,743.01</u>
Balance Dec. 31, 2014	<u>\$ 660.21</u>	<u>\$ 781,009.19</u>

BOROUGH OF HADDON HEIGHTS
ANIMAL CONTROL FUND
 Statement of Reserve for Animal Control Expenditures
 For the Year Ended December 31, 2014

Balance Dec. 31, 2013		\$	167.81
Increased by Receipts:			
Dog Licenses Fees	\$		2,296.40
Cat License Fees			470.00
			2,766.40
			2,934.21
Decreased by Disbursements:			
Expenditures under R.S. 4:19-15.11--Cash		2,288.25	
Expenditures under R.S. 4:19-15.11--Encumbrances		167.75	
			2,456.00
Balance Dec. 31, 2014		\$	478.21

License Fees Collected

<u>Year</u>		<u>Amount</u>	
2012	\$	2,986.50	
2013		2,669.70	
			5,656.20
			\$ 5,656.20

BOROUGH OF HADDON HEIGHTS
ANIMAL CONTROL FUND
 Statement of Due to the State of New Jersey
 For the Year Ended December 31, 2014

Balance Dec. 31, 2013		\$	2.40
Increased by:			
Receipts			360.60
			363.00
Decreased by:			
Disbursements			350.20
			12.80
Balance Dec. 31, 2014		\$	12.80

BOROUGH OF HADDON HEIGHTS
TRUST OTHER FUND
 Statement of Due from Camden County Community Development Block Grant Receivable
 For the Year Ended December 31, 2014

Balance Dec. 31, 2013	\$	35,208.50
Increased by:		
Year 36 Award		20,400.00
		55,608.50
Decreased by:		
Receipts		14,808.50
Balance Dec. 31, 2014	\$	40,800.00
<u>Analysis of Balance Dec. 31, 2014</u>		
Year 35	\$	20,400.00
Year 36		20,400.00
	\$	40,800.00

BOROUGH OF HADDON HEIGHTS
TRUST OTHER FUND
 Statement of Reserve for Community Development Block Grant
 For the Year Ended December 31, 2014

Balance Dec. 31, 2013	\$	21,512.57
Increased by:		
Year 36 Award		20,400.00
		41,912.57
Decreased by:		
Disbursements		1,112.57
Balance Dec. 31, 2014	\$	40,800.00
<u>Analysis of Balance Dec. 31, 2014</u>		
Year 35	\$	20,400.00
Year 36		20,400.00
	\$	40,800.00

BOROUGH OF HADDON HEIGHTS
TRUST OTHER FUND
Statement of Due to Current Fund
For the Year Ended December 31, 2014

Balance Dec. 31, 2013		\$ 17,496.89
Increased by:		
Receipts		
Interfund Loan Returned - Trust Other	\$ 195,772.11	
Interest Earned	718.05	
		196,490.16
		213,987.05
Decreased by:		
Disbursements		
Interfund Loan - Trust Other	\$ 200,000.00	
Interfund Disbursed by Payroll Trust	1,832.99	
Payroll Company Fees Disbursed by Trust	3,012.39	
		204,845.38
Payroll Due Current Fund	5,258.32	
		210,103.70
Balance Dec. 31, 2014		\$ 3,883.35
<u>Analysis of Balance Dec. 31, 2014</u>		
Payroll Trust		\$ 3,128.88
Tax Title Lien		535.32
Trust - Other		219.15
		\$ 3,883.35

BOROUGH OF HADDON HEIGHTS
TRUST OTHER FUND
Statement of Miscellaneous Trust Reserves
For the Year Ended December 31, 2014

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Increased</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Reserve for Recycling	\$ 19,374.91	\$ 13,638.02	\$ 22,818.64	\$ 10,194.29
Reserve for Public Defender	4,433.87	5,295.88	5,850.00	3,879.75
Reserve for Unemployment Compensation	8,780.98	4,917.49	1,386.88	12,311.59
Reserve for Uniform Fire Safety Code - Penalties	3,842.95	70.00	335.16	3,577.79
Reserve for Street Opening Deposits	2,125.00	200.00	377.00	1,948.00
Reserve for Planning & Zoning Board	3,541.52	49,535.41	26,183.25	26,893.68
Reserve for Tax Title Lien Redemptions:	299,436.60	551,747.62	473,154.11	378,030.11
Reserve for Citizen Donations to Police Department	5,716.95	3,047.55	4,230.87	4,533.63
Reserve for POAA	3,566.28	626.00		4,192.28
Reserve for Municipal Drug Alliance Donations	33,320.57	8,654.25	6,878.65	35,096.17
Reserve for Police Forfeiture	2,187.14	0.30		2,187.44
Reserve for Fire Department	516.12			516.12
Reserve for Off Duty Police	61,567.67	162,094.61	123,464.84	100,197.44
Reserve for Fourth of July Parade	135.11	200.00	258.16	76.95
Reserve for Memorial Clock Donations	6,923.03	500.00	3,000.00	4,423.03
Reserve for Land Deposits	154,875.84		630.50	154,245.34
Reserve for Community Garden	531.89	600.00	408.25	723.64
Reserve for Heights Report		30,304.00	20,721.98	9,582.02
Reserve for Shade Tree Donations		500.00		500.00
	<u>\$ 610,876.43</u>	<u>\$ 831,931.13</u>	<u>\$ 689,698.29</u>	<u>\$ 753,109.27</u>

Disbursements
Encumbrances

\$ 678,710.35
10,987.94

\$ 689,698.29

BOROUGH OF HADDON HEIGHTS
TRUST OTHER FUND
Statement of Reserve for Payroll Deductions Payable
For the Year Ended December 31, 2014

Balance Dec. 31, 2013		\$	13,872.57
Increased by:			
Receipts:			
Net Payroll	\$ 1,822,308.52		
Payroll Deductions Payable	<u>978,815.77</u>		
		\$	2,801,124.29
Payroll Deductions Payable - Due from Current Fund			<u>5,258.32</u>
			<u>2,806,382.61</u>
			2,820,255.18
Decreased by:			
Disbursements:			
Net Payroll	1,822,308.52		
Payroll Deductions Payable	<u>984,918.03</u>		
			<u>2,807,226.55</u>
Balance Dec. 31, 2014		\$	<u><u>13,028.63</u></u>
<u>Analysis of Balance Dec. 31, 2014</u>			
Unallocated		\$	(3,407.87)
Health Contributions			(436.05)
Pension			15,307.00
Federal/State Taxes			<u>1,565.55</u>
		\$	<u><u>13,028.63</u></u>

BOROUGH OF HADDON HEIGHTS
TRUST OTHER FUND
 Schedule of Reserve for Encumbrances
 For the Year Ended December 31, 2014

Balance Dec. 31, 2013		\$ 6,532.22
Increased by:		
Encumbrances Created:		
Reserve for Planning & Zoning Board	\$ 1,247.50	
Reserve for Recycling	6,715.00	
Reserve for Public Defender	1,275.00	
Reserve for Police Donations	1,147.25	
Reserve for Municipal Drug Alliance Donations	365.95	
Reserve for Uniform Fire Safety Code - Penalties	<u>237.24</u>	
		<u>10,987.94</u>
		17,520.16
Decreased by:		
Encumbrances Disbursed		<u>6,532.22</u>
Balance Dec. 31, 2014		<u><u>\$ 10,987.94</u></u>

SUPPLEMENTAL EXHIBITS

GENERAL CAPITAL FUND

BOROUGH OF HADDON HEIGHTS
GENERAL CAPITAL FUND
Statement of General Capital Cash
Per N.J.S. 40A: 5-5 - Treasurer
For the Year Ended December 31, 2014

Balance Dec 31, 2013		\$ 178,986.87
Increased by Receipts:		
Capital Improvement Fund	\$ 47,500.00	
Bond Proceeds	901,903.00	
Due Current Fund	<u>861,942.29</u>	
		<u>1,811,345.29</u>
		1,990,332.16
Decreased by Disbursements:		
Improvement Authorizations	1,015,750.55	
Reserve for Encumbrances	41,448.25	
Contracts Payable	31,767.37	
Due Trust Other Fund	30,460.19	
Due Current Fund	<u>200,000.00</u>	
		<u>1,319,426.36</u>
Balance Dec 31, 2014		<u><u>\$ 670,905.80</u></u>

BOROUGH OF HADDON HEIGHTS
GENERAL CAPITAL FUND
 Analysis of General Capital Cash
 For the Year Ended December 31, 2014

	Balance		Receipts			Disbursements			Transfers	To	Balance (Deficit) Dec. 31, 2014
	Dec. 31, 2013	(Deficit)	Budget Appropriation	Bonds	Miscellaneous	Improvement Authorizations	Miscellaneous	From			
Fund Balance	\$ 513.00									\$ 513.00	
Capital Improvement Fund	406.22	\$ 47,500.00					\$ 47,500.00			406.22	
Reserve to Pay Debt Service	41,448.25		\$ 41,448.25						\$ 13,200.00	13,200.00	
Reserve for Encumbrances	127,635.37		31,767.37						98,945.58	98,945.58	
Contracts Payable	47,887.12			\$ 861,942.29			\$ 200,000.00	841,237.30	10,717.26	10,717.26	
Current Fund									97.00	(131,310.89)	
Grant Fund										57,667.21	
Trust Other Fund	23,144.25						30,460.19		7,315.94		
Improvement Authorizations:											
<u>Ordinance</u>											
<u>Number</u>											
1201 Fire Department Equipment	(584.00)									(584.00)	
1218 Acquisition of Ambulance and Equipment	(6,000.71)									(6,000.71)	
234/125 Acquisition of Equipment & Various Improvements	(7,703.57)									(7,703.57)	
1250 Fire Department Turn Out Gear	(622.31)									(622.31)	
1259 Technology Upgrades	(47.24)					92.85				(140.09)	
1261 Improvements to Soccer and Recreational Fields	5,180.09					3,968.26				1,211.83	
1280 Various Improvements	162.18									162.18	
1307 Various Improvements	79.19					79.19					
1309 Acquisition of Property	(128,455.30)								128,455.30		
1358 Various Capital Improvements	19,438.62					17,764.66		97.00		1,576.96	
1344 Fire Department Command Vehicle	21.61					21.61					
1368 Various Improvements	2,982.10					1,150.00				1,832.10	
1369 Various Improvements	5,990.65					5,719.81				270.84	
1382 Various Equipment and Improvements	148,259.52					98,629.24			43,591.17	6,039.11	
1390 Various Improvements	107,315.18					76,175.92			31,139.26		
1400 Various Improvements	(165,934.35)					393,964.03			84,788.74	733,603.00	
1404 Sewer Infrastructure Repairs	(42,129.00)					5,500.00				88,915.88	
1409 Various Improvements						22,602.00			61,750.00	14,121.00	
1411 Various Improvements						390,082.98			652.50	42,245.50	
			\$ 901,903.00					79,974.32	47,597.00	479,442.70	
	\$ 178,986.87	\$ 47,500.00	\$ 901,903.00	\$ 861,942.29	\$ 1,088,966.17	\$ 230,460.19	\$ 1,224,848.29	\$ 1,224,848.29	\$ 670,905.80		

BOROUGH OF HADDON HEIGHTS
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation - Funded
For the Year Ended December 31, 2014

Balance Dec. 31, 2013		\$ 3,002,847.53
Increased by:		
Bond Sale		3,033,000.00
		6,035,847.53
Decreased by:		
2014 Budget Appropriations:		
General Serial Bonds	\$ 280,000.00	
Green Trust Loan Payable	11,663.21	
		291,663.21
Balance Dec. 31, 2014		\$ 5,744,184.32

BOROUGH OF HADDON HEIGHTS
GENERAL CAPITAL FUND
 Statement of Deferred Charges to Future Taxation - Unfunded
 For the Year Ended December 31, 2014

Ordinance Number	Improvement Description	Balance		Funded by:		Adjustments/ Transfers	Balance Dec. 31, 2014	Analysis of Balance Dec. 31, 2014	
		Dec. 31, 2013	2014 Authorizations	Bonds Issued	Payment of Notes			Budget Appropriation	Expenditures
1201	Fire Department Equipment	\$ 584.00					\$ 584.00	\$ 584.00	
1218	Acquisition of Ambulance and Equipment	6,000.71					6,000.71	6,000.71	
1234	Acquisition of Equipment & Various Improvements	7,703.57					7,703.57	7,703.57	
1250	Fire Department Turn Out Gear	622.31					622.31	622.31	
1259	Technology Upgrades	140.09					140.09	140.09	
1261	Improvements to Soccer and Recreational Fields	1.00					1.00		\$ 1.00
1280	Various Improvements	0.97					0.97		0.97
1309	Acquisition of Land	1,331,196.00			\$ 1,201,046.00		1,694.70	1,694.70	1,694.70
333/1358	Various Improvements	508,673.60		\$ 523,681.00	22,773.00	\$ 128,455.30	97.60		
1344	Fire Dept. Command Vehicle	25,333.00		22,166.00	3,167.00				
1368	Various Improvements	37,878.00						37,878.00	
1369	Various Improvements	140,252.00			15,584.00				
1382	Various Equipment and Improvements	523,782.50					282.50		282.50
1390	Various Improvements	237,500.00							
1400	Various Improvements	637,735.00							
1404	Sewer Infrastructure Repairs	61,750.00							
1411	Various Improvements		\$ 902,500.00	902,000.00			500.00		500.00
		\$ 3,519,152.75	\$ 902,500.00	\$ 3,033,000.00	\$ 1,242,570.00	\$ 128,455.30	\$ 17,627.45	\$ 15,050.68	\$ 2,576.77

BOROUGH OF HADDON HEIGHTS
GENERAL CAPITAL FUND
Statement of Due To/From Current Fund
For the Year Ended December 31, 2014

Balance Dec. 31, 2013 (Due To)		\$ 47,887.12
Increased by:		
Receipts:		
Interest Earned	\$ 1,018.69	
Interfund Received	732,468.30	
Budget Appropriation - Deferred Charges to Future Taxation Unfunded	128,455.30	
		861,942.29
		909,829.41
Decreased by:		
Disbursements:		
Interfund Disbursed	200,000.00	
Budget Appropriation - Deferred Charges to Future Taxation Unfunded	128,455.30	
Receipts Collected by Current Fund on Behalf of General Capital	13,200.00	
Bond Anticipation Note Proceeds Received in Current Fund	699,485.00	
		1,041,140.30
Balance Dec. 31, 2014 (Due From)		\$ 131,310.89

BOROUGH OF HADDON HEIGHTS
GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2014

Balance Dec. 31, 2013		\$ 406.22
Increased by:		
Budget Appropriation		47,500.00
		47,906.22
Decreased by:		
Appropriated to Finance Improvement Authorizations		47,500.00
Balance Dec. 31, 2014		\$ 406.22

BOROUGH OF HADDON HEIGHTS
GENERAL CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2014

Ordinance Number	Improvement Description	Date	Ordinance Amount	December 31, 2013		2014		Contracts Payable Canceled	Paid or Charged	December 31, 2014	
				Funded	Unfunded	Authorizations	Reappropriated			Funded	Unfunded
1259	Technology Updates	05/06/08	\$ 1,369,650.00	\$	92.85				\$ 92.85		
1261	Improvements to Soccer and Recreational Fields	05/06/08	209,856.19	\$ 5,180.09	1.00				3,968.26	\$ 1,211.83	\$ 1.00
1280	Various Improvements	09/02/08	398,476.00	162.18	0.97					162.18	0.97
1307	Various Capital Improvements	05/05/09	186,873.00	79.19					79.19		
1309	Acquisition of Property	05/19/09	1,313,000.00		1,694.70						1,694.70
1358	Various Capital Improvements	06/15/10	599,288.00		19,439.22				17,764.66	1,576.96	97.60
1344	Fire Department Command Vehicle	06/15/10	30,000.00		21.61				21.61		
1368	Various Improvements	05/03/11	37,878.00		2,982.10				1,150.00	1,832.10	
1369	Various Improvements	05/03/11	147,433.00		5,990.65				5,719.81	270.84	
1382	Various Equipment & Improvements	06/05/12	551,350.00		148,542.02		\$ (13,000.00)		129,220.41	6,039.11	282.50
1390	Various Improvements	02/05/13	250,000.00		107,315.18		(18,348.00)		88,967.18		
1400	Various Improvements	08/16/13	671,300.00		471,800.65		(34,152.00)		444,600.77	88,915.88	
1404	Sewer Infrastructure Repairs	09/17/13	65,000.00		19,621.00				5,500.00	14,121.00	
1409	Various Capital Improvements	03/18/14	65,500.00						23,254.50	42,245.50	
1411	Various Capital Improvements	05/20/14	950,000.00			\$ 950,000.00			470,057.30	479,442.70	500.00
				\$ 5,421.46	\$ 777,501.95	\$ 950,000.00	---	\$ 95,868.00	\$ 1,190,396.54	\$ 635,818.10	\$ 2,576.77

Deferred Charges to Future Taxation Unfunded
 Capital Improvement Fund

\$ 902,500.00
47,500.00
\$ 950,000.00

Disbursed
 Due From Grant Fund
 Due From Trust Other Fund
 Reserve for Encumbrances
 Contracts Payable

\$ 1,015,750.55
57,667.21
7,315.94
98,945.58
10,717.26
\$ 1,190,396.54

BOROUGH OF HADDON HEIGHTS
GENERAL CAPITAL FUND
 Schedule of Contracts Payable
 For the Year Ended December 31, 2014

Balance Dec. 31, 2013		\$ 127,635.37
Increased by:		
Transfer from Improvement Authorizations		10,717.26
		138,352.63
Decreased by:		
Disbursed	\$ 31,767.37	
Canceled to Improvement Authorization	95,868.00	
		127,635.37
Balance Dec. 31, 2014		\$ 10,717.26
<u>Analysis of Balance Dec. 31, 2014</u>	<u>Ordinance No.</u>	<u>Amount</u>
Lexa Concrete, LLC	1400	\$ 10,717.26

BOROUGH OF HADDON HEIGHTS
GENERAL CAPITAL FUND
 Statement of Reserve for Encumbrances
 For the Year Ended December 31, 2014

Balance Dec. 31, 2013		\$ 41,448.25
Increased by:		
Transfer from Improvement Authorizations		98,945.58
		140,393.83
Decreased by:		
Disbursed		41,448.25
Balance Dec. 31, 2014		\$ 98,945.58

BOROUGH OF HADDON HEIGHTS
GENERAL CAPITAL FUND
 Statement of Bond Anticipation Notes
 For the Year Ended December 31, 2014

<u>Ord. Number</u>	<u>Improvement Description</u>	<u>Amount of Original Issue</u>	<u>Date of Original Notes</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2013</u>	<u>Increased</u>	<u>Decreased</u>
1309	Purchase of Real Property	\$ 1,247,350.00	06/15/09	05/30/13	03/28/14	0.76%	\$ 1,201,046.00	\$	\$ 1,201,046.00
1333	Various Improvements	531,446.00	07/21/10 07/21/10	05/30/13 03/28/14	03/28/14 06/27/14	0.76% 0.50%	546,551.00	\$ 523,778.00	546,551.00 523,778.00
1344	Fire Department Command Vehicle	28,500.00	07/21/10 07/21/10	05/30/13 03/28/14	03/28/14 06/27/14	0.76% 0.50%	25,333.00	22,166.00	25,333.00 22,166.00
1369	Various Improvements	140,252.00	06/08/11 06/08/11	05/30/13 03/28/14	03/28/14 06/27/14	0.76% 0.50%	140,252.00	124,668.00	140,252.00 124,668.00
1382	Various Equipment & Improvements	523,500.00	06/07/13 06/07/13	05/30/13 03/28/14	03/28/14 06/27/14	0.76% 0.50%	523,500.00	523,500.00	523,500.00 523,500.00
1390	Various Improvements	237,500.00	03/28/13 03/28/13	03/28/13 03/28/14	03/28/14 06/27/14	1.75% 0.50%	237,500.00	237,500.00	237,500.00 237,500.00
1400	Various Improvements	637,735.00	03/28/14	03/28/14	06/27/14	0.50%		637,735.00	637,735.00
1404	Various Improvements	61,750.00	03/28/14	03/28/14	06/27/14	0.50%		61,750.00	61,750.00
							<u>\$2,674,182.00</u>	<u>\$2,131,097.00</u>	<u>\$4,805,279.00</u>
Renewal Issued for Cash - Due from Current Fund Bond Proceeds Budget Appropriation								\$ 1,431,612.00 699,485.00	\$ 1,431,612.00 2,131,097.00 1,242,570.00
							<u>\$ 2,131,097.00</u>	<u>\$ 4,805,279.00</u>	

BOROUGH OF HADDON HEIGHTS
GENERAL CAPITAL FUND
Statement of New Jersey Green Trust Loan Payable
For the Year Ended December 31, 2014

Balance Dec. 31, 2013	\$ 134,847.53
Decreased by:	
Principal Payments Paid by Budget Appropriation	11,663.21
Balance Dec. 31, 2014	\$ 123,184.32

Maturities of Loan Outstanding Dec. 31, 2014

	<u>Interest</u>	<u>Principal</u>
2015	\$ 2,404.49	\$ 11,897.64
2016	2,165.35	12,136.78
2017	1,921.40	12,380.73
2018	1,672.55	12,629.59
2019	1,418.70	12,883.44
2020	1,159.74	13,142.40
2021	895.58	13,406.56
2022	626.10	13,676.02
2023	351.21	13,950.92
2024	70.80	7,080.24
	\$ 12,685.92	\$ 123,184.32

BOROUGH OF HADDON HEIGHTS
GENERAL CAPITAL FUND
 Statement of General Serial Bonds
 For the Year Ended December 31, 2014

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2014</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2013</u>	<u>Issued in 2014</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2014</u>
			<u>Date</u>	<u>Amount</u>					
General Improvement (Callable)	8/28/2002	\$1,360,000.00	2/15/2015	\$100,000.00	3.95%				
			2/15/2016	100,000.00	4.05%				
			2/15/2017	100,000.00	4.15%				
			2/15/2018	105,000.00	4.25%	\$ 500,000.00		\$ 95,000.00	\$ 405,000.00
General Improvement (Non-callable)	6/11/2010	2,693,000.00	6/1/2015	200,000.00	3.00%				
			6/1/2016	225,000.00	3.00%				
			6/1/2017	245,000.00	3.20%				
			6/1/2018	265,000.00	3.40%				
			6/1/2019	390,000.00	4.00%				
			6/1/2020	415,000.00	4.00%				
General Improvement (Callable on or after July 15, 2024)	6/26/2014	3,033,000.00	6/1/2021	443,000.00	4.00%	2,368,000.00		185,000.00	\$ 2,183,000.00
			7/15/2015	135,000.00	2.50%				
			7/15/2016	150,000.00	2.50%				
			7/15/2017	160,000.00	2.50%				
			7/15/2018	175,000.00	2.50%				
			7/15/2019	175,000.00	2.50%				
			7/15/2020	200,000.00	2.50%				
			7/15/2021	205,000.00	2.50%				
			7/15/2022	210,000.00	2.50%				
			7/15/2023	220,000.00	2.50%				
			7/15/2024	225,000.00	3.00%				
			7/15/2025	230,000.00	3.00%				
			7/15/2026	230,000.00	3.00%				
		7/15/2027	230,000.00	3.00%					
		7/15/2028	240,000.00	3.00%					
		7/15/2029	248,000.00	3.00%					
						\$3,033,000.00			3,033,000.00
						\$ 2,868,000.00	\$3,033,000.00	\$ 280,000.00	\$ 5,621,000.00

BOROUGH OF HADDON HEIGHTS
 GENERAL CAPITAL FUND
 Statement of Bonds and Notes Authorized But Not Issued
 For the Year Ended December 31, 2014

Ord. Number	Amended	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	Budget Appropriation	Funded by:			Adjustments/ Transfers	Balance Dec. 31, 2014
						Notes Issued	Bonds Issued			
1201		Fire Department Equipment	\$ 584.00							\$ 584.00
1218		Acquisition of Ambulance and Equipment	6,000.71							6,000.71
1234		Acquisition of Equip. & Various Imp.'s	7,703.57							7,703.57
1250		Fire Department Turn Out Gear	622.31							622.31
1259		Technology upgrades	140.09							140.09
1261		Improvements to Recreational Fields	1.00							1.00
1280		Various Improvements	0.97							0.97
1309		Acquisition of Property	130,150.00		\$ 128,455.30				\$ 97.00	1,694.70
1333	1358	Various Improvements	0.60							97.60
1382		Various Equipment & Improvements	282.50							282.50
1400		Various Improvements	637,735.00			\$ 637,735.00				
1404		Various Improvements	61,750.00			61,750.00				
1411		Various Improvements		\$ 902,500.00				\$ 901,903.00	(97.00)	500.00
			\$ 844,970.75	\$ 902,500.00	\$ 128,455.30	\$ 699,485.00	\$ 901,903.00		-	\$ 17,627.45

BOROUGH OF HADDON HEIGHTS

PART 2

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2014

BOROUGH OF HADDON HEIGHTS
Schedule of Findings and Recommendations
For the Year Ended December 31, 2014

Schedule of Financial Statement Findings

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

Finding No. 2014-001

Criteria or Specific Requirement

The payroll process should follow statutory guidelines and Borough ordinances established.

Condition

Health benefit deductions and waiver payments were not calculated in accordance with established guidelines.

Context

The amount withheld from individuals required to contribute healthcare costs and the amount reimbursed to individuals for waiving healthcare coverage were not in agreement with established state guidelines. Withholdings did not include the costs of prescription benefits in the calculation.

Effect

The Borough was not reimbursed the correct amount that was required from employees that contributed to health care costs. In addition, the Borough reimbursed employees more than they were required to with respect to waiver payments.

Cause

Management oversight.

Recommendation

That the Borough review procedures with respect to the payroll process and adhere to Borough Ordinance and Healthcare deduction guidelines.

View of Responsible Officials and Planned Corrective Action

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

BOROUGH OF HADDON HEIGHTS
Schedule of Findings and Recommendations
For the Year Ended December 31, 2014

Schedule of Financial Statement Findings (Cont'd)

Finding No. 2014-002

Criteria

New Jersey Local Unit "Political Contribution Disclosure Compliance" Law requires that the certain disclosure information be obtained prior to awarding a contract in excess of \$17,500.00 and certain specific language be utilized in resolutions awarding contracts to vendors in excess of \$17,500.00 when awarded through a non-fair and open process;

The Local Public Contracts Law requires that Extraordinary Unspecifiable Services be advertised in the Borough's official newspaper and awarded in the minutes.

Condition

There were several instances of noncompliance with the Local Public Contracts Law.

Context

The following instances of noncompliance relating to Public Contracts Law were noted:

1. Joint purchasing identifier and state contract numbers were not on purchase orders for expenditures under co-op agreements and state contracts.
2. One 271 Political Disclosure Form could not be located for vendor paid in excess of \$17,500.00, with a contract awarded through a non-fair and open process.
3. One contract awarded as "Extraordinary Unspecifiable Service" was not approved in the minutes and was not advertised.

Effect

The Borough did not fully comply with the Pay-to-Play Law and Local Public Contracts Law.

Cause

Oversight by the responsible official.

Recommendation

That all expenditures in excess of the bid threshold be in compliance with the Local Public Contracts Law and that contracts awarded to vendors in excess of \$17,500.00 be in compliance with Chapter 271 of the laws of 2005.

View of Responsible Officials and Planned Corrective Action

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

BOROUGH OF HADDON HEIGHTS
Schedule of Findings and Recommendations
For the Year Ended December 31, 2014

Schedule of Financial Statement Findings (Cont'd)

Finding No. 2014-003

Criteria or Specific Requirement

N.J.S.A. 40A:4-57 requires that no appropriation be over-expended.

Condition

One appropriation from the adopted budget was over-expended.

Context

The appropriation for debt service interest was over-expended by \$2,625.12. The over-expenditure was attributable to the unanticipated renewal of bond anticipation notes prior to the bond sale.

Effect

The Borough is in violation of state statutes requiring that no appropriation line item be over-expended. However, the Borough had other funds available and were unable to transfer to debt service as the payment was prior to the statutory dates for allowable transfers.

Cause

Timing difference with respect to bond sale in 2014.

Recommendation

None.

BOROUGH OF HADDON HEIGHTS
Summary Schedule of Prior Year Audit Findings
And Recommendations as Prepared by Management

This section identifies the status of prior year findings related to the financial statements that are required to be reported in accordance with Government Auditing Standards.

FINANCIAL STATEMENT FINDINGS

Finding No. 2013-001

Condition

Health benefit deductions and waiver payments were not calculated in accordance with established guidelines.

Current Status

This condition has not been resolved. See finding no. 2014-001.

Finding No. 2013-002

Condition

The UCC report has not been filed with the proper government authority in a timely fashion.

Current Status

This condition has been resolved.

Finding No. 2013-003

Condition

Our audit procedures, with respect to controls over expenditures, revealed several minor instances of noncompliance with Borough policies.

Current Status

This condition was partially resolved during 2014. Expenditures were made in compliance with Borough policies, however there some instances of noncompliance relating to Public Contracts Law. See finding no. 2014-002.

BOROUGH OF HADDON HEIGHTS
Officials in Office and Surety Bonds

The following officials were in office during the period under audit:

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
Edward S. Forte, Jr.	Mayor	
Kathryn Lange	Council President	
Earl R. Miller, Jr.	Councilman	
Susan R. Griffith	Councilwoman	
Stephen D. Berryhill	Councilman	
Richard DiRenzo	Councilman	
Jack D. Merryfield, Jr.	Councilman	
Jenai Johnson	Borough Clerk (to June 16, 2014)	
Kelly Santosusso	Deputy Borough Clerk (to June 16, 2014), Borough Clerk (from June 17, 2014), Municipal Search Officer, and Deputy Registrar of Vital Statistics	(A)
Christie Ehret	Treasurer, Chief Financial Officer	(B)
Andrea Penney	Tax Collector (to June 14, 2014)	
Eric Fitzgerald	Tax Collector (from June 15, 2014)	(B)
Thomas J. Colavecchio	Tax Assessor	(A)
Marian Hauser	Local Registrar	(A)
Katie Compton	Deputy Borough Clerk (from June 17, 2014)	(A)
John Szczerbinski	Construction Code Official	(A)
Edward P. Epstein	Municipal Judge	(B)
Catherine Lawson	Court Administrator (to Sept. 1, 2014)	(B)
Michele Busarello	Deputy Court Administrator (to Sept. 1, 2014)	(B)

(A) Insured for \$1,000,000 by the Garden State Municipal Joint Insurance Fund.

(B) Statutory positions are covered by a Public Employee Blanket Crime Bond of \$1,000,000 with the Garden State Municipal Joint Insurance Fund.

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APPRECIATION

I express my appreciation for the assistance and courtesies rendered by the Borough officials during the course of the audit.

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

A handwritten signature in black ink that reads "Robert S. Marrone". The signature is written in a cursive style with a large, prominent initial 'R'.

Robert S. Marrone
Certified Public Accountant
Registered Municipal Accountant

