

**BOROUGH OF HADDON HEIGHTS  
COUNTY OF CAMDEN**

**REPORT OF AUDIT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2015**

**BOROUGH OF HADDON HEIGHTS**  
**TABLE OF CONTENTS**

<b><u>Exhibit No.</u></b>		<b><u>Page No.</u></b>
	<b><u>PART 1</u></b>	
	Independent Auditor's Report	2
	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	5
	<b><u>CURRENT FUND</u></b>	
A	Statements of Assets, Liabilities, Reserves and Fund Balances--Regulatory Basis	7
A-1	Statements of Operations and Changes in Fund Balance--Regulatory Basis	9
A-2	Statement of Revenues--Regulatory Basis	11
A-3	Statement of Expenditures--Regulatory Basis	14
	<b><u>TRUST FUND</u></b>	
B	Statements of Assets, Liabilities and Reserves--Regulatory Basis	20
	<b><u>GENERAL CAPITAL FUND</u></b>	
C	Statements of Assets, Liabilities, Reserves and Fund Balances-- Regulatory Basis	21
	<b><u>GENERAL FIXED ASSET GROUP OF ACCOUNTS</u></b>	
D	Statement of General Fixed Asset Group of Accounts	22
	Notes to Financial Statements	23
	<b><u>SUPPLEMENTAL EXHIBITS</u></b>	
	<b><u>CURRENT FUND</u></b>	
SA-1	Statement of Current Cash per N.J.S.40A:5-5--Treasurer	54
SA-2	Statement of Due from State of New Jersey Veterans' and Senior Citizens' Deductions	55
SA-3	Statement of Taxes Receivable and Analysis of Property Tax Levy	56
SA-4	Statement of Tax Title Liens	57
SA-5	Schedule of Change Funds	57
SA-6	Statement of Revenue Accounts Receivable	58
SA-7	Statement of Appropriation Reserves	59
SA-8	Statement of Prepaid Taxes	61
SA-9	Statement of Tax Overpayments	61

**BOROUGH OF HADDON HEIGHTS**  
**TABLE OF CONTENTS (CONT'D)**

<b><u>Exhibit No.</u></b>		<b><u>Page No.</u></b>
<b><u>CURRENT FUND (CONT'D)</u></b>		
SA-10	Statement of County Taxes	62
SA-11	Statement of Amount Due to County for Added and Omitted Taxes	62
SA-12	Statement of School Taxes Payable	63
SA-13	Statement of Library Taxes	63
SA-14	Statement of Due to State of New Jersey--Marriage License Fees	64
SA-15	Statement of Due to State of New Jersey--DCA Fees	64
SA-16	Statement of Accounts Payable	65
SA-17	Federal, State and Other Grant Fund--Statement of Due To Current Fund	65
SA-18	Federal, State, and Other Grant Fund--Statement of Federal State, and Other Grants Receivable	66
SA-19	Federal, State and Other Grant Fund--Statement of Reserve for Federal, State and Other Grants--Unappropriated	67
SA-20	Federal, State and Other Grant Fund--Statement of Reserve for Federal, State, and Other Grants--Appropriated	68
SA-21	Federal, State and Other Grant Fund--Statement of Contracts Payable	69
<b><u>TRUST FUND</u></b>		
SB-1	Statement of Trust Cash Per N.J.S.40A:5-5--Treasurer	71
SB-2	Animal Control Fund--Statement of Reserve for Animal Control Expenditures	72
SB-3	Animal Control Fund--Statement of Due to the State of New Jersey	73
SB-4	Animal Control Fund--Statement of Due to Current Fund	73
SB-5	Trust Other Fund--Statement of Due from Camden County Community Development Block Grant Receivable	74
SB-6	Trust Other Fund--Statement of Reserve for Community Development Block Grant	74
SB-7	Trust Other Fund--Statement of Miscellaneous Trust Reserves	75
SB-8	Trust Other Fund--Statement of Reserve for Payroll Deductions Payable	76
SB-9	Trust Other Fund--Statement of Reserve for Encumbrances	77
SB-10	Trust Other Fund--Statement of Due to Current Fund	78
<b><u>GENERAL CAPITAL FUND</u></b>		
SC-1	Statement of General Capital Cash Per N.J.S.40A:5-5--Treasurer	80
SC-2	Analysis of General Capital Cash	81
SC-3	Statement of Deferred Charges to Future Taxation--Funded	82
SC-4	Statement of Deferred Charges to Future Taxation--Unfunded	83
SC-5	Statement of Due from Current Fund	84
SC-6	Statement of Capital Improvement Fund	84
SC-7	Statement of Improvement Authorizations	85
SC-8	Statement of Contracts Payable	86
SC-9	Statement of Reserve for Encumbrances	86
SC-10	Statement of Reserve to pay Debt	87

**BOROUGH OF HADDON HEIGHTS**  
**TABLE OF CONTENTS (CONT'D)**

<b><u>Exhibit No.</u></b>		<b><u>Page No.</u></b>
	<b><u>GENERAL CAPITAL FUND (CONT'D)</u></b>	
SC-11	Statement of New Jersey Green Trust Loan Payable	88
SC-12	Statement of General Serial Bonds	89
SC-13	Statement of Bonds and Notes Authorized But Not Issued	90
	<b><u>PART 2</u></b>	
	<b><u>SCHEDULE OF FINDINGS AND RECOMMENDATIONS</u></b>	
	Schedule of Findings and Recommendations	92
	Summary Schedule of Prior Year Audit Findings and Recommendations as Prepared by Management	93
	<b>OFFICIALS IN OFFICE AND SURETY BONDS</b>	94
	<b>APPRECIATION</b>	95

**BOROUGH OF HADDON HEIGHTS**

**PART 1**

**REPORT OF AUDIT OF FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
DECEMBER 31, 2015**

## **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, 2015 and 2014, 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 - regulatory basis for the year ended December 31, 2015, 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of 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 Borough's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinions**

*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*

As described in note 1 to 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 Accounting Principles Generally Accepted in the United States of America*

In our opinion, because of the significance of the matter discussed in the “*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*” 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, 2015 and 2014, 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, 2015 and 2014, 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 and expenditures - regulatory basis of the various funds, and general fixed assets group of accounts - regulatory basis, for the year ended December 31, 2015 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.

**Emphasis of Matter**

*Adoption of New Accounting Principles*

As discussed in note 1 to the financial statements, during the year ended December 31, 2015, the Borough adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. As a result of the regulatory basis of accounting, described in the previous paragraph, the implementation of these Statements only required financial statement disclosures. Our opinions are not modified with respect to this matter.

**Other Matters**

*Other Information*

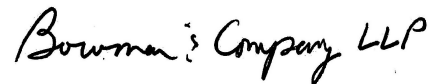
Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough’s basic financial statements. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division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

The supplemental statements and schedules 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental statements and schedules described in the previous paragraph are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 4, 2016 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 and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Robert S. Marrone  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
August 4, 2016



**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, 2015, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated August 4, 2016. 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. In addition, our report on the financial statements also included an emphasis of matter paragraph describing the adoption of new accounting principles.

***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 of Haddon Heights' 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 a certain deficiency in internal control, described in the accompanying *Schedule of Findings and Recommendations* that we consider to be a significant deficiency: 2015-001.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and which is described in the accompanying *Schedule of Findings and Recommendations* as finding no.: 2015-001.

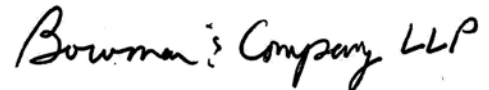
**The Borough of Haddon Heights' Response to Findings**

The Borough of Haddon Heights' response to the finding 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, in considering the entity'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  
August 4, 2016

## BOROUGH OF HADDON HEIGHTS

## CURRENT FUND

Statements of Assets, Liabilities, Reserves, and Fund Balances - Regulatory Basis  
As of December 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>			
Regular Fund:			
Cash:			
Cash - Treasurer	SA-1	\$ 1,558,567.62	\$ 1,432,757.37
Cash - Change Funds	A	200.00	200.00
Due from State of NJ - Senior Citizens and Vet. Deductions	SA-2	13,334.21	12,335.69
		<u>1,572,101.83</u>	<u>1,445,293.06</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-3	407,350.35	386,815.91
Tax Title Liens Receivable	SA-4	1,193.94	1,046.56
Due State of NJ - Burial Permit Fee	A	5.00	5.00
Revenue Accounts Receivable	SA-6	11,814.47	16,208.36
Due from Federal, State and Other Grant Fund	SA-17	145,057.27	35,772.99
Due from Animal Control Fund	B	6.62	1.45
Due from Trust Other Fund	B	4,953.91	3,883.35
		<u>570,381.56</u>	<u>443,733.62</u>
Deferred Charges:			
Overexpenditure of Appropriations	A-3		2,625.12
		<u>2,142,483.39</u>	<u>1,891,651.80</u>
Federal, State and Other Grant Fund:			
Due from General Capital Fund	C	36,001.32	57,667.21
Federal, State and Other Grants Receivable	SA-18	386,025.69	385,347.64
		<u>422,027.01</u>	<u>443,014.85</u>
		<u>\$ 2,564,510.40</u>	<u>\$ 2,334,666.65</u>

(Continued)

**BOROUGH OF HADDON HEIGHTS**  
CURRENT FUND

Statements of Assets, Liabilities, Reserves, and Fund Balances - Regulatory Basis  
As of December 31, 2015 and 2014

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3;SA-7	\$ 375,242.28	\$ 234,456.37
Reserve for Encumbrances	A-3	161,001.79	84,586.07
Prepaid Taxes	SA-8	86,108.36	126,889.00
Tax Overpayments	SA-9	8,433.52	2,324.27
Due County for Added and Omitted Taxes	SA-11	25,710.56	26,320.24
Local School District Taxes Payable	SA-12	4.00	
Due to State of New Jersey:			
Marriage License Fees	SA-14	150.00	100.00
DCA Training Fees	SA-15	1,850.00	1,571.00
Accounts Payable	SA-16	1,528.00	1,820.11
Reserve for Master Plan Update	A	2,873.36	2,873.36
Reserve for Payment of Debt Service	A	15,311.20	15,311.20
Due to General Capital Fund	C	133,677.16	131,310.89
		<u>811,890.23</u>	<u>627,562.51</u>
Reserves for Receivables	A	570,381.56	443,733.62
Fund Balance	A-1	<u>760,211.60</u>	<u>820,355.67</u>
		<u>2,142,483.39</u>	<u>1,891,651.80</u>
Federal, State and Other Grant Fund:			
Federal, State and Other Grants - Unappropriated	SA-19	15,009.41	17,068.61
Federal, State and Other Grants - Appropriated	SA-20	232,556.13	246,804.26
Reserve for Encumbrances	SA-17;SA-20	13,208.27	568.39
Contracts Payable	SA-21	16,195.93	142,800.60
Due to Current Fund	SA-17	145,057.27	35,772.99
		<u>422,027.01</u>	<u>443,014.85</u>
		<u>\$ 2,564,510.40</u>	<u>\$ 2,334,666.65</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, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<u>Revenue and Other Income Realized:</u>		
Fund Balance Utilized	\$ 434,700.00	\$ 230,000.00
Miscellaneous Revenues Anticipated	1,842,961.13	3,106,053.84
Receipts from Delinquent Taxes	384,949.17	385,129.66
Receipts from Current Taxes	24,479,899.76	23,687,215.34
Nonbudget Revenues	45,995.91	57,146.32
Prior Year Encumbrances Canceled		1,280.00
Prior Year Accounts Payable Canceled	1,820.11	
Other Credits to Income:		
Cancellation of Federal and State Grants Appropriated		37,064.60
Unexpended Balance of Appropriation Reserves	84,226.57	46,182.51
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 General Capital Fund		47,887.12
Due from Trust Other Fund		13,613.54
	<hr/>	<hr/>
Total Income	<u>27,274,552.65</u>	<u>27,831,272.59</u>
<u>Expenditures:</u>		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	2,498,325.00	2,567,825.00
Other Expenses	3,149,031.00	3,069,510.00
Deferred Charges and Statutory Expenditures	582,825.12	563,480.00
Appropriations Excluded from "CAPS"		
Operations:		
Salaries and Wages	7,508.67	14,470.83
Other Expenses	611,901.89	598,453.06
Capital Improvements	47,500.00	47,500.00
Municipal Debt Service	627,671.74	1,659,757.55
Deferred Charges and Judgments		128,455.30
County Taxes	6,628,110.03	6,415,046.96
Due County for Added and Omitted Taxes	25,710.56	26,320.24
Local District School Tax	12,611,051.00	11,994,444.00
Prior Year Senior Citizens Disallowed		2,000.00
Refund of Prior Year Revenue	1.70	
Reserve Created for Burial Permit Fee		5.00
Cancellation of Federal and State Grants Receivable		37,064.60
Interfunds Created:		
Due from Trust Other Fund	1,070.56	
Due from Animal Control Fund	5.17	0.20
Due from Federal, State and Other Grant Fund	109,284.28	
	<hr/>	<hr/>
Total Expenditures	<u>26,899,996.72</u>	<u>27,124,332.74</u>

(Continued)



**BOROUGH OF HADDON HEIGHTS**  
**CURRENT FUND**  
Statement of Revenues - Regulatory Basis  
For the Year Ended December 31, 2015

	Anticipated <u>Budget</u>	Special N.J.S.A. <u>40A:4-87</u>	<u>Realized</u>	Excess <u>(Deficit)</u>
Fund Balance	\$ 434,700.00		\$ 434,700.00	
Miscellaneous Revenues:				
Licenses:				
Other	3,000.00		1,825.00	\$ (1,175.00)
Fees and Permits	33,400.00		55,136.15	21,736.15
Fines and Costs:				
Municipal Court	200,000.00		201,410.83	1,410.83
Interest and Costs on Taxes	50,000.00		99,792.09	49,792.09
Cable TV Franchise Fee	105,000.00		113,029.52	8,029.52
Payments in Lieu of Taxes	54,500.00		73,913.61	19,413.61
Energy Receipts Tax P.L. 1997, Chapters 162 & 167)	754,209.00		754,209.00	
Uniform Construction Code Fees	110,000.00		173,615.00	63,615.00
Uniform Fire Safety Act	15,000.00		3,721.25	(11,278.75)
Police Outside Employee Administrative Cost	10,500.00		10,500.00	
Facilities Rentals	39,000.00		43,907.50	4,907.50
Recreation Fees	40,000.00		59,397.29	19,397.29
Public and Private Revenues Offset With Appropriations:				
Body Armor Fund	1,765.27		1,765.27	
Recycling Tonnage Grant		\$ 10,644.80	10,644.80	
Municipal Alliance on Alcoholism and Drug Abuse	2,444.53	11,074.00	13,518.53	
Municipal Court Alcohol Education, Rehabilitation and Enforcement Fund		294.67	294.67	
Clean Communities Grant		15,566.61	15,566.61	
Drive Sober or Get Pulled Over		5,000.00	5,000.00	
Transportation Grant - 2014 Program		202,000.00	202,000.00	
Drunk Driving Enforcement Fund	2,214.01		2,214.01	
ANJEC Grant		1,500.00	1,500.00	
Subtotal Miscellaneous Revenues	1,421,032.81	246,080.08	1,842,961.13	175,848.24
Receipts from Delinquent Taxes	300,000.00		384,949.17	84,949.17
Subtotal General Revenues	2,155,732.81	246,080.08	2,662,610.30	260,797.41
Amount to be Raised by Taxes for Support of				
Municipal Budget	5,305,273.65		5,396,573.03	91,299.38
Minimum Library Tax	265,877.09		265,877.09	
Subtotal Amount to be Raised by Taxes	5,571,150.74		5,662,450.12	91,299.38
Budget Totals	7,726,883.55	246,080.08	8,325,060.42	352,096.79
Nonbudget Revenues			45,995.91	45,995.91
	<u>\$ 7,726,883.55</u>	<u>\$ 246,080.08</u>	<u>\$ 8,371,056.33</u>	<u>\$ 398,092.70</u>

(Continued)

**BOROUGH OF HADDON HEIGHTS**  
**CURRENT FUND**  
Statement of Revenues - Regulatory Basis  
For the Year Ended December 31, 2015

---

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections:

Revenue from Collections \$ 24,479,899.76

Allocated to:

School, County, and Library Taxes 19,530,748.68

Balance for Support of Municipal Budget Revenues 4,949,151.08

Add:

Appropriation: "Reserve for Uncollected Taxes" 447,421.95

Amount for Support of Municipal  
Budget Appropriations \$ 5,396,573.03

Delinquent Taxes:

Receipts \$ 384,949.17

Licenses - Other:

Raffle Licenses \$ 100.00

Registrar of Vital Statistics - Marriage Licenses 1,725.00

\$ 1,825.00

Fees and Permits - Other:

Street Openings \$ 9,100.00

Curb and Sidewalk 4,425.00

Planning Board Fees 3,350.00

Zoning Board Fees 2,825.00

Register of Vital Statistics 13,890.00

Police Permits 980.15

Overnight Parking 3,925.00

Fire Prevention Inspection Fees 16,641.00

\$ 55,136.15

(Continued)



**BOROUGH OF HADDON HEIGHTS**  
**CURRENT FUND**  
Statement of Revenues - Regulatory Basis  
For the Year Ended December 31, 2015

Analysis of Realized Revenue: (Continued)

Analysis of Non-Budget Revenue

Sr Citizens & Vets Deduction Administration	\$ 1,613.19	
Tax Sale Costs	9,827.66	
Certificate of Redemption	425.00	
Sale of Municipal Assets	5,552.00	
Sewer Connections	3,000.00	
Interest on Investments	3,782.38	
Motor Vehicle Inspections	5,637.50	
Cancel Outstanding Checks	420.80	
Solicitor Permits	2,250.00	
NSF Check Charge	170.00	
Scrap Metal	928.35	
Lawn Maintenance	3,920.00	
Forfeited LOSAP Contributions	3,837.23	
Conrail Right of Way	1,225.00	
Refund of Prior Year Expenditures	<u>1,376.06</u>	
		\$ 43,965.17
Due From Trust Other - Interest on Investments		1,191.84
Due From Animal Control - Interest on Investments		5.17
Due From General Capital - Interest on Investments		<u>833.73</u>
		<u>\$ 45,995.91</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, 2015

	Appropriations			Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved		
<b>OPERATIONS WITHIN "CAPS"</b>							
<b>GENERAL GOVERNMENT:</b>							
Operations							
Other Expense							
Postage	\$ 10,000.00	\$ 10,000.00	\$ 8,404.43		\$ 1,595.57		
Office Supplies	12,000.00	12,000.00	11,074.39	370.44	555.17		
Marketing Events and Communications	12,000.00	12,000.00	10,128.63	1,500.00	371.37		
General Administration							
Other Expenses	24,000.00	28,500.00	21,204.78	1,358.23	5,936.99		
Municipal Clerk							
Salaries and Wages	128,100.00	128,100.00	122,172.30		5,927.70		
Other Expenses	20,650.00	20,650.00	19,662.58	419.20	568.22		
Financial Administration							
Salaries and Wages	62,500.00	60,500.00	54,648.87		5,851.13		
Other Expenses	10,050.00	10,050.00	8,310.85	650.00	1,089.15		
Audit Services							
Other Expenses	39,000.00	39,000.00	36,000.00		3,000.00		
Assessment of Taxes							
Salaries and Wages	47,500.00	48,100.00	48,092.57		7.43		
Other Expenses	11,521.00	10,921.00	8,029.70	75.00	2,816.30		
Collection of Taxes							
Salaries and Wages	58,200.00	59,300.00	59,280.00		20.00		
Other Expenses	6,250.00	6,250.00	5,316.68		933.32		
Legal Services							
Contractual	12,000.00	12,000.00	8,630.00		3,370.00		
Other Expenses	30,000.00	30,000.00	23,269.11		6,730.89		
Engineering Services and Costs							
Other Expenses	40,000.00	40,000.00	30,597.50	4,202.75	5,199.75		
Municipal Prosecutor							
Other Expenses	9,000.00	9,000.00	6,750.00		2,250.00		
Municipal Building							
Salaries and Wages	45,000.00	45,000.00	35,915.76		9,084.24		
Other Expenses	36,550.00	39,550.00	37,933.32	1,032.43	584.25		

**BOROUGH OF HADDON HEIGHTS**

CURRENT FUND

Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2015

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	
<u>OPERATIONS WITHIN "CAPS" (CONT'D)</u>					
Insurance:					
General Liability	\$ 120,000.00	\$ 110,000.00	\$ 98,811.15		\$ 11,188.85
Worker's Compensation	160,000.00	152,000.00	151,649.26		350.74
Employee Group Insurance	1,292,720.00	1,193,470.00	1,069,576.47	\$ 74,246.80	49,646.73
Employee Benefit Waiver	20,000.00	20,000.00	19,348.50		651.50
Unemployment Compensation	2,500.00	5,000.00	5,000.00		
LAND USE ADMINISTRATION:					
Planning Board:					
Salaries and Wages	6,500.00	8,900.00	8,727.84		172.16
Other Expenses	4,000.00	4,000.00	3,368.89		631.11
Zoning Board of Adjustments:					
Salaries and Wages	15,600.00	15,600.00	15,246.12		353.88
Other Expenses	550.00	550.00			550.00
Environmental Commission					
Other Expenses	550.00	550.00	545.00		5.00
PUBLIC SAFETY:					
Police					
Salaries and Wages	1,361,950.00	1,404,950.00	1,402,419.19		2,530.81
Other Expenses	77,465.00	77,465.00	61,249.16	15,171.88	1,043.96
Fire					
Salaries and Wages	138,350.00	166,100.00	161,282.45		4,817.55
Other Expenses	44,600.00	44,600.00	38,016.53	5,731.50	851.97
Fire Hydrant Service	73,200.00	73,200.00	59,206.65	6,088.50	7,904.85
Fire Safety Official:					
Salaries and Wages	17,000.00	17,000.00	16,636.13		363.87
Other Expenses	600.00	600.00	166.32	20.95	412.73
Office of Emergency Management:					
Salaries and Wages	1,450.00	1,450.00	1,423.00		27.00
Other Expenses	200.00	200.00	50.00		150.00
Municipal Court:					
Other Expenses	130,000.00	130,000.00	89,671.21		40,328.79

**BOROUGH OF HADDON HEIGHTS**

CURRENT FUND

Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2015

	Appropriations			Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved		
<u>OPERATIONS WITHIN "CAPS" (CONT'D)</u>							
<u>PUBLIC WORKS:</u>							
Public Works:							
Salaries and Wages	\$ 443,775.00	\$ 443,775.00	\$ 424,405.32		\$ 19,369.68		
Other Expenses	150,425.00	150,425.00	94,145.37	24,249.96	32,029.67		
Garbage and Trash Removal							
Other Expenses	288,000.00	305,000.00	279,175.00		25,825.00		
Vehicle Maintenance	44,000.00	49,000.00	40,845.38	6,734.79	1,419.83		
Solid Waste Disposal	198,000.00	209,500.00	188,048.63	441.00	21,010.37		
<u>HEALTH AND WELFARE:</u>							
Dog Regulation							
Contractual	10,500.00	10,500.00	6,330.87	1,200.00	2,969.13		
<u>RECREATION AND EDUCATION:</u>							
Parks and Recreation							
Salaries and Wages	20,000.00	21,150.00	20,898.53		251.47		
Other Expenses	41,000.00	39,850.00	38,596.91	1,064.73	188.36		
Historic Commission							
Other Expenses	2,000.00	2,000.00	125.00		1,875.00		
<u>CODE ENFORCEMENT AND ADMINISTRATION:</u>							
Construction Code Official							
Salaries and Wages	79,400.00	78,400.00	70,340.49		8,059.51		
Other Expenses	2,700.00	3,700.00	2,247.72	1,232.27	220.01		
<u>UNCLASSIFIED AND BULK PURCHASES:</u>							
Utilities:							
Gasoline	65,000.00	53,200.00	36,970.00	3,070.56	13,159.44		
Telephone	38,500.00	38,500.00	32,652.27	2,706.80	3,140.93		
Electric Utilities	90,000.00	96,800.00	77,302.52	2,148.89	17,348.59		
Street Lighting	84,000.00	84,000.00	62,622.37	6,654.90	14,722.73		
Water Utilities	10,000.00	15,000.00	11,475.77	68.00	3,456.23		
<b>Total Operations Within "CAPS"</b>	<b>5,648,856.00</b>	<b>5,647,356.00</b>	<b>5,143,997.49</b>	<b>160,439.58</b>	<b>342,918.93</b>		
<u>Detail:</u>							
Salaries and Wages	2,425,325.00	2,498,325.00	2,441,488.57		56,836.43		
Other Expenses	3,223,531.00	3,149,031.00	2,702,508.92	160,439.58	286,082.50		

(Continued)

**BOROUGH OF HADDON HEIGHTS**

CURRENT FUND

Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2015

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS":</b>					
Statutory Expenditures:					
Deferred Charges:					
Overexpenditure of Appropriations	\$ 2,625.12	\$ 2,625.12	\$ 2,625.12		
Contribution to:					
Social Security System (O.A.S.I.)	120,000.00	120,000.00	101,058.64		\$ 18,941.36
Public Employees Retirement System	118,000.00	119,500.00	119,433.74		66.26
Police and Fireman's Retirement System of NJ	340,700.00	340,700.00	340,617.00		83.00
<b>Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"</b>	<b>581,325.12</b>	<b>582,825.12</b>	<b>563,734.50</b>		<b>19,090.62</b>
<b>Total General Appropriations for Municipal Purposes Within "CAPS"</b>	<b>6,230,181.12</b>	<b>6,230,181.12</b>	<b>5,707,731.99</b>	<b>\$ 160,439.58</b>	<b>362,009.55</b>
<b>OPERATIONS EXCLUDED FROM "CAPS"</b>					
Public and Private Programs Offset by Revenues:					
Municipal Alliance (NJ 40A:4-87, \$11,074.00)	2,444.53	13,518.53	13,518.53		
Municipal Alliance - Local Match	366.68	366.68	366.68		
Recycling Tonnage Grant (NJ 40A:4-87, \$10,644.80)		10,644.80	10,644.80		
Transportation Grant - 2014 Program (NJ 40A:4-87, \$202,000.00)		202,000.00	202,000.00		
Municipal Court Alcohol Education, Rehabilitation and Enforcement Fund (NJ 40A:4-87, \$294.67)		294.67	294.67		
Clean Communities Grant (NJ 40A:4-87, \$15,566.61)		15,566.61	15,566.61		
ANJEC Grant (NJ 40A:4-87, \$1,500.00)		1,500.00	1,500.00		
Drive Sober or Get Pulled Over (NJ 40A:4-87, \$5,000.00)		5,000.00	5,000.00		
Body Armor Fund	1,765.27	1,765.27	1,765.27		
Drunk Driving Enforcement Fund	2,214.00	2,214.00	2,214.00		
<b>Total Public and Private Programs Offset by Revenues</b>	<b>6,790.48</b>	<b>252,870.56</b>	<b>252,870.56</b>		

**BOROUGH OF HADDON HEIGHTS**

CURRENT FUND

Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2015

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	
<u>OPERATIONS EXCLUDED FROM "CAPS" (CONTD)</u>					
Maintenance of Free Public Library	\$ 270,000.00	\$ 270,000.00	\$ 270,000.00		
Employee Group Insurance	33,140.00	33,140.00	33,140.00		
Judgments	32,500.00	32,500.00	32,201.46	\$ 298.54	
Trash Collection Services/Apartments	13,300.00	13,300.00	1,857.09	\$ 10,880.70	
Recycling Tax	10,000.00	10,000.00	7,946.51	2,053.49	
Length of Service Award Program	7,600.00	7,600.00	7,600.00		
<b>Total Operations - Excluded from "CAPS"</b>	<b>373,330.48</b>	<b>619,410.56</b>	<b>605,615.62</b>	<b>562.21</b>	<b>13,232.73</b>
Detail:					
Salaries and Wages	2,214.00	7,508.67	7,508.67		
Other Expenses	371,116.48	611,901.89	598,106.95	562.21	13,232.73
<b>Total Operations - Excluded from "CAPS"</b>	<b>47,500.00</b>	<b>47,500.00</b>	<b>47,500.00</b>		
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>					
Capital Improvement Fund	47,500.00	47,500.00	47,500.00		
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>					
Payment of Bond Principal	435,000.00	435,000.00	435,000.00		\$ 630.39
Interest on Bonds	179,000.00	179,000.00	178,369.61		
Green Trust Loan Program:					
Loan Repayments for Principal and Interest	14,450.00	14,450.00	14,302.13		147.87
<b>Total Municipal Debt Service - Excluded from "CAPS"</b>	<b>628,450.00</b>	<b>628,450.00</b>	<b>627,671.74</b>		<b>778.26</b>
<b>Total General Appropriations for Municipal Purposes Excluded from "CAPS"</b>	<b>1,049,280.48</b>	<b>1,295,360.56</b>	<b>1,280,787.36</b>	<b>562.21</b>	<b>13,232.73</b>
<b>Subtotal General Appropriations</b>	<b>7,279,461.60</b>	<b>7,525,541.68</b>	<b>6,988,519.35</b>	<b>161,001.79</b>	<b>375,242.28</b>
Reserve for Uncollected Taxes	447,421.95	447,421.95	447,421.95		
<b>Total General Appropriations</b>	<b>\$ 7,726,883.55</b>	<b>\$ 7,972,963.63</b>	<b>\$ 7,435,941.30</b>	<b>\$ 161,001.79</b>	<b>\$ 375,242.28</b>
					<b>\$ 778.26</b>

**BOROUGH OF HADDON HEIGHTS**

CURRENT FUND

Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2015

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered Reserved	
Budget		\$ 7,726,883.55			
Appropriation by NJ 40A:4-87		<u>246,080.08</u>			
		<u>\$ 7,972,963.63</u>			
Federal, State and Other Grants -- Appropriated			\$ 255,639.06		
Deferred Charges - Overexpenditure of Appropriations			2,625.12		
Reserve for Uncollected Taxes			447,421.95		
Disbursed			<u>6,730,255.17</u>		
			<u>\$ 7,435,941.30</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, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<b><u>ASSETS</u></b>			
Animal Control Fund:			
Cash	SB-1	\$ 3,149.86	\$ 660.21
Other Funds:			
Cash	SB-1	834,286.98	781,009.19
Due from County of Camden:			
Community Development Block Grant Receivable	SB-5	58,700.00	40,800.00
		<u>892,986.98</u>	<u>821,809.19</u>
		<u>\$ 896,136.84</u>	<u>\$ 822,469.40</u>
<b><u>LIABILITIES AND RESERVES</u></b>			
Animal Control Fund:			
Due to Current Fund	SB-4	\$ 6.62	\$ 1.45
Due to State of New Jersey	SB-3	12.80	12.80
Reserve for Encumbrances	SB-1 & 2	225.50	167.75
Reserve for Animal Control Expenditures	SB-2	2,904.94	478.21
		<u>3,149.86</u>	<u>660.21</u>
Other Funds:			
Due to Current Fund	SB-10	4,953.91	3,883.35
Reserve for Encumbrances	SB-9	6,995.70	10,987.94
Contracts Payable	SB-6	46,200.00	
Reserve for Community Development Block Grant	SB-6	2,195.55	40,800.00
Reserve for Recycling	SB-7	6,552.40	10,194.29
Reserve for Public Defender	SB-7	2,019.07	3,879.75
Reserve for Unemployment Compensation	SB-7	31.75	12,311.59
Reserve for Uniform Fire Safety Code - Penalties	SB-7	5,768.83	3,577.79
Reserve for Street Opening Deposits	SB-7	1,723.00	1,948.00
Reserve for Planning & Zoning Board	SB-7	22,436.18	26,893.68
Reserve for Tax Title Lien Redemptions - Outside Liens	SB-7	474,329.73	378,030.11
Reserve for Citizen Donations for Police Department	SB-7	3,514.11	4,533.63
Reserve for POAA	SB-7	3,148.28	4,192.28
Reserve for Municipal Drug Alliance Donations	SB-7	25,575.93	35,096.17
Reserve for Police Forfeiture	SB-7	2,187.74	2,187.44
Reserve for Fire Department	SB-7	516.12	516.12
Reserve for Off Duty Police	SB-7	88,756.42	100,197.44
Reserve for Memorial Clock Donations	SB-7	14,340.53	4,423.03
Reserve for Fourth of July Parade	SB-7	76.95	76.95
Reserve for Land Deposits	SB-7	154,245.34	154,245.34
Reserve for Community Garden	SB-7	1,065.35	723.64
Reserve for Heights Report	SB-7	9,835.65	9,582.02
Reserve for Shade Tree Donations	SB-7	400.00	500.00
Reserve for Streetscape	SB-7	2.68	
Reserve for Neighbor's Night Out	SB-7	9,946.66	
Reserve for Payroll Deductions Payable	SB-8	6,169.10	13,028.63
		<u>892,986.98</u>	<u>821,809.19</u>
		<u>\$ 896,136.84</u>	<u>\$ 822,469.40</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, 2015 and 2014

<u>ASSETS</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Cash	SC-1	\$ 194,348.77	\$ 670,905.80
Due Current Fund	SC-5	133,677.16	131,310.89
Deferred Charges to Future Taxation:			
Funded	SC-3	5,297,286.68	5,744,184.32
Unfunded	SC-4	466,300.68	17,627.45
		<u>\$ 6,091,613.29</u>	<u>\$ 6,564,028.46</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Due Federal and State Grant Fund	SC-2	\$ 36,001.32	\$ 57,667.21
Capital Improvement Fund	SC-6	24,156.22	406.22
Improvement Authorizations:			
Funded	SC-7	34,238.57	635,818.10
Unfunded	SC-7	109,802.97	2,576.77
Contracts Payable	SC-8	335,300.00	10,717.26
Reserve for Encumbrances	SC-9	227,914.53	98,945.58
Reserve to Pay Debt Service	SC-10	26,400.00	13,200.00
Green Trust Loan Payable	SC-11	111,286.68	123,184.32
General Serial Bonds	SC-12	5,186,000.00	5,621,000.00
Fund Balance	C	513.00	513.00
		<u>\$ 6,091,613.29</u>	<u>\$ 6,564,028.46</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, 2015

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Fixed Assets:				
Land	\$ 9,494,100.00			\$ 9,494,100.00
Buildings	5,941,561.90			5,941,561.90
Equipment	474,333.39	\$ 18,168.09	\$ 6,899.00	485,602.48
Vehicles	2,356,137.48	248,796.70	41,932.00	2,563,002.18
	<hr/>			
Total Fixed Assets	\$ 18,266,132.77	\$ 266,964.79	\$ 48,831.00	\$ 18,484,266.56
<hr/>				
Total Investment in Fixed Assets	\$ 18,266,132.77	\$ 266,964.79	\$ 48,831.00	\$ 18,484,266.56
<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, 2015

---

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

**Description of Financial Reporting Entity** - The Borough of Haddon Heights (hereafter referred to as the "Borough") 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 are not presented in accordance with Governmental Accounting Standards Board GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. If the provisions of GASBS No. 14, as amended by GASBS No. 39 and GASBS No. 61, had been complied with, the financial statements of the following component units 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 offices of these component units during regular business hours.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation** - The financial statements of the Borough 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 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)****Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

**General Fixed Asset Group of Accounts** - The general fixed asset group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other governmental funds.

**Budgets and Budgetary Accounting** - The Borough 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 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's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of \$5,000.00, 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. 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 balances 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 is 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, the Borough of Haddon Heights School District and the Borough of Haddon Heights Library. Unpaid property taxes are subject to tax sale in accordance with the statutes.

**School Taxes** - The Borough 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. County taxes are determined on a calendar year by the County Board of Taxation based upon the ratables required to be certified to them on January 10 of each year. Operations is charged for the amount due to 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 bonds 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 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.

**Impact of Recently Issued Accounting Principles****Recently Issued and Adopted Accounting Pronouncements**

For the year ended December 31, 2015, the Borough adopted GASB 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. As a result of adopting such Statements, the Borough was required to measure and disclose liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to their defined benefit pensions. As a result of the regulatory basis of accounting previously described in note 1, the implementation of these Statements only required financial statement disclosures. There exists no impact on the financial statements of the Borough.

**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 \$250,000.00 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 agency 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 classified as uninsured and uncollateralized.

As of December 31, 2015, the Borough's bank balances of \$2,768,871.64 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 2,541,236.63
Uninsured and Uncollateralized	<u>227,635.01</u>
Total	<u>\$ 2,768,871.64</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 calendar years:

**Comparative Schedule of Tax Rates**

	<u>Year Ended</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Tax Rate	<u>\$ 3.024</u>	<u>\$ 2.928</u>	<u>\$ 2.851</u>	<u>\$ 2.692</u>	<u>\$ 2.586</u>
Apportionment of Tax Rate:					
Municipal	\$ .646	\$ .647	\$ .626	\$ .568	\$ .559
Municipal Library	.032	.032	.032	.032	.032
County	.809	.784	.760	.708	.656
Local School	1.537	1.465	1.433	1.384	1.339

**Assessed Valuation**

<u>Year</u>	<u>Amount</u>
2015	\$ 820,458,345.00
2014	819,066,331.00
2013	820,503,229.00
2012	821,236,781.00
2011	821,164,213.00

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2015	\$ 24,906,762.79	\$ 24,479,899.76	98.29%
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%

**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>
2015	\$ 1,193.94	\$ 407,350.35	\$ 408,544.29	1.64%
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%



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

The following comparison is made of the number of tax title liens receivable on December 31 for the current and previous four calendar years:

<u>Year</u>	<u>Number</u>
2015	2
2014	2
2013	2
2012	2
2011	1

**Note 4: FUND BALANCES APPROPRIATED**

The following schedules detail 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:

**Current Fund**

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2015	\$ 760,211.60	\$ 530,000.00	69.72%
2014	820,355.67	434,700.00	52.99%
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%

**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, 2015:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 150,017.80	\$ 133,677.16
Federal and State Grant	36,001.32	145,057.27
Trust - Animal Control		6.62
Trust - Other		4,953.91
General Capital	133,677.16	36,001.32
	<u>\$ 319,696.28</u>	<u>\$ 319,696.28</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2016, the Borough expects to liquidate such interfunds, depending upon the availability of cash flow.

**Note 6: PENSION PLANS**

A substantial number of the Borough's employees participate in one of the following 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, certain employees are eligible to participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This plan is administered by Prudential Financial for the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey  
Division of Pensions and Benefits  
P.O. Box 295  
Trenton, New Jersey 08625-0295  
<http://www.state.nj.us/treasury/pensions>

**General Information about the Pension Plans****Plan Descriptions**

**Public Employees' Retirement System** - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Borough, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

**Police and Firemen's Retirement System** - The Police and Firemen's Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. The PFRS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time police and firemen of the Borough. The PFRS's Board of Trustees is primarily responsible for the administration of the PFRS.

**Defined Contribution Retirement Program** - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in PFRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

**Note 6: PENSION PLANS (CONT'D)****General Information about the Pension Plans****Vesting and Benefit Provisions**

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

The following represents the membership tiers for PERS:

**Tier Definition**

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

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

**Police and Firemen's Retirement System** - The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PFRS:

**Tier Definition**

- 1 Members who were enrolled prior to May 22, 2010
- 2 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 3 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

**Note 6: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

**Defined Contribution Retirement Program** - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and nonforfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and nonforfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

**Contributions**

**Public Employees' Retirement System** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over seven years beginning in July 2012. The member contribution rate was 6.92% in State fiscal year 2015. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contributions are based on an actuarially determined amount which includes the normal cost and unfunded accrued liability.

The Borough's contractually required contribution rate for the year ended December 31, 2015 was 14.77% of the Borough's covered-employee payroll, which includes employees of the Haddon Heights Public Library, a component unit of the Borough. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2015, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2015 is \$127,465.00, and is payable by April 1, 2016. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2014, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2014 was \$117,941.00, which was paid on April 1, 2015. Employee contributions to the plan during the year ended December 31, 2015 were \$66,373.41.

**Police and Firemen's Retirement System** - The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 8.5% to 10.0% in October 2011. Employers' contributions are based on an actuarially determined amount which includes the normal cost and unfunded accrued liability.

**Note 6: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)****Police and Firemen's Retirement System (Cont'd)**

*Special Funding Situation Component* - Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a *special funding situation* as defined by GASB Statement No. 68, and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The Borough's contractually required contribution rate for the year ended December 31, 2015 was 23.67% of the Borough's covered-employee payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2015, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2015 is \$307,102.00, and is payable by April 1, 2016. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2014, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2014 was \$306,031.00, which was paid on April 1, 2015. Employee contributions to the plan during the year ended December 31, 2015 were \$133,795.10.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Borough, for the year ended December 31, 2015 was 2.21% of the Borough's covered-employee payroll.

Based on the most recent PFRS measurement date of June 30, 2015, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2015 is \$28,728.00, and is payable by April 1, 2016. Based on the PFRS measurement date of June 30, 2014, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2014 was \$22,410.00, which was paid on April 1, 2015.

**Defined Contribution Retirement Program** - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Borough contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

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

**Note 6: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

**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, 2015, the accrued liability to the PERS for the 1993 program was approximately \$71,248.00 payable in approximate annual installments of \$35,624.00 to April 1, 2017.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**Public Employees' Retirement System** - At December 31, 2015, the Borough's proportionate share of the PERS net pension liability was \$3,328,170.00. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2015 measurement date, the Borough's proportion was 0.0148261352%, which was an increase of 0.0005196015% from its proportion measured as of June 30, 2014.

At December 31, 2015, the Borough's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2015 measurement date is \$260,699.00. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2015, the Borough's contributions to PERS were \$117,941.00, and were paid on April 1, 2015.

**Police and Firemen's Retirement System** - At December 31, 2015, the Borough's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$ 6,292,974.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough	551,873.00
	<u>\$ 6,844,847.00</u>

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015.

**Note 6: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

**Police and Firemen's Retirement System (Cont'd)** - The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2015 measurement date, the Borough's proportion was 0.0377808552%, which was a decrease of 0.0020633480% from its proportion measured as of June 30, 2014. Likewise, at June 30, 2015, the State of New Jersey's proportion, on-behalf of the Borough, was 0.0377808552%, which was a decrease of 0.0020633480% from its proportion, on-behalf of the Borough, measured as of June 30, 2014.

At December 31, 2015, the Borough's proportionate share of the PFRS pension expense, calculated by the plan as of the June 30, 2015 measurement date is \$551,361.00. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2015, the Borough's contributions to PFRS were \$306,031.00, and were paid on April 1, 2015.

At December 31, 2015, the State's proportionate share of the PFRS pension expense, associated with the Borough, calculated by the plan as of the June 30, 2015 measurement date is \$68,838.00. This on-behalf expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1.

**Deferred Outflows of Resources and Deferred Inflows of Resources** - At December 31, 2015, the Borough had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 79,398.00	\$ -	\$ 79,398.00	\$ -	\$ 54,279.00	\$ 54,279.00
Changes of Assumptions	357,419.00	1,161,839.00	1,519,258.00	-	-	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	53,511.00	109,524.00	163,035.00
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	186,392.00	243,178.00	429,570.00	-	226,329.00	226,329.00
Borough Contributions Subsequent to the Measurement Date	63,733.00	153,551.00	217,284.00	-	-	-
	<u>\$ 686,942.00</u>	<u>\$ 1,558,568.00</u>	<u>\$ 2,245,510.00</u>	<u>\$ 53,511.00</u>	<u>\$ 390,132.00</u>	<u>\$ 443,643.00</u>

\$63,733.00 and \$153,551.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2016. These amounts were based on an estimated April 1, 2017 contractually required contribution, prorated from the pension plans measurement date of June 30, 2015 to the Borough's year end of December 31, 2015.

**Note 6: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

**Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)** - The Borough will amortize the above other deferred outflow of resources and deferred inflows of resources related to pensions over the following number of years:

	<u>PERS</u>		<u>PFRS</u>	
	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2014	-	-	-	-
June 30, 2015	5.72	-	-	5.53
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	-	6.17	-
June 30, 2015	5.72	-	5.53	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2014	-	5.00	-	5.00
June 30, 2015	-	5.00	-	5.00
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	6.44	6.17	6.17
June 30, 2015	5.72	5.72	5.53	5.53



**Note 6: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

**Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)** - Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

<b>Year Ending Dec 31,</b>	<b><u>PERS</u></b>	<b><u>PFRS</u></b>	<b><u>Total</u></b>
2016	\$ 110,459.00	\$ 198,129.00	\$ 308,588.00
2017	110,459.00	198,129.00	308,588.00
2018	110,458.00	198,128.00	308,586.00
2019	150,365.00	325,994.00	476,359.00
2020	87,957.00	94,505.00	182,462.00
	<u>\$ 569,698.00</u>	<u>\$ 1,014,885.00</u>	<u>\$ 1,584,583.00</u>

**Actuarial Assumptions**

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<b><u>PERS</u></b>	<b><u>PFRS</u></b>
Inflation	3.04%	3.04%
Salary Increases:		
2012-2021	2.15% - 4.40% Based on Age	2.60% - 9.48% Based on Age
Thereafter	3.15% - 5.40% Based on Age	3.60% - 10.48% Based on Age
Investment Rate of Return	7.90%	7.90%
Mortality Rate Table	RP-2000	RP-2000
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2008 - June 30, 2011	July 1, 2010 - June 30, 2013

For PERS, mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

**Note 6: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)**

For PFRS, mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and one year using Projection Scale BB for male service retirements with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries with adjustments for mortality improvements from the base year of 2014 based on Projection Scale BB.

For PERS and PFRS, in accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's and PFRS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds / Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex U.S.	3.50%	-0.40%
REIT	4.25%	5.12%
	<u>100.00%</u>	

**Note 6: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)**

**Discount Rate** - The discount rate used to measure the total pension liability at June 30, 2015 was 4.90% for PERS and 5.79% for PFRS. For both PERS and PFRS, the respective single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rates assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and for PFRS, the non-employer contributing entity, will be made based on the average of the last five years of contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033 for PERS and through 2045 for PFRS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033 for PERS and through 2045 for PFRS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liabilities.

**Sensitivity of Borough's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

**Public Employees' Retirement System (PERS)** - The following presents the Borough's proportionate share of the net pension liability at June 30, 2015, the plans measurement date, calculated using a discount rate of 4.90%, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease <u>(3.90%)</u>	Current Discount Rate <u>(4.90%)</u>	1% Increase <u>(5.90%)</u>
Borough's Proportionate Share of the Net Pension Liability	\$ 4,136,508.00	\$ 3,328,170.00	\$ 2,650,465.00

**Police and Firemen's Retirement System (PFRS)** - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Borough's annual required contribution. As such, the net pension liability as of June 30, 2015, the plans measurement date, for the Borough and the State of New Jersey, calculated using a discount rate of 5.79%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	1% Decrease <u>(4.79%)</u>	Current Discount Rate <u>(5.79%)</u>	1% Increase <u>(6.79%)</u>
Borough's Proportionate Share of the Net Pension Liability	\$ 8,296,138.00	\$ 6,292,974.00	\$ 4,659,573.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	<u>727,544.00</u>	<u>551,873.00</u>	<u>408,629.00</u>
	<u>\$ 9,023,682.00</u>	<u>\$ 6,844,847.00</u>	<u>\$ 5,068,202.00</u>

**Note 6: PENSION PLANS (CONT'D)****Pension Plan Fiduciary Net Position**

Detailed information about each pension plan's fiduciary net position is available in the separately issued New Jersey Division of Pension and Benefits financial report. Information on where to obtain the report is indicated at the beginning of this note.

**Supplementary Pension Information**

In accordance with GASB 68, the following information is also presented for the PERS and PFRS Pension Plans. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

***Schedule of the Borough's Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Three Years)***

	<u>Measurement Date Ended June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Proportion of the Net Pension Liability	0.0148261352%	0.0143065337%	0.0135183492%
Borough's Proportionate Share of the Net Pension Liability	\$ 3,328,170.00	\$ 2,678,574.00	\$ 2,583,625.00
Borough's Covered-Employee Payroll	\$ 1,014,580.00	\$ 985,216.00	\$ 922,264.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	328.03%	271.88%	280.14%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

***Schedule of the Borough's Contributions - Public Employees' Retirement System (PERS) (Last Three Years)***

	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Contractually Required Contribution	\$ 127,465.00	\$ 117,941.00	\$ 101,858.00
Borough's Contribution in Relation to the Contractually Required Contribution	<u>(127,465.00)</u>	<u>(117,941.00)</u>	<u>(101,858.00)</u>
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered-Employee Payroll	\$ 863,047.00	\$ 946,116.00	\$ 995,697.00
Borough's Contributions as a Percentage of it's Covered-Employee Payroll	14.77%	12.47%	10.23%

**Note 6: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of the Borough's Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Three Years)***

	<u>Measurement Date Ended June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Proportion of the Net Pension Liability	0.0377808552%	0.0398442032%	0.0371376459%
Borough's Proportionate Share of the Net Pension Liability	\$ 6,292,974.00	\$ 5,012,031.00	\$ 4,937,115.00
State's Proportionate Share of the Net Pension Liability associated with the Borough	551,873.00	539,712.00	460,199.00
Total	<u>\$ 6,844,847.00</u>	<u>\$ 5,551,743.00</u>	<u>\$ 5,397,314.00</u>
Borough's Covered-Employee Payroll	\$ 1,196,448.00	\$ 1,258,472.00	\$ 1,165,508.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	525.97%	398.26%	423.60%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.31%	62.41%	58.70%

***Schedule of the Borough's Contributions - Police and Firemen's Retirement System (PFRS) (Last Three Years)***

	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Contractually Required Contribution	\$ 307,102.00	\$ 306,031.00	\$ 270,948.00
Borough's Contribution in Relation to the Contractually Required Contribution	(307,102.00)	(306,031.00)	(270,948.00)
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered-Employee Payroll	\$ 1,297,330.00	\$ 1,209,424.00	\$ 1,245,733.00
Borough's Contributions as a Percentage of it's Covered-Employee Payroll	23.67%	25.30%	21.75%

**Note 6: PENSION PLANS (CONT'D)****Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)***

Changes in Benefit Terms - None

Changes in Assumptions - The discount rate changed from 5.39% as of June 30, 2014, to 4.90% as of June 30, 2015, in accordance with Paragraph 44 of GASB Statement No. 67.

Other Changes in Assumptions – New assumptions related to future increases on Social Security Wage Base and the 401(a)(17) compensation limit have been added as follows:

401(a)(17) Pay Limit – 3.00 per annum  
Social Security Wage Base – 4.00 per annum

***Police and Firemen's Retirement System (PFRS)***

Changes in Benefit Terms - None

Changes in Assumptions - The discount rate changed from 6.32% as of June 30, 2014, to 5.79% as of June 30, 2015, in accordance with Paragraph 44 of GASB Statement No. 67.

Other Changes in Assumptions – Demographic assumptions with respect to no-vested withdrawal, disability, service retirement, active death, salary increases rates and inactive mortality were revised in accordance with the results of the July 1, 2010 – June 30, 2013 experience study and approved by the Board of Trustees of the PERS Pension Plan at its February 9, 2015 Board Meeting.

**Note 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS****State Health Benefits Program:**

**Plan Description** - The Borough contributed 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, until August 1, 2015. 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.

**Note 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****State Health Benefits Program (Cont'd):**

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/](http://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 benefit plan 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's contributions to the plan for the years ended December 31, 2014 and 2013 were \$616,424.67 and \$580,970.31, respectively, which equaled the required contributions for each year. Contributions to SHBP for the period ended August 1, 2015 were \$393,344.84.

**Southern New Jersey Regional Employee Benefits Program:**

**Plan Description** – Effective August 1, 2015, the Borough provides postretirement health care benefits through a health plan for retirees, which includes a medical, dental, and prescription plan. The Borough's plan provides an agent multiple-employer post-employment healthcare plan which covers the following retiree population: eligible retirees who retire from active employment with the Borough who have at least twenty-five (25) years of service with the Borough. 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. Currently, twenty-three (23) retirees meet either of these eligibility requirements. The plan is administered by the Borough; therefore, premium payments are made directly to the insurance carriers.

**Funding Policy** - The contribution requirements of plan members and the Borough are established and may be amended by the Borough's governing body.

**Retirees** - The Borough presently funds its current retiree postemployment benefit costs on a "pay-as-you-go" basis. The Borough's contributions to the Southern New Jersey Regional Employee Benefits Program for the period August 1, 2015 through December 31, 2015 were \$207,871.71.

**Future Retirees** - In accordance with Statement No. 45 of the Governmental Accounting Standards Board, the Borough is required to disclose the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty (30) years. The ARC includes the costs of both current and future retirees. The current ARC was determined to be \$1,053,773.00 at an unfunded discount rate of 4.5%. As stated above, the Borough has funded the cost of existing retirees in the amount of \$601,216.55, and has incurred the benefit costs for future eligible employees, but has not yet begun funding this outstanding liability.

**Note 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**

**Annual OPEB Cost** - For year ended December 31, 2015, the Borough's annual OPEB cost (expense) of \$1,053,773.00 for the plan was equal to the ARC. The Borough's annual required contribution (ARC), the interest on the net OPEB obligation, the increase or decrease in the net OPEB obligation, the net OPEB obligation, and the percentage of annual OPEB cost contributed to the plan for the year 2015 is as follows:

	<b><u>2015</u></b>
Annual Required Contribution (ARC)	\$ 1,053,773.00
Interest on the Net OPEB Obligation	-
	<hr/>
Annual OPEB Cost	1,053,773.00
Pay-as-You Go Cost (Existing Retirees)	(601,216.55)
	<hr/>
Increase (Decrease) in the Net OPEB Obligation	452,556.45
Net OPEB Obligation, January 1	-
	<hr/>
Net OPEB Obligation, December 31	<u>\$ 452,556.45</u>
Percentage of Annual OPEB Cost Contributed	57.1%

**Funded Status and Funding Progress** - The funded status of the plan as of the current actuarial valuation date is as follows:

	<b><u>2015</u></b>
Actuarial Accrued Liability (AAL)	\$ 13,413,116.00
Actuarial Value of Plan Assets	-
	<hr/>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 13,413,116.00</u>
Funded Ratio (Actuarial Value of Plan Assets / AAL)	0.0%
Covered Payroll (Active Plan Members)	\$ 2,607,345.80
UAAL as a Percentage of Covered Payroll	514.4%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, as shown above, presents multiyear trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.



**Note 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**

**Actuarial Methods and Assumptions** - The projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2015 actuarial valuation, the projected unit credit actuarial cost method was used. Under this method, an actuarial accrued liability is determined as the actuarial present value of the portion of projected benefits which is allocated to service before the current plan year. In addition, a normal cost is determined as the actuarial present value of the portion of projected benefits which is allocated to service in the current plan year for each active participant under the assumed retirement age. The UAAL is being amortized (straight-line) for thirty (30) years on an open basis. The actuarial assumptions included the following:

- *Mortality.* RP 2000 Combined Healthy Male Mortality Rates set forward three years.
- *Turnover.* NJ State Pensions Ultimate Withdrawal Rates - prior to benefits eligibility.
- *Assumed Retirement Age.* At first eligibility after completing 25 years of service.
- *Full Attribution Period.* Service to assumed retirement age.
- *Annual Discount Rate.* Future costs have been discounted at the rate of 4.5% compounded annually for GASB 45 purposes.
- *Rates of Retirement, Rates of Withdrawal, and Rates of Disability.* The same table used to value the Public Employees' Retirement System of New Jersey - Local liability.
- *Medical Trend.* 8% in 2015, reducing by .5% per annum, leveling at 5% per annum in 2020.
- *Medical Cost Aging Factor.* NJSHP Medical Morbidity Rates

**Note 8: COMPENSATED ABSENCES**

Employees of the Borough of Haddon Heights, after one year, are entitled to ten paid sick leave days each year. Borough employees are entitled to vacation days according to their applicable union agreement, however they 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 accumulation of sick days is no longer permitted for new employees recognized under the agreement between the Borough and the American Federation of State, County and Municipal Employees, AFL-CIO District Council 71, Local 3869. Employees must use the sick days in the year they are earned. Employees who accumulated sick days prior to December 31, 2006, and employees who earned but did not use sick days in 2007 and 2008 shall be able to bank those sick days for future use or may sell back those sick says at the time of retirement or separation based on the salary rate in effect in 2006, 2007, or 2008.

Under the agreement between the Borough and the Haddon Heights Policemen's Benevolent Association Local No.328, officers may accumulate unlimited sick time; however no sick time may be sold back to the Borough. With regard to officers hired prior to January 1, 2015 only the sick time accumulated as of December 31, 2015 may be taken by the officer prior to their retirement date. With regard to officers hired subsequent to January 1, 2015, each shall be permitted to accumulate and to use not more than 300 hours of accumulated sick time prior to their retirement date.

**Note 8: COMPENSATED ABSENCES (CONT'D)**

Borough employees recognized by the agreement between the Borough and the Camden County Uniformed Fire Fighters Association AFL CIO CLC, Local 3249, may accumulate unlimited sick time. Sick hours not used in a calendar year shall be accumulated up to 720 hours to be taken consecutively, immediately prior to the member's retirement date. Paid sick hours, exceeding 80 hours in a calendar year will be deducted from the number of days accumulated to date. Sick hours accumulated over the maximum amount may be sold back yearly on a per diem basis. Once a member has reached the maximum amount of accrued hours and decided not to sell back any portion or all of the next 80 hours, he can carry the extra hours to be used for sick time or sell back at retirement at the earned rate.

The Borough does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2015, accrued benefits for compensated absences are valued at \$419,392.33.

**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, 2015, 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 the Borough's capital and operating leases:

<u>Description</u>	<u>Balance at December 31,</u>	
	<u>2015</u>	<u>2014</u>
Vehicles	\$ 37,887.46	\$ 17,097.26

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

<u>Year</u>	<u>Amount</u>
2016	\$ 18,943.73
2017	18,943.73

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

<u>Year</u>	<u>Amount</u>
2016	\$ 7,836.96
2017	1,492.32

Rental payments under operating leases for the year 2015 were \$7,836.96.

**Note 12: CAPITAL DEBT****General Improvement Bonds**

General Improvement Bonds, Series 2002 - On August 28, 2002, the Borough issued \$1,360,000.00 of general improvement bonds, with interest rates ranging from 3.75% to 4.25%. The bonds were issued for the purpose of funding various capital projects in the Borough. The final maturity of the bonds is February 15, 2018.

General Improvement Bonds, Series 2010 - On June 11, 2010, the Borough issued \$2,693,000.00 of general improvement bonds, with interest rates ranging from 2.0% to 4.0%. The bonds were issued for the purpose of funding various capital projects in the Borough. The final maturity of the bonds is June 1, 2021.

General Improvement Bonds, Series 2014 - On June 26, 2014, the Borough issued \$3,033,000.00 in general improvement bonds, with interest rates ranging from 2.5% to 3.0%. The bonds were issued for the purpose of funding various capital ordinances, specifically ordinances 1333, 1344, 1369, 1382, 1390, 1400, and 1411. The final maturity of the bonds is July 15, 2029.

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

The following schedule represents the remaining debt service, through maturity, for the general improvement bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	615,000.00	88,985.00	703,985.00
2021-2025	1,533,000.00	244,685.00	1,777,685.00
2026-2029	948,000.00	72,060.00	1,020,060.00
	<u>\$ 5,186,000.00</u>	<u>\$ 948,912.25</u>	<u>\$ 6,134,912.25</u>

**General Debt - New Jersey Green Acres Loans**

On September 11, 2004, the Borough entered into a loan agreement with the New Jersey Department of Environmental Protection to provide \$230,000.00, at an interest rate of 2.0%. The proceeds were used to fund the various improvements. Semiannual debt payments are due March 11th and September 11th through 2024.

The following schedule represents the remaining debt service, through maturity, for the New Jersey Green Acres loans:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	13,142.40	1,159.74	14,302.14
2021-2024	48,113.74	1,943.69	50,057.43
	<u>\$ 111,286.68</u>	<u>\$ 10,281.43</u>	<u>\$ 121,568.11</u>

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

The following schedule represents the Borough's summary of debt for the current and two previous years:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b><u>Issued</u></b>			
General:			
Bonds and Notes	\$ 5,186,000.00	\$ 5,621,000.00	\$ 5,542,182.00
Loans	111,286.68	123,184.32	134,847.53
Total Issued	<u>5,297,286.68</u>	<u>5,744,184.32</u>	<u>5,677,029.53</u>
<b><u>Authorized but not Issued</u></b>			
General:			
Bonds, Loans and Notes	466,300.68	17,627.45	844,970.75
Total Authorized but not Issued	<u>466,300.68</u>	<u>17,627.45</u>	<u>844,970.75</u>
Total Issued and Authorized but not Issued	<u>5,763,587.36</u>	<u>5,761,811.77</u>	<u>6,522,000.28</u>
<b><u>Deductions</u></b>			
General:			
Reserve for Payment of Debt	41,711.20	28,511.20	-
Total Deductions	<u>41,711.20</u>	<u>28,511.20</u>	<u>-</u>
<b>Net Debt</b>	<b><u>\$ 5,721,876.16</u></b>	<b><u>\$ 5,733,300.57</u></b>	<b><u>\$ 6,522,000.28</u></b>

**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 .71%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Purposes	\$ 11,595,000.00	\$ 11,595,000.00	
General	5,763,587.36	41,711.20	\$ 5,721,876.16
	<u>\$ 17,358,587.36</u>	<u>\$ 11,636,711.20</u>	<u>\$ 5,721,876.16</u>

Net debt \$5,721,876.16 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$802,618,883.00, equals .71%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 28,091,660.91
Less: Net Debt	<u>5,721,876.16</u>
Remaining Borrowing Power	<u>\$ 22,369,784.75</u>

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

**Note 13: RISK MANAGEMENT**

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

**Property and Liability Insurance** - The Borough maintains commercial insurance coverage for property, liability, vehicle, surety bonds, etc.

**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>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015	\$ 5,000.00	\$ 1,202.20	-	\$ 18,482.04	\$ 31.75
2014	-	4,917.49	-	1,386.88	12,311.59
2013	-	-	-	-	8,780.98

**Joint Insurance Pool** - The Borough 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, 2015, 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 14: CONTINGENCIES**

**Grantor Agencies** - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Borough expects such amount, if any, to be immaterial.

**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. There is pending one case that involves a major claim which could be a financial burden upon the Borough both in its defense and in payment of any settlement or verdict.

**Note 15: CONCENTRATIONS**

The Borough depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the Borough is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

**Note 16: SUBSEQUENT EVENTS**

**Tax Appeals** - As of December 31, 2015, there were no outstanding County or State Tax Court Appeals for the 2015 tax year that would amount to a loss. There are several tax appeals on file against the Borough for the 2016 tax year. Based upon information provided by the tax assessor, if such appeals are not settled in favor of the Borough, the estimated impact of the tax refunds would not be material.

**Authorization of Debt** - Subsequent to December 31, the Borough authorized additional bonds and notes as follows:

<u>Purpose</u>	<u>Adoption</u>	<u>Authorization</u>
<b>General Improvements</b>		
Purchase and Installation of Lights for McCullough Field	June 8, 2016	\$ 380,000.00

## **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, 2015

Balance Dec. 31, 2014		\$	1,432,757.37
Increased by Receipts:			
Taxes Receivable	\$ 24,656,299.98		
Prepaid Taxes	83,468.36		
Tax Overpayments	14,407.11		
Due State of New Jersey - Senior Citizens and Veterans Deductions	80,659.73		
Energy Receipts Tax P.L. 1997, Chapters 162 & 167)	754,209.00		
Interest and Costs on Taxes	99,792.09		
Payments in Lieu of Taxes	73,913.61		
Police Outside Employment Administrative Cost	10,500.00		
Revenue Accounts Receivable	652,042.54		
Miscellaneous Revenue Not Anticipated	43,965.17		
Due State of New Jersey - Marriage License Fees	875.00		
Due State of New Jersey - DCA Training Fees	10,242.00		
Due Federal and State Grant Fund	249,766.64		
Due Trust-Other Fund	412.28		
General Capital Deposit Received by Current Fund	13,200.00		
			26,743,753.51
			28,176,510.88
Decreased by Disbursements:			
2014 Appropriation Reserves	233,287.87		
2015 Appropriations	6,730,255.17		
County Taxes	6,628,110.03		
Due County for Added and Omitted Taxes	26,320.24		
Local District School Tax	12,611,047.00		
Refund Tax Overpayments	5,657.86		
Due State of New Jersey - Marriage License Fees	825.00		
Due State of New Jersey - DCA Training Fees	9,963.00		
Disbursed on Behalf of General Capital	10,000.00		
Disbursed on Behalf of Trust Other	291.00		
Due Federal and State Grant Fund	362,186.09		
			26,617,943.26
Balance Dec. 31, 2015		\$	1,558,567.62

**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, 2015

Balance Dec. 31, 2014		\$ 12,335.69
Increased by:		
Deductions per Tax Billing:		
Senior Citizens	\$ 11,500.00	
Veterans	<u>70,500.00</u>	
	82,000.00	
Deductions Allowed by Collector - 2015 Taxes	<u>1,250.00</u>	
	\$ 83,250.00	
Less		
Deductions Disallowed by Tax Collector for 2015 Taxes	<u>1,591.75</u>	
		<u>81,658.25</u>
		93,993.94
Decreased by:		
Received from State of New Jersey		<u>80,659.73</u>
Balance Dec. 31, 2015		<u><u>\$ 13,334.21</u></u>

**BOROUGH OF HADDON HEIGHTS**

CURRENT FUND

Statement of Taxes Receivable and Analysis of Property Tax Levy  
For the Year Ended December 31, 2015

Year	Balance Dec. 31, 2014	Levy	Added Taxes	2014 Collections	2015 Collections	Due from State of New Jersey	Transfer to Liens	Canceled	Balance Dec. 31, 2015
2013	\$ 19.74			\$ 1.70				\$ 18.04	
2014	386,796.17		\$ 1,000.00	384,947.47				2,848.70	
	386,815.91		1,000.00	384,949.17				2,866.74	
2015		\$ 24,906,762.79		\$ 126,889.00	24,271,352.51	\$ 81,658.25	\$ 147.38	19,365.30	\$ 407,350.35
	\$ 386,796.17	\$ 24,906,762.79	\$ 1,000.00	\$ 126,889.00	\$ 24,656,299.98	\$ 81,658.25	\$ 147.38	\$ 22,214.00	\$ 407,350.35

Analysis of 2015 Property Tax Levy

<u>Tax Yield:</u>	
General Property Tax	\$24,810,311.77
Added Taxes (54:4-63.1 et. seq.)	96,451.02
	<u>\$24,906,762.79</u>
<u>Tax Levy:</u>	
Local School District Tax	\$12,611,051.00
County Taxes:	
County Tax	\$ 6,628,110.03
Due County for Added and Omitted Taxes	25,710.56
Total County Taxes	6,653,820.59
Library Tax	265,877.09
Local Tax for Municipal Purposes	5,305,273.65
Add: Additional Tax Levies	70,740.46
	<u>5,376,014.11</u>
	<u>\$24,906,762.79</u>

**BOROUGH OF HADDON HEIGHTS**  
**CURRENT FUND**  
 Statement of Tax Title Liens  
 For the Year Ended December 31, 2015

---

Balance Dec. 31, 2014	\$ 1,046.56
Increased by:	
Transfer from Taxes Receivable	<u>147.38</u>
Balance Dec. 31, 2015	<u><u>\$ 1,193.94</u></u>

Exhibit SA-5

CURRENT FUND  
 Schedule of Change Funds  
 As of December 31, 2015

Office


---

Tax Collector	<u><u>\$ 200.00</u></u>
---------------	-------------------------

**BOROUGH OF HADDON HEIGHTS**  
**CURRENT FUND**  
Statement of Revenue Accounts Receivable  
For the Year Ended December 31, 2015

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Accrued</u>	<u>Received</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Borough Clerk:				
Licenses		\$ 100.00	\$ 100.00	
Fees and Permits				
Street Opening		9,100.00	9,100.00	
Registrar of Vital Statistics:				
Licenses		1,725.00	1,725.00	
Fees & Permits		13,890.00	13,890.00	
Planning & Zoning Board:				
Fees & Permits				
Planning Board Fees		3,350.00	3,350.00	
Zoning Board Fees		2,825.00	2,825.00	
Curb & Sidewalk Fees		4,425.00	4,425.00	
Police Department				
Fees & Permits				
Overnight Parking Permits		3,925.00	3,925.00	
Police Permits		980.15	980.15	
Fire Department				
Fire Prevention Inspection Fees		16,641.00	16,641.00	
Uniform Fire Safety Act		3,721.25	3,721.25	
Construction Code Official				
Fees & Permits		173,615.00	173,615.00	
Recreation Department				
Recreation Fees		59,397.29	59,397.29	
Cabin Rentals		43,907.50	43,907.50	
Municipal Court				
Fines and Costs	\$ 16,208.36	197,016.94	201,410.83	\$ 11,814.47
Cable TV Franchise Fees		113,029.52	113,029.52	
	<u>\$ 16,208.36</u>	<u>\$ 647,648.65</u>	<u>\$ 652,042.54</u>	<u>\$ 11,814.47</u>

**BOROUGH OF HADDON HEIGHTS**  
**CURRENT FUND**  
Statement of Appropriation Reserves  
For the Year Ended December 31, 2015

	<u>Balance Dec. 31, 2014</u>		<u>Balance After Modification</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
	<u>Reserved</u>	<u>Encumbered</u>			
<b>OPERATIONS WITHIN "CAPS"</b>					
<b>GENERAL GOVERNMENT:</b>					
Operations Manager					
Other Expense					
Postage	\$ 1,123.14		\$ 1,123.14		\$ 1,123.14
Office Supplies	377.96	\$ 765.15	1,143.11	\$ 661.15	481.96
Marketing Events and Communications	3,092.02	109.00	3,201.02	1,334.00	1,867.02
General Administration					
Other Expenses	77.67	1,913.11	3,990.78	3,624.85	365.93
Municipal Clerk					
Salaries and Wages	0.93		0.93		0.93
Other Expenses	904.31	193.40	1,097.71	716.71	381.00
Financial Administration					
Salaries and Wages	10.30		10.30		10.30
Other Expenses	222.23		222.23		222.23
Assessment of Taxes					
Salaries and Wages	9.59		9.59		9.59
Other Expenses	1,477.72	3,750.00	5,227.72	3,999.26	1,228.46
Collection of Taxes					
Salaries and Wages	3.46		3.46		3.46
Other Expenses	1,334.54		1,334.54	686.50	648.04
Legal Services					
Contractual	1,900.00		1,900.00	1,900.00	
Other Expenses	6,717.86		6,717.86	5,443.75	1,274.11
Engineering Services and Costs					
Other Expenses	1,918.75		1,918.75	1,212.50	706.25
Municipal Prosecutor					
Other Expenses	375.00		875.00	750.00	125.00
Municipal Building					
Salaries and Wages	3,101.05		3,101.05		3,101.05
Other Expenses	3,792.56	984.16	4,776.72	1,288.16	3,488.56
Planning Board:					
Salaries and Wages	1.74		1.74		1.74
Other Expenses	360.91	207.88	1,068.79	687.87	380.92
Zoning Board of Adjustments:					
Salaries and Wages	200.02		200.02		200.02
Environmental Commission					
Other Expenses	80.00		80.00		80.00
Insurance:					
General Liability	10,326.51		326.51		326.51
Worker's Compensation	75.96		75.96		75.96
Employee Group Insurance	40,736.28		31,736.28	31,310.36	425.92
Employee Benefit Waiver	10,023.66		7,523.66		7,523.66
Temporary Disability	5.12		5.12		5.12
<b>PUBLIC SAFETY:</b>					
Police					
Salaries and Wages	5,193.82		5,193.82		5,193.82
Other Expenses	5,643.65	11,631.65	17,275.30	11,120.04	6,155.26
Fire					
Salaries and Wages	465.48		465.48		465.48
Other Expenses	4,896.93	7,500.20	12,397.13	8,752.78	3,644.35
Fire Hydrant Service	5,974.40		5,974.40	5,929.60	44.80
Fire Safety Official:					
Salaries and Wages	271.14		271.14		271.14
Other Expenses	356.09	96.08	452.17	115.70	336.47
Office of Emergency Management:					
Salaries and Wages	5.11		5.11		5.11
Other Expenses	54.49		54.49		54.49

(Continued)

**BOROUGH OF HADDON HEIGHTS**  
**CURRENT FUND**  
 Statement of Appropriation Reserves  
 For the Year Ended December 31, 2015

	<u>Balance Dec. 31, 2014</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>		
<b><u>OPERATIONS WITHIN "CAPS" (CONT'D)</u></b>					
<b>PUBLIC WORKS:</b>					
Public Works:					
Salaries and Wages	\$ 9,121.68		\$ 9,121.68		\$ 9,121.68
Other Expenses	4,028.11	\$ 6,223.77	10,251.88	\$ 6,498.42	3,753.46
Garbage and Trash Removal					
Other Expenses	23,866.69	23,750.00	47,616.69	47,500.00	116.69
Vehicle Maintenance	2,466.83	9,878.15	12,344.98	6,811.32	5,533.66
Solid Waste Disposal	18,926.56	296.00	31,222.56	29,429.20	1,793.36
<b>HEALTH AND WELFARE:</b>					
Dog Regulation					
Contractual	467.50		467.50	400.00	67.50
<b>RECREATION AND EDUCATION:</b>					
Parks and Playgrounds					
Salaries and Wages	144.74		144.74		144.74
Other Expenses	7,348.54	472.00	7,820.54	472.00	7,348.54
Historic Commission					
Other Expenses	2,000.00		2,000.00		2,000.00
Municipal Court					
Salaries and Wages	29,512.02		12.02		12.02
Other Expenses	1,223.36		36,223.36	35,700.57	522.79
<b>CODE ENFORCEMENT:</b>					
Construction Code Official					
Salaries and Wages	1,135.16		1,135.16		1,135.16
Other Expenses	1,690.66		1,690.66		1,690.66
<b>UNCLASSIFIED:</b>					
Utilities:					
Gasoline	466.19	5,035.40	5,501.59	2,514.43	2,987.16
Telephone	507.13	690.05	2,197.18	2,161.15	36.03
Electric Utilities	5,014.02	2,974.06	7,988.08	7,698.10	289.98
Street Lighting	7,806.60		7,806.60	6,806.90	999.70
Water Utilities	559.54	47.81	607.35	433.89	173.46
<b><u>STATUTORY EXPENDITURES -</u></b>					
<b><u>MUNICIPAL WITHIN "CAPS":</u></b>					
Contribution to:					
Social Security	2,587.25		2,587.25		2,587.25
Consolidated Police and Firemen's Pension Fund	62.00		62.00		62.00
Public Employees Retirement System	33.00		33.00		33.00
<b><u>OPERATIONS EXCLUDED FROM "CAPS"</u></b>					
Recycling Tax	1,520.59		1,520.59	788.46	732.13
Interlocal Service Agreement - N.J.S.A. 40A:					
Intergovernmental Services Sewer System	2,857.80	8,068.20	10,926.00	8,068.20	2,857.80
<b>TOTAL GENERAL APPROPRIATIONS</b>	<b>\$ 234,456.37</b>	<b>\$ 84,586.07</b>	<b>\$ 319,042.44</b>	<b>\$ 234,815.87</b>	<b>\$ 84,226.57</b>
Disbursed				\$ 233,287.87	
Accounts Payable				1,528.00	
				<b>\$ 234,815.87</b>	



**BOROUGH OF HADDON HEIGHTS**  
**CURRENT FUND**  
 Statement of Prepaid Taxes  
 For the Year Ended December 31, 2015

---

Balance Dec. 31, 2014		\$ 126,889.00
Increased by:		
Collection of 2016 Taxes	\$ 83,468.36	
Overpayments Applied	<u>2,640.00</u>	
		<u>86,108.36</u>
		212,997.36
Decreased by:		
Application to 2015 Taxes		<u>126,889.00</u>
Balance Dec. 31, 2015		<u><u>\$ 86,108.36</u></u>

Exhibit SA-9

**CURRENT FUND**  
 Statement of Tax Overpayments  
 For the Year Ended December 31, 2015

---

Balance Dec. 31, 2014		\$ 2,324.27
Increased by:		
Receipts		<u>14,407.11</u>
		16,731.38
Decreased by:		
Applied to Prepaid Taxes	\$ 2,640.00	
Refunds	<u>5,657.86</u>	
		<u>8,297.86</u>
Balance Dec. 31, 2015		<u><u>\$ 8,433.52</u></u>

**BOROUGH OF HADDON HEIGHTS**  
**CURRENT FUND**  
 Statement of County Taxes  
 For the Year Ended December 31, 2015

---

2015 Levy:		
County General	\$ 6,468,010.69	
County Open Space	<u>160,099.34</u>	
		\$ 6,628,110.03
Decreased by:		
Disbursements		<u><u>\$ 6,628,110.03</u></u>

**Exhibit SA-11**

**CURRENT FUND**  
 Statement of Amount Due to County for Added and Omitted Taxes  
 For the Year Ended December 31, 2015

---

Balance December 31, 2014		\$ 26,320.24
Increased by:		
County Share of 2015 Levy		
Added Taxes and Added/Omitted Taxes		<u>25,710.56</u>
		52,030.80
Decreased by:		
Disbursements		<u>26,320.24</u>
Balance December 31, 2015		<u><u>\$ 25,710.56</u></u>

**BOROUGH OF HADDON HEIGHTS**  
**CURRENT FUND**  
 Statement of School Taxes Payable  
 For the Year Ended December 31, 2015

---

2015 Levy		\$ 12,611,051.00
Decreased by:		
Disbursements		<u>12,611,047.00</u>
Balance December 31, 2015		<u><u>\$ 4.00</u></u>

**CURRENT FUND**  
 Statement of Library Tax  
 For the Year Ended December 31, 2015

---

2015 Levy		\$ 265,877.09	
Funded by Municipal Budget		<u>4,122.91</u>	
Decreased by:			\$ 270,000.00
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, 2015

---

Balance Dec. 31, 2014	\$ 100.00
Increased by:	
Receipts	<u>875.00</u>
	975.00
Decreased by:	
Disbursements	<u>825.00</u>
Balance Dec. 31, 2015	<u><u>\$ 150.00</u></u>

**CURRENT FUND**  
 Statement of Due to State of New Jersey - DCA Fees  
 For the Year Ended December 31, 2015

---

Balance Dec. 31, 2014	\$ 1,571.00
Increased by:	
Receipts	<u>10,242.00</u>
	11,813.00
Decreased by:	
Disbursements	<u>9,963.00</u>
Balance Dec. 31, 2015	<u><u>\$ 1,850.00</u></u>

**BOROUGH OF HADDON HEIGHTS**  
**CURRENT FUND**  
 Statement of Accounts Payable  
 For the Year Ended December 31, 2015

---

Balance Dec. 31, 2014		\$ 1,820.11
Increased by:		
Appropriation Reserves		1,528.00
		3,348.11
Decreased by:		
Canceled		1,820.11
Balance Dec. 31, 2015		\$ 1,528.00

**Exhibit SA-17**

FEDERAL, STATE AND OTHER GRANT FUND  
 Statement of Due To Current Fund  
 For the Year Ended December 31, 2015

---

Balance Dec. 31, 2014		\$ 35,772.99
Increased by:		
Current Fund Disbursed on Behalf of Grant Fund:		
Prior Year Encumbrances	\$ 568.39	
Prior Year Contracts Payable	140,778.77	
Grants Appropriated	220,838.93	
		362,186.09
		397,959.08
Decreased by:		
Current Fund Receipt on Behalf of Grant Fund:		
Grants Receivable	249,766.64	
Current Fund Budget Appropriation - Local Match	3,135.17	
		252,901.81
Balance Dec. 31, 2015		\$ 145,057.27

**BOROUGH OF HADDON HEIGHTS**  
**FEDERAL, STATE AND OTHER GRANT FUND**  
Statement of Federal, State and Other Grants Receivable  
For the Year Ended December 31, 2015

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Accrued</u>	<u>Received in</u> <u>Current Fund</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Federal Grants:				
Transportation Grant - 2012 Program	\$ 69,406.67		\$ 69,406.67	
Transportation Grant - 2013 Program	92,899.55			\$ 92,899.55
Transportation Grant - 2014 Program		\$202,000.00		202,000.00
Pedestrian And Bicycle Facilities	25,521.42		1,000.00	24,521.42
NJDEP Historic Commission - Architectural Survey	3,599.00			3,599.00
NJDEP Historic Commission - Preservation	10,000.00			10,000.00
Bullet Proof Vest	1,188.00		1,188.00	
Total Federal Grants	<u>202,614.64</u>	<u>202,000.00</u>	<u>71,594.67</u>	<u>333,019.97</u>
State Grants:				
Body Armor Fund		1,762.91	1,762.91	
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		15,566.61	15,566.61	
Drive Sober or Get Pulled Over	2,500.00	10,000.00	12,500.00	
ANJEC Grant		1,500.00	1,000.00	500.00
Municipal Alliance on Alcoholism and Drug Abuse		11,074.00	4,800.00	6,274.00
Municipal Court Alcohol Education, Rehabilitation and Enforcement Fund		294.67	294.67	
Recycling Tonnage Grant		8,246.50	8,246.50	
Hazardous Discharge Site Remediation	114,533.00		89,001.28	25,531.72
Total State Grants	<u>182,033.00</u>	<u>48,444.69</u>	<u>178,171.97</u>	<u>52,305.72</u>
Other Grants:				
JIF Safety Award	700.00			700.00
Total All Grants	<u>\$ 385,347.64</u>	<u>\$250,444.69</u>	<u>\$ 249,766.64</u>	<u>\$ 386,025.69</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, 2015

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Grants</u> <u>Accrued</u>	<u>Realized as</u> <u>Miscellaneous</u> <u>Revenue in</u> <u>2015</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Federal Grants				
Transportation Grant - 2014 Program		\$202,000.00	\$ 202,000.00	
Total Federal Grants		202,000.00	202,000.00	
State Grants:				
Body Armor Fund	\$ 1,765.27	1,762.91	1,765.27	\$ 1,762.91
Clean Communities Grant		15,566.61	15,566.61	
ANJEC Grant		1,500.00	1,500.00	
Drive Sober or Get Pulled Over		10,000.00	5,000.00	5,000.00
Drunk Driving Enforcement Grant	2,214.01		2,214.01	
Municipal Alliance on Alcoholism and Drug Abuse	2,444.53	11,074.00	13,518.53	
Municipal Court Alcohol Education, Rehabilitation and Enforcement Fund		294.67	294.67	
Recycling Tonnage Grant	10,644.80	8,246.50	10,644.80	8,246.50
Total State Grants	17,068.61	48,444.69	50,503.89	15,009.41
Total All Grants	\$ 17,068.61	\$250,444.69	\$ 252,503.89	\$ 15,009.41

**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, 2015**

Program	Balance Dec. 31, 2014	Transferred from 2015 Budget	Paid or Charged	Balance Dec. 31, 2015
Federal Grants:				
Transportation Grant - 2012	\$ 4,697.89		\$ 4,697.89	
Transportation Grant - 2013	57,199.40		1,200.00	\$ 55,999.40
Transportation Grant - 2014		\$ 202,000.00	196,596.30	5,403.70
Bullet Proof Vest	498.00		498.00	
NJDEP Historic Commission - Architectural Survey	299.00			299.00
NJDEP Historic Commission - Preservation	49,900.00		7,132.50	42,767.50
NJDEP Historic Preservation Grant	386.23		100.00	286.23
<b>Total Federal Grants</b>	<b>112,980.52</b>	<b>202,000.00</b>	<b>210,224.69</b>	<b>104,755.83</b>
State Grants:				
Body Armor Fund		1,765.27	1,103.61	661.66
Camden County Open Space - W Atlantic Ave	20,000.00			20,000.00
Clean Communities Grant	67,662.58	15,566.61	16,232.65	66,996.54
Click It or Ticket	4,200.00		4,200.00	
Community Planning Advocacy	36.66			36.66
Domestic Violence	25.06			25.06
Drive Sober or Get Pulled Over	1,200.00	5,000.00	6,200.00	
Drunk Driving Enforcement Grant	11,009.29	2,214.00	3,709.84	9,513.45
Hazardous Discharge Site Remediation - Devon Ave	388.02			388.02
Municipal Alliance on Alcoholism and Drug Abuse	5,650.51	16,653.71	3,900.00	18,404.22
Municipal Court Alcohol Education, Rehabilitation and Enforcement Fund	3,492.58	294.67	750.00	3,037.25
ANJEC Grant		1,500.00		1,500.00
PEOSHA --Immunization of Employees	1,079.20			1,079.20
Recycling Tonnage Grant	16,424.00	10,644.80	21,588.86	5,479.94
Sustainable Jersey Small Grant	2,380.00		1,977.54	402.46
<b>Total State Grants</b>	<b>133,547.90</b>	<b>53,639.06</b>	<b>59,662.50</b>	<b>127,524.46</b>
Other Grants:				
JIF Safety Award	243.15			243.15
Comcast Grant	32.69			32.69
<b>Total Other Grants</b>	<b>275.84</b>			<b>275.84</b>
<b>Total All Grants</b>	<b>\$ 246,804.26</b>	<b>\$ 255,639.06</b>	<b>\$ 269,887.19</b>	<b>\$ 232,556.13</b>
Local Match		\$ 3,135.17		
Realized as Revenue		<u>252,503.89</u>		
		<u>\$ 255,639.06</u>		
Disbursements - Current Fund			\$ 220,838.93	
Disbursements - General Capital Fund			21,665.89	
Contracts Payable			14,174.10	
Encumbrances			<u>13,208.27</u>	
			<u>\$ 269,887.19</u>	



**BOROUGH OF HADDON HEIGHTS**  
FEDERAL, STATE AND OTHER GRANT FUND  
Statement of Contracts Payable  
For the Year Ended December 31, 2015

---

Balance Dec. 31, 2014	\$ 142,800.60
Increased by:	
Grants Appropriated	<u>14,174.10</u>
	156,974.70
Decreased by:	
Current Fund Disbursed on Behalf of Grant Fund	<u>140,778.77</u>
Balance Dec. 31, 2015	<u><u>\$ 16,195.93</u></u>

**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, 2015

	<u>Animal Control</u>	<u>Other Trust</u>
Balance Dec. 31, 2014	\$ 660.21	\$ 781,009.19
Increased by Receipts:		
Animal Control Fees	\$ 2,830.50	
Due State of New Jersey - Department of Health	390.00	
Due Current Fund	5.17	\$ 201,493.59
Payroll Deductions Payable		2,727,391.52
Miscellaneous Trust Reserves		<u>846,597.59</u>
	<u>3,225.67</u>	<u>3,775,482.70</u>
	3,885.88	4,556,491.89
Decreased by Disbursements		
Expenditures under R.S. 4:19-15.11 - Cash	178.27	
Due State of New Jersey - Department of Health	390.00	
Reserve for Encumbrances	167.75	10,812.94
Due Current Fund		200,714.03
Reserve for Community Development Block Grant Funds		8,191.25
Payroll Deductions Payable		2,734,251.05
Miscellaneous Trust Reserves		<u>768,235.64</u>
	<u>736.02</u>	<u>3,722,204.91</u>
Balance Dec. 31, 2015	<u><u>\$ 3,149.86</u></u>	<u><u>\$ 834,286.98</u></u>

**BOROUGH OF HADDON HEIGHTS**  
**ANIMAL CONTROL FUND**  
 Statement of Reserve for Animal Control Expenditures  
 For the Year Ended December 31, 2015

Balance Dec. 31, 2014		\$	478.21
Increased by:			
Receipts:			
Dog Licenses Fees	\$	2,386.50	
Cat License Fees		444.00	
			2,830.50
			3,308.71
Decreased by:			
Expenditures under R.S. 4:19-15.11 - Cash		178.27	
Expenditures under R.S. 4:19-15.11 - Encumbrances		225.50	
			403.77
Balance Dec. 31, 2015		\$	2,904.94

License Fees Collected

<u>Year</u>		<u>Amount</u>
2013	\$	2,669.70
2014		2,766.40
	\$	5,436.10

**BOROUGH OF HADDON HEIGHTS**  
**ANIMAL CONTROL FUND**  
 Statement of Due to the State of New Jersey  
 For the Year Ended December 31, 2015

---

Balance Dec. 31, 2014	\$	12.80
Increased by:		
Receipts		390.00
		402.80
Decreased by:		
Disbursements		390.00
Balance Dec. 31, 2015	\$	12.80

Exhibit SB-4

ANIMAL CONTROL FUND  
 Statement of Due to Current Fund  
 For the Year Ended December 31, 2015

---

Balance Dec. 31, 2014	\$	1.45
Increased by:		
Receipts - Interest Earned		5.17
Balance Dec. 31, 2015	\$	6.62

**BOROUGH OF HADDON HEIGHTS**  
**TRUST OTHER FUND**  
Statement of Due from Camden County Community Development Block Grant Receivable  
For the Year Ended December 31, 2015

---

Balance Dec. 31, 2014	\$	40,800.00
Increased by:		
Year 37 Award		17,900.00
Balance Dec. 31, 2015	\$	58,700.00
<u>Analysis of Balance Dec. 31, 2015</u>		
Year 35	\$	20,400.00
Year 36		20,400.00
Year 37		17,900.00
	\$	58,700.00

## Exhibit SB-6

**TRUST OTHER FUND**  
Statement of Reserve for Community Development Block Grant  
For the Year Ended December 31, 2015

---

Balance Dec. 31, 2014	\$	40,800.00
Increased by:		
Year 37 Award		17,900.00
		58,700.00
Decreased by:		
Disbursements	\$	8,191.25
Contracts Payable		46,200.00
Encumbrances		2,113.20
		56,504.45
Balance Dec. 31, 2015	\$	2,195.55

**BOROUGH OF HADDON HEIGHTS**  
**TRUST OTHER FUND**  
Statement of Miscellaneous Trust Reserves  
For the Year Ended December 31, 2015

	Balance <u>Dec. 31, 2014</u>	Receipts	Prior Year Encumbrances <u>Canceled</u>	Paid or <u>Charged</u>	Balance <u>Dec. 31, 2015</u>
Reserve for Recycling	\$ 10,194.29	\$ 1,507.26		\$ 5,149.15	\$ 6,552.40
Reserve for Public Defender	3,879.75	4,464.32		6,325.00	2,019.07
Reserve for Unemployment Compensation	12,311.59	6,202.20		18,482.04	31.75
Reserve for Uniform Fire Safety Code - Penalties	3,577.79	2,200.00		8.96	5,768.83
Reserve for Street Opening Deposits	1,948.00			225.00	1,723.00
Reserve for Planning & Zoning Board	26,893.68	37,137.50	\$ 175.00	41,770.00	22,436.18
Reserve for Tax Title Lien Redemptions:	378,030.11	613,509.07		517,209.45	474,329.73
Reserve for Citizen Donations to Police Department	4,533.63	4,141.00		5,160.52	3,514.11
Reserve for POAA	4,192.28	614.00		1,658.00	3,148.28
Reserve for Municipal Drug Alliance Donations	35,096.17	10,642.73		20,162.97	25,575.93
Reserve for Police Forfeiture	2,187.44	0.30			2,187.74
Reserve for Fire Department	516.12				516.12
Reserve for Off Duty Police	100,197.44	114,587.87		126,028.89	88,756.42
Reserve for Fourth of July Parade	76.95				76.95
Reserve for Memorial Clock Donations	4,423.03	13,610.00		3,692.50	14,340.53
Reserve for Land Deposits	154,245.34				154,245.34
Reserve for Community Garden	723.64	1,500.00		1,158.29	1,065.35
Reserve for Heights Report	9,582.02	20,819.00		20,565.37	9,835.65
Reserve for Shade Tree Donations	500.00	1,000.00		1,100.00	400.00
Reserve for Streetscape		1,202.68		1,200.00	2.68
Reserve for Neighbor's Night Out		13,459.66		3,513.00	9,946.66
	<u>\$ 753,109.27</u>	<u>\$ 846,597.59</u>	<u>\$ 175.00</u>	<u>\$ 773,409.14</u>	<u>\$ 826,472.72</u>
Disbursements				\$ 768,235.64	
Encumbrances				4,882.50	
Due Current Fund				291.00	
				<u>\$ 773,409.14</u>	

**BOROUGH OF HADDON HEIGHTS**  
**TRUST OTHER FUND**  
Statement of Reserve for Payroll Deductions Payable  
For the Year Ended December 31, 2015

Balance Dec. 31, 2014		\$ 13,028.63
Increased by:		
Receipts:		
Net Payroll	\$ 1,745,539.94	
Payroll Deductions Payable	<u>981,851.58</u>	
		<u>2,727,391.52</u>
		2,740,420.15
Decreased by:		
Disbursements:		
Net Payroll	1,745,539.94	
Payroll Deductions Payable	<u>988,711.11</u>	
		<u>2,734,251.05</u>
Balance Dec. 31, 2015		<u><u>\$ 6,169.10</u></u>
<u>Analysis of Balance Dec. 31, 2015</u>		
Unallocated		\$ 159.12
Pension		4,567.91
Federal/State Taxes		<u>1,442.07</u>
		<u><u>\$ 6,169.10</u></u>



**BOROUGH OF HADDON HEIGHTS**  
**TRUST OTHER FUND**  
Statement of Reserve for Encumbrances  
For the Year Ended December 31, 2015

Balance Dec. 31, 2014		\$ 10,987.94
Increased by:		
Encumbrances Created		
Trust Other Fund -		
Reserve for Planning & Zoning Board	\$ 1,746.50	
Reserve for Community Garden	13.60	
Reserve for Heights Report	1,922.40	
Reserve for Streetscape	<u>1,200.00</u>	
	\$ 4,882.50	
Community Development Block Grant Fund		<u>2,113.20</u>
		<u>6,995.70</u>
		17,983.64
Decreased by:		
Encumbrances Disbursed	10,812.94	
Encumbrances Canceled - Reserve for Trust Other	<u>175.00</u>	
		<u>10,987.94</u>
Balance Dec. 31, 2015		<u><u>\$ 6,995.70</u></u>

**BOROUGH OF HADDON HEIGHTS**  
**TRUST OTHER FUND**  
Statement of Due to Current Fund  
For the Year Ended December 31, 2015

Balance Dec. 31, 2014		\$ 3,883.35
Increased by:		
Receipts:		
Interfund Loan Returned - Trust Other	\$ 200,000.00	
Interest Earned	1,493.59	
		\$ 201,493.59
Disbursed by Current Fund on Behalf of Trust Other Fund		291.00
		201,784.59
		205,667.94
Decreased by:		
Disbursements:		
Interfund Loan - Trust Other		200,000.00
Interfund Disbursed - Tax Title Lien		714.03
		200,714.03
Balance Dec. 31, 2015		\$ 4,953.91
<u>Analysis of Balance Dec. 31, 2015</u>		
Payroll Trust		\$ 3,296.34
Tax Title Lien		456.49
Trust - Other		1,201.08
		\$ 4,953.91

**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, 2015

---

Balance Dec 31, 2014		\$ 670,905.80
Increased by Receipts:		
Budget Appropriation - Capital Improvement Fund	\$ 47,500.00	
Improvement Authorization Refunds	16.13	
Due Current Fund - Interest	833.73	
		48,349.86
		719,255.66
Decreased by Disbursements:		
Improvement Authorizations	393,578.16	
Reserve for Encumbrances	98,945.58	
Contracts Payable	10,717.26	
Due Federal and State Grant Fund	21,665.89	
		524,906.89
Balance Dec 31, 2015		\$ 194,348.77

**BOROUGH OF HADDON HEIGHTS**  
**GENERAL CAPITAL FUND**  
 Analysis of General Capital Cash  
 For the Year Ended December 31, 2015

	Receipts		Disbursements			Balance (Deficit) Dec. 31, 2015
	Budget Appropriation	Miscellaneous	Improvement Authorizations	Miscellaneous	Transfers From To	
Fund Balance	\$ 513.00					\$ 513.00
Capital Improvement Fund	406.22	\$ 47,500.00	\$ 23,750.00			24,156.22
Reserve to Pay Debt	13,200.00				\$ 13,200.00	26,400.00
Reserve for Encumbrances	98,945.58		\$ 98,945.58		227,914.53	227,914.53
Contracts Payable	10,717.26		10,717.26		335,300.00	335,300.00
Current Fund	(131,310.89)	\$ 833.73			10,000.00	(133,677.16)
Federal and State Grant Fund	57,667.21		21,665.89			36,001.32
<b>Improvement Authorizations:</b>						
<u>Ordinance Number</u>						
1201 Fire Department Equipment						(584.00)
1218 Acquisition of Ambulance and Equipment						(6,000.71)
1234/1259 Acquisition of Equipment & Various Improvements						(7,703.57)
1250 Fire Department Turn Out Gear						(622.31)
1259 Technology Upgrades						(140.09)
1261 Improvements to Soccer and Recreational Fields						1,211.83
1280 Various Improvements						162.18
1358 Various Capital Improvements			\$ 233.83			1,576.96
1368 Various Improvements						1,832.10
1369 Various Improvements						270.84
1382 Various Equipment and Improvements					16.13	6,039.11
1400 Various Improvements						88,915.88
1404 Sewer Infrastructure Repairs						14,121.00
1409 Various Improvements						42,245.50
1411 Various Improvements						479,442.70
1422 Various Improvements						
1425 Various Improvements						
			\$ 393,578.16	\$ 131,328.73	\$ 610,164.53	\$ 194,348.77
	\$ 670,905.80	\$ 47,500.00	\$ 849.86	\$ 131,328.73	\$ 610,164.53	\$ 194,348.77

**BOROUGH OF HADDON HEIGHTS**  
**GENERAL CAPITAL FUND**  
Statement of Deferred Charges to Future Taxation - Funded  
For the Year Ended December 31, 2015

---

Balance Dec. 31, 2014		\$ 5,744,184.32
Decreased by:		
2015 Budget Appropriations:		
General Serial Bonds	\$ 435,000.00	
Green Trust Loan Payable	<u>11,897.64</u>	
		<u>446,897.64</u>
Balance Dec. 31, 2015		<u><u>\$ 5,297,286.68</u></u>

**BOROUGH OF HADDON HEIGHTS**  
**GENERAL CAPITAL FUND**  
 Statement of Deferred Charges to Future Taxation - Unfunded  
 For the Year Ended December 31, 2015

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Analysis of Balance Dec. 31, 2015</u>				<u>Unexpended Improvement Authorizations</u>
		<u>Balance Dec. 31, 2014</u>	<u>2015 Authorizations</u>	<u>Canceled</u>	<u>Balance Dec. 31, 2015</u>	
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		
1280	Various Improvements	0.97		0.97		
1309	Acquisition of Land	1,694.70		1,694.70		
1333/1358	Various Improvements	97.60		97.60		
1382	Various Equipment and Improvements	282.50		282.50		
1411	Various Improvements	500.00		500.00		
1425	Various Improvements		\$ 451,250.00		451,250.00	341,447.03
		\$ 17,627.45	\$ 451,250.00	\$ 2,576.77	\$ 466,300.68	\$ 356,497.71
						\$ 109,802.97

**BOROUGH OF HADDON HEIGHTS**  
**GENERAL CAPITAL FUND**  
Statement of Due From Current Fund  
For the Year Ended December 31, 2015

---

Balance Dec. 31, 2014		\$ 131,310.89
Increased by:		
Receipts Collected by Current Fund on Behalf of General Capital		13,200.00
		144,510.89
Decreased by:		
Interest Earned	\$ 833.73	
Disbursed by Current Fund on Behalf of General Capital	10,000.00	
		10,833.73
Balance Dec. 31, 2015		\$ 133,677.16

## Exhibit SC-6

**GENERAL CAPITAL FUND**  
Statement of Capital Improvement Fund  
For the Year Ended December 31, 2015

---

Balance Dec. 31, 2014		\$ 406.22
Increased by:		
Budget Appropriation		47,500.00
		47,906.22
Decreased by:		
Appropriated to Finance Improvement Authorizations		23,750.00
Balance Dec. 31, 2015		\$ 24,156.22



**BOROUGH OF HADDON HEIGHTS**  
**GENERAL CAPITAL FUND**  
 Statement of Improvement Authorizations  
 For the Year Ended December 31, 2015

Ordinance Number	Improvement Description	Date	Ordinance Amount	December 31, 2014		2015		Canceled	Paid or Charged	December 31, 2015	
				Funded	Unfunded	Authorizations	Reappropriated			Funded	Unfunded
1261	Improvements to Soccer and Recreational Fields	5/6/2008	\$ 209,856.19	\$ 1,211.83	\$ 1.00	\$ 1.00	\$	1.00	\$	1,211.83	
1280	Various Improvements	9/2/2008	398,476.00	162.18	0.97	0.97		0.97		162.18	
1309	Acquisition of Property	5/19/2009	1,313,000.00		1,694.70			1,694.70			
1358	Various Capital Improvements	6/15/2010	599,288.00	1,576.96	97.60			97.60	\$ 233.83	1,343.13	
1368	Various Improvements	5/3/2011	37,878.00	1,832.10						1,832.10	
1369	Various Improvements	5/3/2011	147,433.00	270.84					270.84		
1382	Various Equipment & Improvements	6/5/2013	551,350.00	6,039.11					6,028.10		
1400	Various Improvements	8/16/2014	671,300.00	88,915.88	282.50			282.50	58,956.36	3,295.34	
1404	Sewer Infrastructure Repairs	9/17/2014	65,000.00	14,121.00							
1409	Various Improvements	9/18/2014	65,500.00	42,245.50							
1411	Various Improvements	5/20/2014	950,000.00	479,442.70	500.00			500.00	30,355.75	11,889.75	
1422	Various Improvements	5/5/2015	105,941.99						412,338.55	1,958.35	
1425	Various Improvements	7/7/2015	475,000.00						93,396.10	12,545.89	
						\$ 475,000.00			365,197.03		\$ 109,802.97
				\$635,818.10	\$ 2,576.77	\$ 475,000.00	\$ -	\$ 2,576.77	\$ 966,776.56	\$ 34,238.57	\$ 109,802.97
	Deferred Charges to Future Taxation Unfunded				\$ 451,250.00						
	Capital Improvement Fund				23,750.00						
					\$ 475,000.00						
	Disbursed								\$ 393,578.16		
	Reimbursed								(16.13)		
	Due Current Fund								10,000.00		
	Reserve for Encumbrances								227,914.53		
	Contracts Payable								335,300.00		
									\$ 966,776.56		

**BOROUGH OF HADDON HEIGHTS**  
**GENERAL CAPITAL FUND**  
**Statement of Contracts Payable**  
**For the Year Ended December 31, 2015**

---

Balance Dec. 31, 2014	\$ 10,717.26
Increased by:	
Transfer from Improvement Authorizations	335,300.00
	346,017.26
Decreased by:	
Disbursed	10,717.26
Balance Dec. 31, 2015	\$ 335,300.00

<u>Analysis of Balance Dec. 31, 2015</u>	<u>Ordinance No.</u>	<u>Amount</u>
JEV Construction, LLC	2014:1411	\$ 335,300.00

**GENERAL CAPITAL FUND**  
**Statement of Reserve for Encumbrances**  
**For the Year Ended December 31, 2015**

---

Balance Dec. 31, 2014	\$ 98,945.58
Increased by:	
Transfer from Improvement Authorizations	227,914.53
	326,860.11
Decreased by:	
Disbursed	98,945.58
Balance Dec. 31, 2015	\$ 227,914.53

**BOROUGH OF HADDON HEIGHTS**  
GENERAL CAPITAL FUND  
Statement of Reserve to Pay Debt  
For the Year Ended December 31, 2015

---

Balance Dec. 31, 2014	\$ 13,200.00
Increased by:	
Received in Current Fund	<u>13,200.00</u>
Balance Dec. 31, 2015	<u><u>\$ 26,400.00</u></u>

**BOROUGH OF HADDON HEIGHTS**  
**GENERAL CAPITAL FUND**  
Statement of New Jersey Green Trust Loan Payable  
For the Year Ended December 31, 2015

---

Balance Dec. 31, 2014	\$ 123,184.32
Decreased by:	
Principal Payments Paid by Budget Appropriation	<u>11,897.64</u>
Balance Dec. 31, 2015	<u><u>\$ 111,286.68</u></u>

Maturities of Loan Outstanding Dec. 31, 2015

	<u>Interest</u>	<u>Principal</u>
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
	<u>70.80</u>	<u>7,080.24</u>
	<u><u>\$ 10,281.43</u></u>	<u><u>\$ 111,286.68</u></u>

**BOROUGH OF HADDON HEIGHTS**  
 GENERAL CAPITAL FUND  
 Statement of General Serial Bonds  
 For the Year Ended December 31, 2015

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2015	Interest Rate	Balance Dec. 31, 2014	Paid by Budget Appropriation	Balance Dec. 31, 2015
General Improvement (Callable)	8/28/2002	\$ 1,360,000.00	2/15/2016 \$ 100,000.00 2/15/2017 100,000.00 2/15/2018 105,000.00	4.05% 4.15% 4.25%	\$ 405,000.00	\$ 100,000.00	\$ 305,000.00
	6/11/2010	2,693,000.00	6/1/2016 225,000.00 6/1/2017 245,000.00 6/1/2018 265,000.00 6/1/2019 390,000.00 6/1/2020 415,000.00 6/1/2021 443,000.00	3.00% 3.20% 3.40% 4.00% 4.00% 4.00%	2,183,000.00	200,000.00	1,983,000.00
	6/26/2014	3,033,000.00	7/15/2016 150,000.00 7/15/2017 160,000.00 7/15/2018 175,000.00 7/15/2019 175,000.00 7/15/2020 200,000.00 7/15/2021 205,000.00 7/15/2022 210,000.00 7/15/2023 220,000.00 7/15/2024 225,000.00 7/15/2025 230,000.00 7/15/2026 230,000.00 7/15/2027 230,000.00 7/15/2028 240,000.00 7/15/2029 248,000.00	2.50% 2.50% 2.50% 2.50% 2.50% 2.50% 2.50% 2.50% 3.00% 3.00% 3.00% 3.00% 3.00% 3.00%	3,033,000.00	135,000.00	2,898,000.00
					<u>\$ 5,621,000.00</u>	<u>\$ 435,000.00</u>	<u>\$ 5,186,000.00</u>

**BOROUGH OF HADDON HEIGHTS**  
**GENERAL CAPITAL FUND**  
Statement of Bonds and Notes Authorized But Not Issued  
For the Year Ended December 31, 2015

<u>Ord.</u> <u>Number</u>	<u>Amended</u>	<u>Improvement Description</u>	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>2015</u> <u>Authorizations</u>	<u>Canceled</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
1201		Fire Department Equipment	\$ 584.00			\$ 584.00
1218		Acquisition of Ambulance and Equipment	6,000.71			6,000.71
1234		Acquisition of Equipment & Various Improvements	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	1,694.70		1,694.70	
1333	1358	Various Improvements	97.60		97.60	
1382		Various Equipment & Improvements	282.50		282.50	
1411		Various Improvements	500.00		500.00	
1425		Various Improvements		\$ 451,250.00		451,250.00
			<u>\$ 17,627.45</u>	<u>\$ 451,250.00</u>	<u>\$2,576.77</u>	<u>\$ 466,300.68</u>

**BOROUGH OF HADDON HEIGHTS**

**PART 2**

**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2015**

**BOROUGH OF HADDON HEIGHTS**  
Schedule of Findings and Recommendations  
For the Year Ended December 31, 2015

---

***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. 2015-001**

**Criteria or Specific Requirement**

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 when awarded.

**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. State contract numbers were not on purchase orders for expenditures under state contracts.
2. Contract with vendor paid in excess of \$17,500.00 was not awarded in the minutes and a 271 Political Disclosure Form was not on file.
3. One contract awarded as "Extraordinary Unspecifiable Service" 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 officials.

**Recommendation**

That all expenditures in excess of the bid threshold comply with the Local Public Contracts Law and that contracts awarded to vendors in excess of \$17,500.00 comply 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**  
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. 2014-001**

**Condition**

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

**Current Status**

This condition has been resolved.

**Finding No. 2014-002**

**Condition**

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

**Current Status**

The condition has not yet been resolved and is continued as finding no. 2015-001.

**Planned Corrective Action**

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

**Finding No. 2014-003**

**Condition**

One appropriation from the adopted budget was over-expended.

**Current Status**

This condition has been resolved.

**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	
Jack D. Merryfield	Councilman	
Susan R. Griffith	Councilwoman	
Stephen D. Berryhill	Councilman	
Richard DiRenzo	Councilman	
Kelly Santosusso	Borough Clerk and Deputy Registrar of Vital Statistics	(A)
Christie Ehret	Treasurer, Chief Financial Officer	(B)
Eric Fitzgerald	Tax Collector and Municipal Search Officer	(B)
Thomas J. Colavecchio	Tax Assessor	(A)
Marian Hauser	Local Registrar	(A)
Katie Compton	Deputy Borough Clerk	(A)
John Szczerbinski	Construction Code Official	(A)
Edward P. Epstein	Municipal Judge	(B)
Catherine Lawson	Court Administrator	(B)
Michele Busarello	Deputy Court Administrator	(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.

**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 initial 'R'.

Robert S. Marrone  
Certified Public Accountant  
Registered Municipal Accountant

