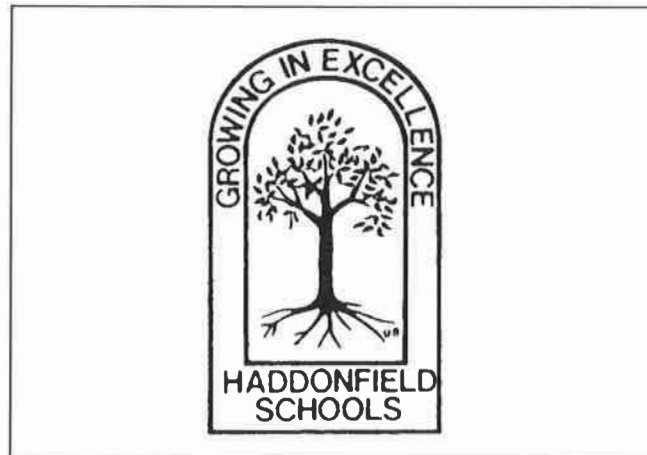


SCHOOL DISTRICT
OF
HADDONFIELD



Haddonfield Board of Education
Haddonfield, New Jersey

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2016

**Comprehensive Annual
Financial Report**

of the

**Haddonfield Board of Education
Haddonfield, New Jersey**

For the Fiscal Year Ended June 30, 2016

**Prepared by
Haddonfield Board of Education
Finance Department**

HADDONFIELD SCHOOL DISTRICT

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Introductory Section



HADDONFIELD BOARD OF EDUCATION

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Richard P. Perry, Ed.D
Superintendent

Michael Wilson
Assistant Superintendent

John J. Deserable
*Business Administrator/
Board Secretary*

September 15, 2016

Mr. Glen Moramarco and
Members of the Board of Education
1 Lincoln Avenue
Haddonfield, NJ 08033

Dear Mr. Moramarco and Board of Education Members:

The Comprehensive Annual Financial Report (CAFR) of the Haddonfield School District for the fiscal year ended June 30, 2016, is hereby submitted. This CAFR includes the District's Basic Financial Statement prepared in accordance with Governmental Accounting Standards Board Statement 34. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Title 2 U.S. Code of federal regulations, cost principals, and audit requirements for federal awards (uniform guidance): and the State of New Jersey Circular OMB15-08. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES:** The Haddonfield School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Haddonfield Board of Education and all its schools constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels Pre-K to 12. These services include but are not limited to, Regular Instructional Programs, Technology Education, Reading Recovery, Character Education and Special Education Programs for handicapped students. The District completed the 2015-2016 fiscal year with an average daily enrollment of 2,661 students, which is an increase of 52 students from the previous year's enrollment.

Annual Financial Report

The following details the changes in student enrollment of the District over the last ten years.

Average Daily Enrollment

<u>FiscalYear</u>	<u>StudentEnrollment</u>	<u>Percent Change</u>
2015-16	2661	2.0 %
2014-15	2609	1.4 %
2013-14	2573	1.0 %
2012-13	2547	1.8 %
2011-12	2503	1.5 %
2010-11	2465	0.6 %
2009-10	2451	1.7 %
2008-09	2410	1.1 %
2007-08	2385	(0.9) %
2006-07	2406	0.5 %

2. **ECONOMIC CONDITION AND OUTLOOK:** Haddonfield is a small historic community located ten miles east of Philadelphia in Camden County, New Jersey. Haddonfield is 2.6 square miles in area, and its population was 11,593 in the 2010 Census Report. The town is served by a PATCO high-speed line connection which links Haddonfield to center city Philadelphia, the City of Camden, and the New Jersey shore area. Haddonfield is a town that has a central shopping thoroughfare (Kings Highway) that is lined with picturesque shops, wonderful restaurants, and many professional offices.

Many business, social, and professional organizations serve the community. Haddonfield has numerous churches of all denominations, and a myriad of volunteer organizations that help to make Haddonfield a thriving community.

Haddonfield is fully developed and it remains primarily a residential community. Much of the value of the borough's real estate lies with individual home owners. The Haddonfield School District is one of the best public school districts in New Jersey and one of the best school districts in the state and nation as acclaimed by numerous independent sources (Philadelphia Magazine, New Jersey Magazine, Newspaper Reports, U.S. News and World Report).

The quality of the schools has attracted families with school-aged children, which has resulted in an enrollment increase over the past few years. These increases in enrollment, combined with little financial support from the State of New Jersey or the Federal Government, has resulted in an average school tax increase of over 2% over the past five years. However, excellent budget management combined with important cash-saving efforts have significantly lowered the tax increase during the past two years to an average tax increase less than 2% per year.

Haddonfield School District is governed by a nine-member Board of Education elected at large to serve three year terms. Three members are elected each November during the General Election.

There are five schools in Haddonfield School District, whose students are served by a combined staff of 271 full time and 119 part-time positions. Our five schools are:

Three elementary schools serving grades pre-school through five. Central Elementary School, Elizabeth Haddon Elementary School and Tatem Elementary School.

One middle school serving grades six through eight: Haddonfield Middle School.

One comprehensive high school serving grades nine through twelve: Haddonfield High School.

- 95% percentage of Haddonfield Memorial High School Class of 2016 took SATs.
- Class of 2016 had a mean score of 1729 – Math 588, Writing 567, Reading 574
- Class of 2016 had 96% graduating seniors continue their education in college
- Class of 2016 attending four year college or university 92%

Recognition has come regularly to HMHS to its stellar academic achievements:

- *South Jersey Magazine's* September 2016 issue ranked HMHS #1 in SAT scores, percent of students attending a 4-year college, and graduation rate. Haddonfield was also ranked #2 in Student-to-Faculty ratio.
- *US News and World Report* named Haddonfield Memorial High School 15th in State and #275 in the Nation in their 2014 rankings.
- *Philadelphia Magazine* has cited Haddonfield as one of the finest schools in the Philadelphia region on thirteen different occasions.
- The US Department of Education rated us a Blue Ribbon School in 2004.

Student enrollment is currently 2,692 students in total, with 2,672 students enrolled in Haddonfield School District with an additional 20 Special Education students sent on a tuition basis to private and public school special education programs. The total number of enrolled students includes 43 out of district students who pay tuition to Haddonfield School District to attend our excellent schools. The current demographic projections indicate a slight increase in future student enrollment.

3. MAJOR INITIATIVES: The major challenge currently facing Haddonfield School District is to maintain the excellent quality of its academic programs while having to finance approximately 95% of the entire budget through the primary revenue of local taxes with only minimal support from the State of New Jersey and the Federal Government. Haddonfield Memorial High School is consistently ranked in the top 1 percent of all high schools in the nation along with receiving Best in the State Athletic Honors each year. Haddonfield is the only school district in New Jersey to be awarded the prestigious ShopRite Cub award since its inception 15-years ago. In addition, Haddonfield School District has an outstanding performing arts program in which students are recognized on state and national levels for their exemplary talents and memorable performances.

This school-year, the district is continuing to focus on STEAM (Science, Technology, Engineering, Arts, and Mathematics) along with Critical Thinking curricular initiatives by way of enhancing Engineering, Computer Science, and Digital Learning opportunities. As a school-district, there are also continuing efforts to develop alternative sources of revenue, including grades 6-12 tuition program and international program, involving Chinese Students. Overall, the school-district raises over \$427,000 in tuition revenue.

Although there are fiscal restraints, the school-district continues to form partnerships with colleges and universities in order to expand its curricular opportunities. A number of the district's high school students have taken advantage of the Drexel University-Haddonfield School District partnership program with much success along with expanded student opportunities in partnership with Rowan University's Engineering School. Students learn what it is like to be an engineer, in the fields of electrical, civil, and environmental engineering. Students, also, receive college course credit for their participation in these unique STEAM related curricular programs.

In regard to building level initiatives, there have been several innovative program implementations, involving Computer Science related programs, STEAM clubs, advanced mathematics and science endeavors, and expanded Literacy Programs, incorporating 21st Century Learning with collaborative, student centered instructional techniques. Dynamic, technology driven libraries, throughout the school-district, enhance on-line learning and utilization of high-technology design and applications. In addition, Digital Learning and Citizenship along with utilizing Instructional Best Practices through Critical Thinking techniques is embedded throughout the district's professional development plan, organization, and implementation.

Character Building curricula, involving positive school culture, understanding diversity, and student leader peer support, are also key elements and components of the Haddonfield Curricula. Digital Learning is supported through district acquiring I-Pads and SMART Boards along with expanded on-line learning platforms through the school-district. Common Core initiatives and PARCC assessments are also efficiently supported and successful.

All schools continue to be involved in the new teacher and principal evaluation programs along with Achieve New Jersey state mandated programs. Haddonfield is a lighthouse school-district in terms of leading these types of initiatives and providing professional development for surrounding school-districts in sharing and identifying teaching Best Practices. Haddonfield School District continues to have an exemplary professional development program featuring numerous educational experiences for our professional staff members along with the district's support staff as well. The State of New Jersey has recognized Haddonfield School District's professional development program as one of the best in the state and colleagues from surrounding school districts are invited to take part in the district's professional development programs. During this professional development time period, Haddonfield School District teachers and administrators, along with experts in the field, develop and present professional learning opportunities on a wide variety of topics.

Due to the intense professional development, the commitment of the staff, and community support, Haddonfield students continue to excel on standardized tests, including SAT's, GEPA, NJASK, PARCC, and Advanced Placement Exams that are among the highest in the state and nation. The Haddonfield students' mean scores often equal or exceed the test scores of other school-districts, both public and private, and Haddonfield has a high percentage of students who are accepted to attend prestigious colleges and universities.

Haddonfield School District continues to excel in all areas of Academics, Extracurricular endeavors, and Arts programs. The community of Haddonfield has supported its students through community partnerships, parental involvement, volunteerism, and an overall commitment to the excellence of education. Residents of Haddonfield are extremely proud of our focus on Academia and the quality of education that Haddonfield School District provides.

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

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

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

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

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

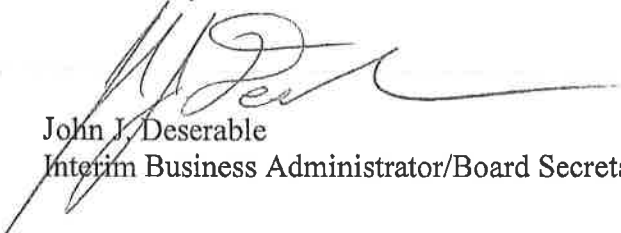
6. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the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

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

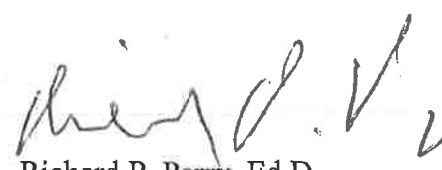
8. OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accounts. The accounting firm of Inverso & Stewart, LLC, performs the annual statutory audit of the Haddonfield Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Title 2 U.S. Code of Federal Regulations, cost principles, and audit requirements for federal awards (uniform guidance): and State of New Jersey Circular OMB15-08. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is in the financial section of this report. The auditor's report related specifically to the single audit is included in the single audit section of this report.

9. ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Haddonfield Board of Education in providing fiscal accountability to the citizens and taxpayers of the Borough of Haddonfield.

Respectfully submitted,

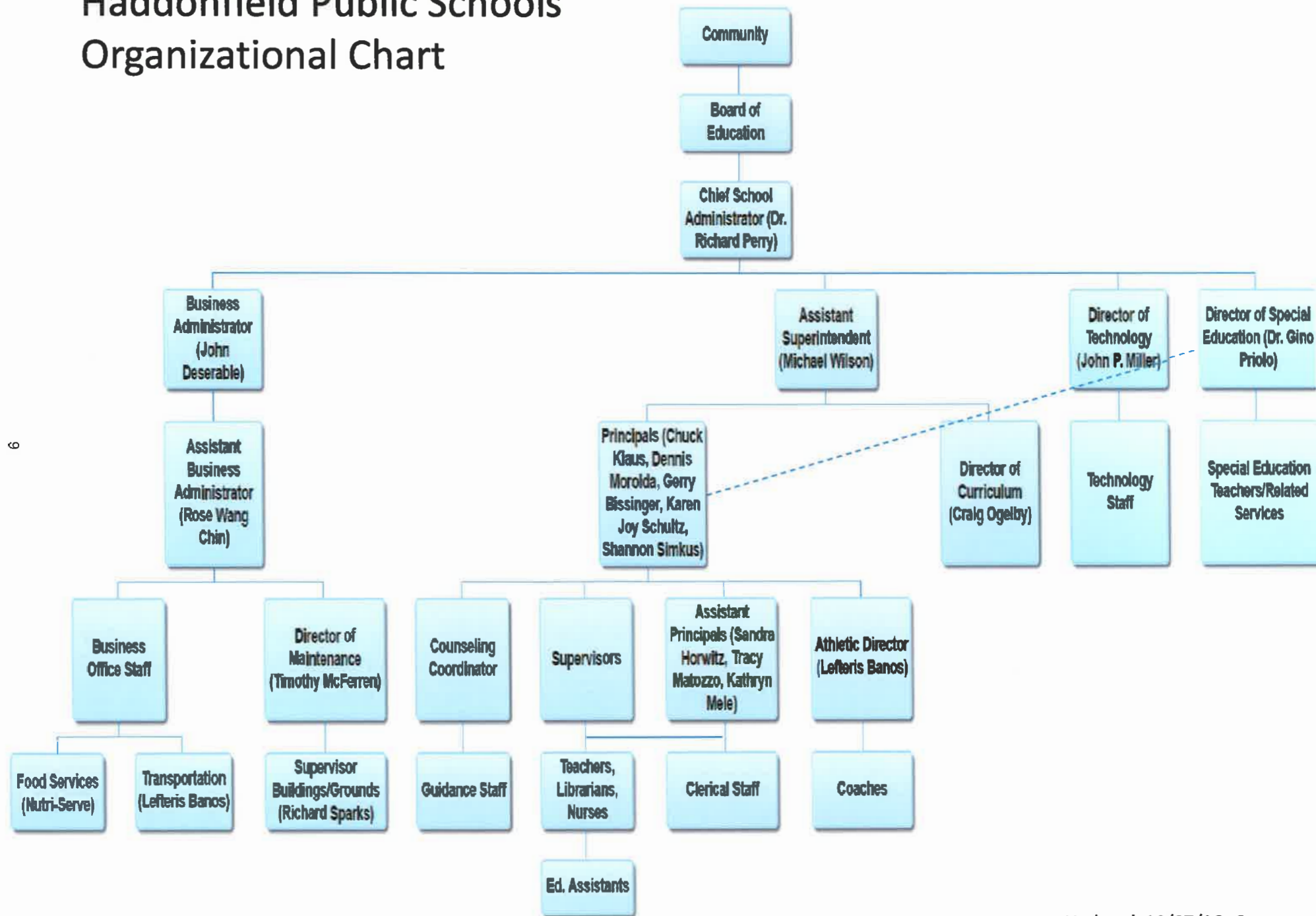


John J. Deserale
Interim Business Administrator/Board Secretary



Richard P. Perry, Ed.D.
Superintendent

Haddonfield Public Schools Organizational Chart



6

**HADDONFIELD BOARD OF EDUCATION
HADDONFIELD, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2016**

	<u>Term Expires</u>
Glenn Moramarco, President	2017
Susan Kutner, Vice-President	2019
Carlton Chin	2016
Joshua Drew	2019
Mary Fagan	2016
Heather Paoli	2017
Adam Sangillo	2019
David Siedell	2016

Other Officials

Richard P. Perry, Ed. D., Superintendent
Michael Wilson, Assistant Superintendent
John C. Oberg, Interim Business Administrator/Board Secretary
Nancy McCabe, Treasurer of School Monies
Joseph F. Betley, Solicitor

**HADDONFIELD SCHOOL DISTRICT
Consultants and Advisors**

Audit Firm

Inverso & Stewart, LLC
651 Route 73 North, Suite 402
Marlton, NJ 08053

Attorney

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8000 Midlantic Drive
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Mount Laurel, NJ 08054

Architect

Becica Associates, LLC
500 Kings Highway South
Cherry Hill, NJ 08034

Official Depository

Republic Bank
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Haddonfield, NJ 08033

Financial Section

INVERSO & STEWART, LLC
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

The Honorable President and Members
of the Board of Education
Haddonfield School District
County of Camden
Haddonfield, New Jersey

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Haddonfield School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 Office of School Finance, Department of Education, State of New Jersey. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Haddonfield School District, in the County of Camden, State of New Jersey, as of June 30, 2016, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Haddonfield School District's basic financial statements. The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance, as required by U.S. Office of Management and Budget Title 2 U.S. Code of Federal Regulations Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey Treasury Circular OMB 15-08, as applicable, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and 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 my opinion, the information described in the previous paragraph is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated September 15, 2016 on my consideration of the Haddonfield School District's internal control over financial reporting and my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Haddonfield School District's internal control over financial reporting and compliance.

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant

Marlton, New Jersey
September 15, 2016

INVERSO & STEWART, LLC
 Certified Public Accountants

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 E-Mail: iscpas@concentric.net

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 American Institute of CPAs
 New Jersey Society of CPAs

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and Members
 of the Board of Education
 Haddonfield School District
 County of Camden
 Haddonfield, New Jersey

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Haddonfield School District, in the County of Camden, State of New Jersey, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued my report thereon dated September 15, 2016.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Haddonfield School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, I do not express an opinion on the effectiveness of the Haddonfield School District's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Haddonfield School District's financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey which are described in the accompanying *Schedule of Findings and Questioned Costs and Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance* as findings no: 2016-001 and 2016-002.

The Haddonfield School District's Response to Findings

The Haddonfield School District's response to the findings identified in my audit are described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of this Report

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

INVERSO & STEWART, LLC
 Certified Public Accountants



Robert P. Inverso
 Certified Public Accountant
 Public School Accountant

Marlton, New Jersey
 September 15, 2016

Required Supplementary Information - Part I

Management's Discussion and Analysis

**Haddonfield School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016**

As management of the Board of Education of the Borough of Haddonfield, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by \$7,533,400 (*net position*).
- Governmental activities have an unrestricted net position deficit of \$7,492,346. The accounting treatments in the governmental funds for compensated absences payable, net pension liability, and the last two state aid payments, and the state statute that prohibits school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance are primarily responsible for this deficit balance.
- The total net position of the School District decreased by \$702,467, or an 8.53% decrease from the prior fiscal year-end balance. The majority of this decrease is attributable to the results of operations in the governmental funds.
- Fund balance of the School District's governmental funds decreased by \$1,020,280 resulting in an ending fund balance of \$3,418,658. This decrease is largely due to the results of operations in the general fund and capital projects fund.
- Business-type activities have unrestricted net position of \$72,580, which may be used to meet the School District's ongoing obligations of the food service operations and community education program.
- The School District's long-term obligations decreased by \$1,626,872 which is the result of an decrease in serial bonds, capital leases and compensated absences.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components: 1) District-wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

District-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

The School District's two enterprise funds (Food Service Fund and Community Education Program Fund) are listed individually and are considered to be major funds.

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

Notes to the Basic Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains other supplementary information and schedules required by the New Jersey Audit Program, issued by the New Jersey Department of Education.

District-wide Financial Analysis

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

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

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2016. Long-term liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available after fiscal year 2016.

The assets of the primary government activities exceeded liabilities by \$7,492,584 with an unrestricted deficit balance of \$7,492,346. The net position of the primary government does not include internal balances.

A net investment of \$12,153,719 in land, improvements, buildings, equipment and vehicles which provide the services to the School District's 2,997 public school students, represents over 163.58% of the School District's net position. Net position of \$1,153,874 has been restricted to provide resources for future capital expansion and renovation projects, \$400,000 for maintenance projects, \$1,029,403 has been restricted for budget appropriation and \$184,934 is restricted for debt service.

As mentioned earlier, deficit unrestricted net position is primarily due to the accounting treatment for compensated absences payable, net pension liability and the last two state aid payments, and state statutes that prohibit school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance.

**Haddonfield School District
Comparative Summary of Net Position
As of June 30, 2016 and 2015**

	Governmental Activities		Business-Type Activities		District-Wide	
	2016	2015	2016	2015	2016	2015
Assets:						
Current assets	\$ 5,111,698	\$ 5,175,005	\$ 97,697	\$ 162,322	\$ 5,209,395	\$ 5,337,327
Capital assets	<u>26,010,702</u>	<u>27,134,469</u>	<u>31,236</u>	<u>49,012</u>	<u>26,041,938</u>	<u>27,183,481</u>
Total assets	<u>31,122,400</u>	<u>32,309,474</u>	<u>128,933</u>	<u>211,334</u>	<u>31,251,333</u>	<u>32,520,808</u>
Deferred Outflows of Resources	<u>1,257,664</u>	<u>475,263</u>			<u>1,257,664</u>	<u>475,263</u>
Liabilities:						
Current Liabilities	3,228,113	2,306,681	25,117	19,058	3,253,230	2,325,739
Noncurrent Liabilities	<u>20,991,462</u>	<u>21,542,790</u>			<u>20,991,462</u>	<u>21,542,790</u>
Total liabilities	<u>24,219,575</u>	<u>23,849,471</u>	<u>25,117</u>	<u>19,058</u>	<u>24,244,692</u>	<u>23,868,529</u>
Deferred Inflows of Resources	<u>730,905</u>	<u>891,675</u>			<u>730,905</u>	<u>891,675</u>
Net position	<u>\$ 7,429,584</u>	<u>\$ 8,043,591</u>	<u>\$ 103,816</u>	<u>\$ 192,276</u>	<u>\$ 7,533,400</u>	<u>\$ 8,235,867</u>
Net position consists of:						
Net investment in						
Capital assets	12,153,719	11,838,419	31,236	49,012	12,184,955	\$ 11,887,431
Restricted net position	2,768,211	3,817,916			2,768,211	3,817,916
Unrestricted net position	<u>(7,492,346)</u>	<u>(7,612,744)</u>	<u>72,580</u>	<u>143,264</u>	<u>(7,419,766)</u>	<u>(7,469,480)</u>
Net position	<u>\$ 7,429,584</u>	<u>\$ 8,043,591</u>	<u>\$ 103,816</u>	<u>\$ 192,276</u>	<u>\$ 7,533,400</u>	<u>\$ 8,235,867</u>

Haddonfield School District
Comparative Schedule of Changes in Net Position
As of and for the Fiscal Year Ended June 30, 2016 and 2015

	Governmental Activities		Business-Type Activities		District-Wide	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program Revenues						
Charges for services	\$	\$	\$ 603,034	\$ 564,560	\$ 603,034	\$ 564,560
Operating grants and Contributions	5,081,523	4,246,118	34,596	35,708	5,116,119	4,281,814
General Revenues:						
Property Taxes	34,497,518	33,871,732			34,497,518	33,871,732
Unrestricted State Aid	1,158,069	1,132,245			1,158,069	1,132,245
Tuition	511,500	505,276			511,500	505,276
Other Revenues	498,327	281,584	1,154	1,911	499,481	283,495
Total Revenues	41,746,937	40,036,955	638,784	602,179	42,385,721	40,639,122
Expenses:						
Governmental Activities:						
Instruction	18,851,316	17,408,580			18,851,316	17,408,568
Tuition	1,025,530	1,363,042			1,025,530	1,363,042
Related Services	3,675,280	4,130,270			3,675,280	4,130,270
Administrative Services	2,303,495	2,233,735			2,303,495	2,233,735
Central Services	629,009	674,914			629,009	674,914
Operations and Maintenance	5,236,457	3,996,237			5,236,457	3,996,237
Transportation	498,304	544,335			498,304	544,335
Special Schools	115,363	141,616			115,363	141,616
Employee benefits	9,510,343	8,337,424			9,510,343	8,337,424
Interest on long-term Debt	459,659	732,852			459,659	732,852
Other	56,188	56,507			56,188	56,507
Business-Type Activities:						
Food Service Operations			592,657	522,126	592,657	522,126
Community Education			134,587	91,026	134,587	91,026
Total Expenses	42,360,944	39,619,512	727,244	613,152	43,088,188	40,232,652
Increase in net position						
Before transfers	(614,007)	417,443	(88,460)	(10,973)	(702,467)	406,470
Cancelled						
Changes in net position	(614,007)	417,443	(88,460)	(10,973)	(702,467)	406,470
Net position, July 1,	8,043,591	7,626,148	192,276	203,249	8,235,867	7,829,397
Net position, June 30,	\$ 7,429,584	\$ 8,043,591	\$ 103,816	\$ 192,276	\$ 7,533,400	\$ 8,235,867

Governmental Activities

Governmental activities decreased the net position of the School District by \$614,007 during the current fiscal year. Key elements of the decrease in net position for governmental activities are as follows:

- Reduction of debt increased the net position of the School District by \$1,626,872 during the current fiscal year.
- Depreciation expense reduced net position by \$1,123,767.
- Results of operations in the General Fund decreased the net position by \$697,797.

Business-type Activities

Business-type activities decreased the School District's net position by \$88,460. Key elements of the decrease in net position for governmental activities are as follows:

- The Food Service Fund had a net loss of \$67,993 and the Community Education Program had a net loss of \$20,467.

Financial Analysis of the Governmental Funds

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

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

As of the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$3,418,658, a decrease of \$1,020,280 in comparison with the prior year. This decrease is primarily attributable to the results of operations in the general fund and capital projects fund.

The unassigned fund balance for the School District at the end of the fiscal year includes a combination of unassigned fund balance for the General Fund of \$650,447 and \$184,934 in the Debt Service Fund. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) as restricted cash reserved for future capital outlay expenditures of \$1,153,874, 2) as restricted for future maintenance projects of \$400,000, 3) \$564,555 appropriated as a revenue source for subsequent year's budgets, and 4) \$464,848 reserved for excess surplus.

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

General Fund Budgetary Highlights

There was no difference between the original budget and the final amended budget.

At the end of the current fiscal year, unreserved fund balance (budgetary basis) of the general fund was \$710,574 while total fund balance (budgetary basis) was \$3,479,315. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance (budgetary basis) and total fund balance (budgetary basis) to total general fund expenditures. Actual (budgetary basis) expenditures of the General Fund including other financing uses amounted to \$39,457,085. Unreserved fund balance (budgetary basis) represents 1.80% of expenditures while total fund balance (budgetary basis) represents 8.82% of that same amount.

Capital Asset and Debt Administration

The School District's investment in capital assets for its governmental and business-type activities as of June 30, 2016, totaled \$26,041,938 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, and equipment. The net decrease in the District's investment in capital assets for the current fiscal year was \$1,141,543 or a 4.20% decrease. The decrease is due to depreciation expense.

Capital Asset (net of accumulated depreciation) June 30, 2016 and 2015

	Governmental Activities		Business-Type Activities		District-Wide	
	2016	2015	2016	2015	2016	2015
Land	\$ 1,898,592	\$ 1,898,592	\$ -	\$ -	\$ 1,898,592	\$ 1,898,592
Construction in Progress						
Buildings and Building Improvements	23,753,410	24,641,395			23,753,410	24,641,395
Equipment	358,700	594,482	31,236	49,012	389,936	643,494
Total	\$ 26,010,702	\$ 27,134,469	\$ 31,236	\$ 49,012	\$ 26,041,938	\$ 27,183,481

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

Long-term debt – During the fiscal year ended June 30, 2016, the School District had \$13,856,983 in serial bonds payable and \$1,201,180 in compensated absences.

State statutes limit the amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was \$86,707,031. The available amount as of June 30, 2016 is \$73,177,031.

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 7) of this report.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered and incorporated into the preparation of the School District's budget for the 2016-17 fiscal year.

- For the 2016-17 fiscal year the School District will not be receiving a slight increase in state aid. The local tax levy in the General Fund increased by \$1,066,487 or 3.27%. Salaries continue to increase contractually; however, the District has managed to control costs. The 2016-17 General Fund Budget is \$899,122 less than the previous year or a 2.43% decrease.
- The tax rate increased from \$1.549 in 2015 to \$1.584 in 2016.

For the Future

The Haddonfield School District is in very good financial condition presently. However, a major concern is maintaining aging buildings of the district with an increased reliance on local property taxes as state aid has remained stagnant. The Borough of Haddonfield is primarily a residential community, with very few large ratables; thus the burden is focused on homeowners to share the tax burden.

In conclusion, the Haddonfield School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

Requests for Information

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Haddonfield School District Business Administrator, One Lincoln Avenue, Haddonfield, New Jersey, 08033.

Basic Financial Statements

District-Wide Financial Statements

HADDONFIELD SCHOOL DISTRICT
Statement of Position
June 30, 2016

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS:			
Cash and cash equivalents	\$ 2,970,594	\$ 83,995	\$ 3,054,589
Receivables, net	803,433	5,016	808,449
Internal balances	(2,321)	2,321	
Inventory		6,365	6,365
Restricted assets:			
Capital reserve account - cash	1,339,992		1,339,992
Capital assets, net (Note 5)	26,010,702	31,236	26,041,938
Total assets	<u>31,122,400</u>	<u>128,933</u>	<u>31,251,333</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows of resources from pensions	<u>1,257,664</u>		<u>1,257,664</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:	<u>32,380,064</u>	<u>128,933</u>	<u>32,508,997</u>
LIABILITIES:			
Accounts payable	539,765		539,765
Payable to state government	81,067		81,067
Unearned revenue	72,208	25,117	97,325
Other liabilities	1,000,000		1,000,000
Accrued interest	190,576		190,576
Noncurrent liabilities:			
Due within one year	1,344,497		1,344,497
Due beyond one year	20,991,462		20,991,462
Total liabilities	<u>24,219,575</u>	<u>25,117</u>	<u>24,244,692</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflows of resources from pensions	<u>730,905</u>		<u>730,905</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:	<u>24,950,480</u>	<u>25,117</u>	<u>24,975,597</u>
NET POSITION:			
Net investment in capital assets	12,153,719	31,236	12,184,955
Restricted for:			
Debt Service Fund	185,588		185,588
Capital Projects	1,153,874		1,153,874
Other Purposes	1,428,749		1,428,749
Unrestricted	<u>(7,492,346)</u>	<u>72,580</u>	<u>(7,419,766)</u>
Total net position	<u>\$ 7,429,584</u>	<u>\$ 103,816</u>	<u>\$ 7,533,400</u>

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

HADDONFIELD SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
Instruction:						
Regular	\$ 12,942,732	\$ -	\$ 426,357	\$ (12,516,375)	\$ -	\$ (12,516,375)
Special education	4,685,393		519,072	(4,166,321)		(4,166,321)
Other instruction	1,223,191			(1,223,191)		(1,223,191)
Support Services:						
Tuition	1,025,530			(1,025,530)		(1,025,530)
Student & instruction related services	3,675,280		207,727	(3,467,553)		(3,467,553)
General administrative services	840,011			(840,011)		(840,011)
School administrative services	1,463,484			(1,463,484)		(1,463,484)
Central services	629,009			(629,009)		(629,009)
Plant operations and maintenance	5,236,457			(5,236,457)		(5,236,457)
Pupil transportation	498,304			(498,304)		(498,304)
Special schools	115,363			(115,363)		(115,363)
Unallocated employee benefits	9,510,343		3,928,367	(5,581,976)		(5,581,976)
Interest on long-term debt	459,659			(459,659)		(459,659)
Unallocated depreciation and amortization	56,188			(56,188)		(56,188)
Total governmental activities	<u>42,360,944</u>		<u>5,081,523</u>	<u>(37,279,421)</u>		<u>(37,279,421)</u>
Business-type activities:						
Community education	134,587	113,989			(20,598)	(20,598)
Food service	592,657	489,045	34,596		(69,016)	(69,016)
Total business-type activities	<u>727,244</u>	<u>603,034</u>	<u>34,596</u>		<u>(89,614)</u>	<u>(89,614)</u>
Total primary government	<u>\$ 43,088,188</u>	<u>\$ 603,034</u>	<u>\$ 5,116,119</u>	<u>\$ (37,279,421)</u>	<u>\$ (89,614)</u>	<u>\$ (37,369,035)</u>
General revenues:						
Taxes:						
Property taxes, levied for general purposes, net				32,663,145		32,663,145
Taxes levied for debt service				1,834,373		1,834,373
Federal and State aid not restricted				1,158,069		1,158,069
Tuition revenue				511,500		511,500
Investment earnings				684	339	1,023
Miscellaneous income				497,643	815	498,458
Total general revenues, special items, extraordinary items and transfers				<u>36,665,414</u>	<u>1,154</u>	<u>36,666,568</u>
Change in Net Position				<u>(614,007)</u>	<u>(88,460)</u>	<u>(702,467)</u>
Net Position—July 1				8,043,591	192,276	8,235,867
Net Position—June 30				<u>\$ 7,429,584</u>	<u>\$ 103,816</u>	<u>\$ 7,533,400</u>

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

Fund Financial Statements

HADDONFIELD SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2016

ASSETS	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 2,104,459	\$ 118,345	\$ 746,636	\$ 1,154	\$ 2,970,594
Receivables, net	288,183	219,158	251,680		759,021
Interfund receivables, net	273,106			184,434	457,540
Restricted cash and cash equivalents	<u>1,339,992</u>				<u>1,339,992</u>
Total assets	<u>\$ 4,005,740</u>	<u>\$ 337,503</u>	<u>\$ 998,316</u>	<u>\$ 185,588</u>	<u>\$ 5,527,147</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	512,023	27,742			539,765
Loan payable			1,000,000		1,000,000
Interfund payable	2,321	228,694	184,434		415,449
Intergovernmental payable:					
State		81,067			81,067
Unearned revenues	<u>72,208</u>				<u>72,208</u>
Total liabilities	<u>586,552</u>	<u>337,503</u>	<u>1,184,434</u>	<u>-</u>	<u>2,108,489</u>
Fund Balances:					
Restricted for:					
Excess surplus	464,848				464,848
Capital reserve account	1,339,992				1,339,992
Maintenance reserve account	400,000				400,000
Excess surplus designated for subsequent year's expenditures	515,396				515,396
Assigned to:					
Reserve for Encumbrances	48,505		809		49,314
Unreserved - designated for subsequent year's expenditures				654	654
Unassigned	<u>650,447</u>		<u>(186,927)</u>	<u>184,934</u>	<u>648,454</u>
Total fund balances	<u>3,419,188</u>		<u>(186,118)</u>	<u>185,588</u>	<u>3,418,658</u>
Total liabilities and fund balances	<u>\$ 4,005,740</u>	<u>\$ 337,503</u>	<u>\$ 998,316</u>	<u>\$ 185,588</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$47,031,737 and the accumulated depreciation is \$21,021,035. 26,010,702

Accrued interest is not due and payable in the current period and therefore is not reported as a liability in the funds. (190,576)

The District's proportionate share of net pension assets and liabilities as well as pension-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include:

Deferred Outflows of resources from Pensions	1,257,664	
Net Pension Liability	(7,277,796)	
Deferred Inflows of resources from Pensions	<u>(730,905)</u>	(6,751,037)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

General Obligation Bonds	(13,856,983)	
Capital Lease Payable	-	
Compensated Absences Payable	<u>(1,201,180)</u>	<u>(15,058,163)</u>

Net position of governmental activities 7,429,584

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

HADDONFIELD SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
for the Fiscal Year Ended June 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local sources:					
Local tax levy	\$ 32,663,145	\$ -	\$ -	\$ 1,834,373	\$ 34,497,518
Tuition charges	511,500				511,500
Capital reserve interest	684				684
Miscellaneous	497,523		120		497,643
Total revenues-local sources	33,672,852	-	120	1,834,373	35,507,345
Local sources		61,692			61,692
State sources	5,086,436	315,660			5,402,096
Federal sources		775,804			775,804
Total revenues	38,759,288	1,153,156	120	1,834,373	41,746,937
EXPENDITURES:					
Current expense:					
Regular instruction	11,917,543	426,357			12,343,900
Special education instruction	4,166,321	519,072			4,685,393
Other instruction	1,223,191				1,223,191
Support services and undistributed costs:					
Tuition	1,025,530				1,025,530
Student & instruction related services	3,467,553	207,727			3,675,280
General administrative services	727,634				727,634
School administrative services	1,463,484				1,463,484
Central services	629,009				629,009
Plant operations and maintenance	3,221,762				3,221,762
Pupil transportation	498,304				498,304
Unallocated employee benefits	9,472,540				9,472,540
Special schools	115,363				115,363
Capital outlay	1,528,851		321,849		1,850,700
Debt service:					
Principal				1,380,000	1,380,000
Interest and other charges				455,127	455,127
Total expenditures	39,457,085	1,153,156	321,849	1,835,127	42,767,217
Excess (deficiency) of revenues over (under) expenditures	(697,797)	-	(321,729)	(754)	(1,020,280)
Other Financing Sources (Uses):					
Operating transfer out			(184,554)		(184,554)
Operating transfer in				184,554	184,554
Total other financing sources (uses)	-	-	(184,554)	184,554	-
Net change in fund balance	(697,797)	-	(506,283)	183,800	(1,020,280)
Fund balances, July 1	4,116,985	-	320,165	1,788	4,438,938
Fund balances, June 30	\$ 3,419,188	\$ -	\$ (186,118)	\$ 185,588	\$ 3,418,658

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

HADDONFIELD SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
for the Fiscal Year Ended June 30, 2016

Total net change in fund balances - governmental funds (from B-2)		\$ (1,020,280)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
<p style="margin-left: 40px;">Capital outlays are reported in the governmental funds as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.</p>		
Depreciation expense	\$ (1,123,767)	
Capital outlay	<u> -</u>	(1,123,767)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is reported in the statement of activities.		1,380,000
Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities.		54,497
Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is reported in the statement of activities.		4,570
Net differences between pension system contributions recognized in the fund statement of revenues, expenditures and changes in fund balances and the statement of activities.		(37,803)
In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.		(59,029)
Some expenses reported on the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Compensated absences		<u>187,805</u>
Change in net position of governmental activities		<u><u>\$ (614,007)</u></u>

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

HADDONFIELD SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2016

	Business-type Activities Enterprise Funds		Total
	Food Service Program	Community Education	
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 26,671	\$ 57,324	\$ 83,995
Accounts receivable	5,016		5,016
Interfund receivable	2,321		2,321
Inventories	6,365		6,365
Total current assets	40,373	57,324	97,697
Noncurrent assets:			
Equipment	382,016		382,016
Less accumulated depreciation	(350,780)		(350,780)
Total noncurrent assets	31,236	-	31,236
Total assets	\$ 71,609	\$ 57,324	\$ 128,933
LIABILITIES			
Current liabilities:			
Unearned Revenue	\$ 25,117	\$ -	\$ 25,117
Total liabilities	25,117	-	25,117
NET POSITION			
Net investment in capital assets related debt	31,236		31,236
Unrestricted	15,256	57,324	72,580
Total net position	\$ 46,492	\$ 57,324	\$ 103,816

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

HADDONFIELD SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
for the Fiscal Year Ended June 30, 2016

	Business-type Activities		Total
	Enterprise Funds		
	<u>Food Service Program</u>	<u>Community Education</u>	
Operating revenues:			
Charges for services:			
Daily sales-reimbursable programs	\$ 169,256	\$ -	\$ 169,256
Daily sales-non-reimbursable programs	319,789		319,789
Program fees		113,989	113,989
Total operating revenue	<u>489,045</u>	<u>113,989</u>	<u>603,034</u>
Operating expenses:			
Salaries	238,383	108,815	347,198
Supplies and materials	24,639		24,639
Depreciation	17,776		17,776
Management Fee	32,733		32,733
Direct expenses	14,231	25,772	40,003
Cost of sales - reimbursable programs	98,677		98,677
Cost of sales - nonreimbursable programs	166,185		166,185
Other costs	33		33
Total operating expenses	<u>592,657</u>	<u>134,587</u>	<u>727,244</u>
Operating income (loss)	<u>(103,612)</u>	<u>(20,598)</u>	<u>(124,210)</u>
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	1,747		1,747
Federal sources:			
National school lunch program	18,881		18,881
U.S.D.A. commodities	13,968		13,968
Local sources:			
Miscellaneous	815		815
Interest revenue	208	131	339
Total nonoperating revenues (expenses)	<u>35,619</u>	<u>131</u>	<u>35,750</u>
Net income (loss) before contributions and transfers	<u>(67,993)</u>	<u>(20,467)</u>	<u>(88,460)</u>
Change in net position	<u>(67,993)</u>	<u>(20,467)</u>	<u>(88,460)</u>
Total net position- July 1 (restated)	<u>114,485</u>	<u>77,791</u>	<u>192,276</u>
Total net position- June 30	<u>\$ 46,492</u>	<u>\$ 57,324</u>	<u>\$ 103,816</u>

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

HADDONFIELD SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
for the Fiscal Year Ended June 30, 2016

	Business-type Activities		Total
	Food Service Program	Community Education	
Cash flows from operating activities:			
Receipts from customers	\$ 496,239	\$ 113,989	\$ 610,228
Payments to employees	(238,383)	(108,815)	(347,198)
Payments to suppliers	(301,754)	(25,772)	(327,526)
Net cash used for operating activities	<u>(43,898)</u>	<u>(20,598)</u>	<u>(64,496)</u>
Cash flows from noncapital financing activities:			
State sources	2,683		2,683
Federal sources	30,702		30,702
Net cash provided by non-capital financing activities	<u>33,385</u>		<u>33,385</u>
Cash flows from capital activities:			
Purchases of fixed assets			
Cash flows from investing activities:			
Interest and dividends	208	131	339
Net cash provided by investing activities	<u>208</u>	<u>131</u>	<u>339</u>
Net increase in cash and cash equivalents	(10,305)	(20,467)	(30,772)
Balances - beginning of year	<u>36,976</u>	<u>77,791</u>	<u>114,767</u>
Balances - end of year	<u>\$ 26,671</u>	<u>\$ 57,324</u>	<u>\$ 83,995</u>
Reconciliation of operating loss to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (103,612)	\$ (20,598)	\$ (124,210)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	17,776		17,776
Federal commodities	13,968		13,968
Cancellation of accounts payable/receivable	814		814
(Increase) decrease in inventories	20,776		20,776
(Increase) decrease in accounts receivable	321		321
Increase (decrease) in unearned revenue	6,059		6,059
Total adjustments	<u>59,714</u>		<u>59,714</u>
Net cash provided by (used for) operating activities	<u>\$ (43,898)</u>	<u>\$ (20,598)</u>	<u>\$ (64,496)</u>

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

HADDONFIELD SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016

	<u>Flexible Benefits Account</u>	<u>Unemployment Compensation Insurance Trust</u>	<u>Agency Fund</u>
ASSETS:			
Cash and cash equivalents	\$ 94,279	\$ 386,798	\$ 398,798
Interfund receivable			
Total assets	<u>\$ 94,279</u>	<u>\$ 386,798</u>	<u>\$ 398,798</u>
 LIABILITIES:			
Accounts payable	\$ 14,070	\$ 757	\$ -
Payroll deductions and withholdings			239
Interfund payable			44,412
Due to student groups			<u>354,147</u>
Total liabilities	<u>\$ 14,070</u>	<u>\$ 757</u>	<u>\$ 398,798</u>
 NET POSITION:			
Held in trust for flexible benefits	<u>\$ 80,209</u>		
Held in trust for unemployment claims and other purposes		<u>\$ 386,041</u>	

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

HADDONFIELD SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2016

	Flexible Benefits Account	Unemployment Compensation Insurance Trust
ADDITIONS:		
Contributions:		
Board contributions	\$ 102,383	\$ -
Employee contributions	66,551	45,487
Total Contributions	<u>168,934</u>	<u>45,487</u>
Investment earnings:		
Interest	299	905
Net investment earnings	<u>299</u>	<u>905</u>
Total additions	<u>169,233</u>	<u>46,392</u>
DEDUCTIONS:		
Due to General Fund	50,044	191,500
Unemployment claims		13,653
Flex benefit payments	115,131	
Total deductions	<u>165,175</u>	<u>205,153</u>
Change in net position	4,058	(158,761)
Net position - July 1	<u>76,151</u>	<u>544,802</u>
Net position - June 30	<u>\$ 80,209</u>	<u>\$ 386,041</u>

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

Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The Haddonfield School District (District) is a Type II school district located in Camden County, New Jersey and covers an area of approximately 2.6 square miles. As a Type II school district, it functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the District is to provide educational services for all of Haddonfield's students in grades K through 12. The Haddonfield School District has an approximate enrollment at June 30, 2016 of 2,601 students.

The primary criteria for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards* is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School district over which the Board exercises operating control.

Component Units – GASB Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Unit*, provide guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statements No. 14 and No. 39. In addition, GASB Statement No. 61 provides additional guidance for organizations that do not meet the financial accountability criteria for inclusion as component units but that nevertheless should be included because the primary government's management determines that it would be misleading to exclude them. There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Basis of Presentation

The basic financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the School District's accounting policies are described below.

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

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

**Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

Special Revenue Fund - The special revenue fund is used to account for and report the proceeds of specific revenues sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Capital Projects Fund - The capital projects fund is used to account and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes or serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

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

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

Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary Funds (Continued)

The School District's enterprise funds are:

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

Community Education Fund - This fund accounts for the financial activity related to providing adult school activities within the School District.

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

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

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

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into two classifications: trust funds and agency funds. Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds (i.e. payroll and student activities). They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has four fiduciary funds; an unemployment compensation trust fund, a flexible benefit program, a student activity fund, and a payroll fund.

Measurement Focus

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

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

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

**Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined and "available" means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days after fiscal year end.

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

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

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

Budgets/Budgetary Control - Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for their approval. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23A-16.2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

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

Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The budget, as detailed on Exhibit C-1, Exhibit C-2 and Exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances – governmental funds. Note that the School District does not report encumbrances outstanding at year end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the one or more June state aid payments.

Encumbrances - Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Encumbrances are a component of fund balance at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services. Open encumbrances in governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, and all eligibility and time requirements satisfied are reflected on the balance sheet as unearned grant revenue at fiscal year end.

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

Cash, Cash Equivalents and Investments - Cash and cash equivalents, for all funds, include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

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

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act (GUDPA), a multiple financial institution 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 full amount of their deposits to the governmental units.

Tuition Receivable - Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

Tuition Payable - Tuition charges for the fiscal years ended June 30, 2016 and 2015 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

**Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories - Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out basis.

The cost of inventories in governmental fund types is recorded as expenditures when purchased rather than when consumed, and is not recorded since any amounts are considered immaterial to the basic financial statements.

Inventories recorded in the government-wide financial statements and in the proprietary fund types are recorded as expenditures when consumed rather than when purchased.

Prepaid Expenses - Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2016.

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

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

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

Short-Term Interfund Receivables / Payables - Short-term interfund receivables / payables represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund in the School District and that are due within one year. These amounts are eliminated in the governmental and business-type columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market value as of the date received. The School District maintains a capitalization threshold of \$2,000. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

**Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued) - Depreciation is computed using the straight-line method over the following useful lives:

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

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

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

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

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

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

Bond Discount and Bond Premium - Bond discount and bond premium arising from the issuance of the general obligation bonds are recorded as liabilities. They are amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense. Bond discount and bond premium are presented as an adjustment of the face amount of the bonds.

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

Net Investment in Capital Assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or law or regulations of other governments.

**Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

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

Fund Balance – The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criteria includes items that are not expected to be converted to cash, such as inventories and prepaid amounts. The School District had no nonspendable fund balance at June 30, 2016.

Restricted – This fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – This fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision making authority, which for the School District is the Board of Education. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action imposing the commitment.

Assigned – This fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the Business Administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes.

Unassigned – This fund balance classification is the residual classification for the General Fund. It represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, it is the School District's policy to spend restricted fund balances first. Likewise, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

Operating and Non-Operating Revenues and Expenses - Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for the food service program. Non-operating revenues principally consist of interest income earned on various interest bearing accounts and federal and state subsidy reimbursements for the food service program.

Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. There are no non-operating expenses.

Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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

Recently Issued Accounting Pronouncements – In June 2015, the GASB issued Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement 68 for pension plans and pensions that are within their respective scopes. The requirements of this Statement will improve financial reporting by establishing a single framework for the presentation of information about pensions, which will enhance the comparability of pension-related information reported by employers and nonemployer contributing entities. This Statement is effective for financial statements for periods beginning after June 15, 2016 and will not have any effect on the District’s financial reporting.

In June 2015, the GASB issued Statement 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43, and Statement No. 50, *Pension Disclosures*. This Statement also includes requirements to address financial reporting for assets accumulated for purposes of providing defined benefit OPEB through OPEB plans that are *not* administered through trusts that meet the specified criteria. This Statement is effective for financial statements for periods beginning after June 15, 2016. Management is currently evaluating the impact of the adoption of this Statement on the School District’s financial statements.

In June 2015, the GASB issued Statement 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. This Statement is effective for financial statements for periods beginning after June 15, 2017. Management is currently evaluating the impact of the adoption of this Statement on the School District’s financial statements.

Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements (Continued) - In December 2015, the GASB issued Statement 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. This Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements.

In March 2016, the GASB issued Statement 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*. This Statement amends Statements 67 and 68 to instead require the presentation of covered payroll, defined as the payroll on which contributions to a pension plan are based, and ratios that use that measure. Furthermore, this Statement clarifies that a deviation, as the term is used in Actuarial Standards of Practice issued by the Actuarial Standards Board, from the guidance in an Actuarial Standard of Practice is not considered to be in conformity with the requirements of Statement 67, Statement 68, or Statement 73 for the selection of assumptions used in determining the total pension liability and related measures. Also, this Statement clarifies that payments that are made by an employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements should be classified as plan member contributions for purposes of Statement 67 and as employee contributions for purposes of Statement 68. It also requires that an employer's expense and expenditures for those amounts be recognized in the period for which the contribution is assessed and classified in the same manner as the employer classifies similar compensation other than pensions (for example, as salaries and wages or as fringe benefits). The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements.

2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits – Custodial credit risk refers to the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Unit (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School district in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings of funds that pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized. Of the School District's amount on deposit of \$6,153,096 as of June 30, 2016, \$268,498 was insured under FDIC and the remaining balance of \$5,884,598 was collateralized under GUDPA.

3. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

**Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

3. CAPITAL RESERVE ACCOUNT (Continued)

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the New Jersey Department of Education, a school district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer at year end of any anticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:26-9.1(d), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2015 to June 30, 2016 fiscal year is as follows:

Balance – July 1, 2015	\$	1,718,481
Increased by:		
Transfer by Board Resolution	\$	1,000,000
Unspent appropriations		65,695
Cancelled accounts payable		
Interest Earned		684
		1,066,379
		2,784,860
Decreased by:		
Budgeted Withdrawal		1,444,868
Balance – June 30, 2016	\$	1,339,992

The June 30, 2016 capital reserve balance does not exceed the LRFP balance of local support costs of uncompleted capital projects.

4. ACCOUNTS RECEIVABLES

Accounts receivables at June 30, 2016 consisted of accounts (fees) and intergovernmental grants. All intergovernmental receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds.

Accounts receivable at June 30, 2016 for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	General Fund	Capital Projects Fund	Special Revenue Funds	Proprietary Fund	Total
State Aid	\$ 240,210	\$ 251,680	\$ 7,028	\$ 101	\$ 499,019
Federal Aid			199,369	1,098	200,467
Other	47,973		12,761	3,817	64,551
Total Accounts Receivable	\$ 288,183	\$ 251,680	\$ 219,158	\$ 5,016	\$ 764,037

Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2016, was as follows:

	<u>Balance</u> <u>June 30, 2015</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2016</u>
Governmental Activities:				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 1,898,592	\$ -	\$ -	\$ 1,898,592
Construction in progress	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total capital assets, not being Depreciated	<u>1,898,592</u>	<u> </u>	<u> </u>	<u>1,898,592</u>
<i>Capital Assets, being depreciated:</i>				
Site Improvements	1,471,115			1,471,115
Building and Building Improvements	39,198,051			39,198,051
Equipment	4,463,979			4,463,979
Totals at historical cost	<u>45,133,145</u>	<u> </u>	<u> </u>	<u>45,133,145</u>
<i>Less Accumulated Depreciation:</i>				
Site Improvements	(601,343)	(57,177)		(658,520)
Building and Building Improvements	(15,426,428)	(830,808)		(16,257,236)
Equipment	(3,869,497)	(235,782)		(4,105,279)
Totals accumulated depreciation	<u>(19,897,268)</u>	<u>(1,123,767)</u>	<u> </u>	<u>(21,021,035)</u>
Total Capital Assets, being depreciated, net	<u>25,235,877</u>	<u>(1,123,767)</u>	<u> </u>	<u>24,112,110</u>
Governmental Activities Capital Assets, Net	<u>\$ 27,134,469</u>	<u>\$ (1,123,767)</u>	<u>\$ -</u>	<u>\$ 26,010,702</u>
 <u>Business-Type Activities:</u>				
<i>Capital Assets, being depreciated:</i>				
Equipment	\$ 382,016	\$ -	\$ -	\$ 382,016
Less accumulated depreciation	<u>(333,004)</u>	<u>(17,776)</u>	<u> </u>	<u>(350,780)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 49,012</u>	<u>\$ (17,776)</u>	<u>\$ -</u>	<u>\$ 31,236</u>

Depreciation expense in the amount of \$1,123,767 was charged to governmental functions as follows:

<u>Function</u>	<u>Amount</u>
Regular Instruction	\$ 786,637
Plant Operations and Maintenance	168,565
Administration	112,377
Unallocated	<u>56,188</u>
Total depreciation expense	<u>\$ 1,123,767</u>

6. INVENTORY

Inventory in the Food Service Fund at June 30, 2016 consisted of the following:

Food	\$ 3,829
Supplies	<u>2,536</u>
	<u>\$ 6,365</u>

Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

7. LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2016, the following changes occurred in long-term obligations:

<u>Governmental Activities:</u>	<u>Principal Outstanding July 1, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2016</u>	<u>Amounts Due Within One Year</u>
Other Liabilities:					
Compensated Absences	\$ 1,388,985	\$ -	\$ 187,805	\$ 1,201,180	\$ -
Capital Leases	4,570		4,570		
Net Pension Liability	6,296,822	980,974		7,277,796	
Total	<u>7,690,377</u>	<u>980,974</u>	<u>192,375</u>	<u>8,478,976</u>	<u>-</u>
General Obligation Bonds					
Principal	14,910,000		1,380,000	13,530,000	1,290,000
Unamortized Premiums	381,480		54,497	326,983	54,497
Total	<u>15,291,480</u>		<u>1,434,497</u>	<u>13,856,983</u>	<u>1,344,497</u>
Total Governmental Activity	<u>\$ 22,981,857</u>	<u>\$ 980,974</u>	<u>\$ 1,626,872</u>	<u>\$ 22,335,959</u>	<u>\$ 1,344,497</u>

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

2012 Refunding Bonds dated February 1, 2012 in the amount of \$7,545,000 due in annual installments through August 15, 2025 bearing interest rates ranging from 3.00% - 4.00%.

2015 Refunding Bonds dated May 29, 2015 in the amount of \$5,985,000 due in annual installments through August 1, 2021 bearing interest rates ranging from 0.40% - 4.00%.

Principal and interest due on bonds outstanding is as follow

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 1,290,000	\$ 478,038	\$ 1,768,038
2018	1,325,000	443,462	1,768,462
2019	1,365,000	399,463	1,764,463
2020	1,420,000	352,906	1,772,906
2021	1,470,000	301,387	1,771,687
2022-2025	<u>6,660,000</u>	<u>660,600</u>	<u>7,320,600</u>
	<u>\$ 13,530,000</u>	<u>\$ 2,636,156</u>	<u>\$ 16,166,156</u>

As of June 30, 2016, the District had no authorized but not issued bonds.

Compensated Absences

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

**Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

8. OPERATING LEASES

At June 30, 2016, the District had operating lease agreements in effect for the following:

Copiers

Total operating lease payments made during the year ended June 30, 2015 and 2016 was \$103,812 and \$103,812 respectively. Future minimum lease payments are as follows:

<u>Year Ended</u>	<u>Amount</u>
June 30, 2017	\$ 108,312
June 30, 2018	108,312
June 30, 2019	<u>39,104</u>
Total future minimum lease payments	<u>\$ 255,728</u>

9. PENSION PLANS

Description of Plans – Substantially all of the School District's employees participate in one of the following pension plans which have been established by State statute, and are administered by the New Jersey Division of Pensions and Benefits (Division): the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS) or the Defined Contribution Retirement Program (DCRP). 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 the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625-0295.

Teachers' Pension and Annuity Fund (TPAF)

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

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

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

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

**Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

9. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF) (Continued)

For the year ended June 30, 2016, the District recognized pension expense of \$6,004,553 and revenue of \$6,004,553 for support provided by the State. Although the district does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the district.

The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

	<u>06/30/15</u>	<u>06/30/14</u>
Collective deferred outflows of resources	\$ 7,521,378,257	\$ 2,306,623,861
Collective deferred inflows of resources	554,399,005	1,763,205,593
Collective net pension liability (Non-Employer – State of New Jersey)	63,577,864,440	53,446,745,367
State's portion of the net pension liability that was associated with the district	98,340,169	82,218,714
State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	.1555910196%	.1538329676%

Actuarial assumptions – The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

- Inflation: 2.5%
- Salary Increases: Varies based on experience
- Investment Rate of Return: 7.90%

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

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries.

**Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

9. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF) (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in TPAF'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	05.00%	0.53%
Government Bonds	01.75%	1.39%
Credit Bonds	13.50%	2.72%
Mortgages	02.10%	2.54%
Inflation-Indexed Bonds	01.50%	1.47%
High Yield Bonds	02.00%	4.57%
Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Markets Equity	06.40%	8.46%
Private Real Estate Property	04.25%	3.97%
Timber	01.00%	4.09%
Farmland	01.00%	4.61%
Private Equity	09.25%	9.15%
Commodities	01.00%	3.58%
Hedge Funds – MultiStrategy	04.00%	4.59%
Hedge Funds – Equity Hedge	04.00%	5.68%
Hedge Funds - Distressed	04.00%	4.30%
	100.00%	

Discount rate. The discount rate used to measure the State's total pension liability was 4.13% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% as of June 30, 2015, respectively, 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 rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers (State of New Jersey) will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. Since the District has no proportionate share of the net pension liability, because of the special funding situation, the district would not be sensitive to any changes in the discount rate.

Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

Public Employees' Retirement System (PERS)

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

**Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

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

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

<u>Fiscal Year</u>	<u>Normal Contributions</u>	<u>Adjustment</u>	<u>Accrued Liability</u>	<u>Non Contributory Life</u>	<u>Total Liability Paid by District</u>
2016	\$ 47,188	\$ -	\$ 217,378	\$ 14,165	\$ 278,731
2015	46,157	-	213,513	17,587	277,257
2014	50,563	-	222,308	4,641	277,512

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

For the year ended June 30, 2016, the District recognized pension expense of \$341,730. At June 30, 2016, the District reported a liability of \$7,277,796 for its proportionate share of the PERS net pension liability and deferred outflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 173,623	\$ -
Changes of assumptions	781,577	
Net Difference between projected and actual earnings on pension plan investments		117,013
Changes in proportion	-	613,892
District contributions subsequent to the measurement date	302,464	
Total	\$ 1,257,664	\$ 730,905

\$302,464 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2016, the plan measurement date is June 30, 2015) will be recognized as a reduction of the net liability in the year ended June 30, 2016.

**Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the year ended:	Net Deferred Outflows of Resources
2016	\$ (33,924)
2017	(33,924)
2018	(33,924)
2019	188,995
2020	137,072
Total	\$ 224,295

Additional Information

Collective balances at June 30, 2015 and 2014 are as follows:

	6/30/2015	6/30/2014
Collective deferred outflows of resources	\$ 3,578,755,666	\$ 952,194,675
Collective deferred inflows of resources	\$ 993,410,455	\$ 1,479,224,662
Collective net pension liability	\$ 22,447,996,119	\$ 18,722,735,003
District's Proportion	.0324206920%	.0336319567%

Actuarial assumptions – The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

- Inflation rate: 3.04%
- Salary Increases:
 - 2012-2021: 2.15-4.40% based on age
 - Thereafter: 3.15-5.40% based on age
- Investment Rate of Return: 7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for 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.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - 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.

Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

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 real rates of return for each major asset class included in PERS'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	05.00%	01.04%
U.S. Treasuries	01.75%	01.64%
Investment Grade Credit	10.00%	01.79%
Mortgages	02.10%	01.62%
High Yield Bonds	02.00%	04.03%
Inflation Indexed Bonds	01.50%	03.25%
Broad US Equities	27.25%	08.52%
Developed Foreign Equities	12.00%	06.88%
Emerging Market Equities	06.40%	10.00%
Private Equity	09.25%	12.41%
Hedge Funds/Absolute Ret	12.00%	04.72%
Real Estate (Property)	02.00%	06.83%
Commodities	01.00%	05.32%
Global Debt ex US	03.50%	-0.40%
REIT	04.25%	5.12%
	<u>100.00%</u>	

Discount rate. The discount rate used to measure the State's total pension liability was 4.90% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.8% 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 rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the District's proportionate share of the net pension liability measured as of June 30, 2015, calculated using the discount rate of 4.90%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.90%) or 1 percentage point higher (5.90%) than the current rate:

	<u>1% Decrease (3.90%)</u>	<u>Current Discount Rate (4.90%)</u>	<u>1% Increase (5.90%)</u>
District's proportionate share of the net pension liability	\$ 9,045,410	\$ 7,277,796	\$ 5,795,841

**Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Pension Plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

Defined Contribution Retirement Program (DCRP)

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

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

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

<u>Year</u>	<u>Total Liability</u>	<u>Paid by District</u>
2016	\$ 21,988	\$ 21,988
2015	19,976	19,976
2014	20,317	20,317

10. POST-RETIREMENT BENEFITS

The School District contributes to the New Jersey 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 Pension and Benefits. SHBP was established to provide medical, prescription drug, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Program Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pension issues a publicly available financial report that includes financial statements and required supplementary information for SHBP. That report may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295.

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the State contributed \$1.25 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

10. POST-RETIREMENT BENEFITS (Continued)

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

The State establishes the contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents the 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) of the plan over a period not to exceed thirty years. The State's contribution to the SHBP Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the year ended June 30, 2016 was \$1,504,121 which equaled the required contributions. The State's contribution to the SHBP Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. 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 SEHBP. That report may be obtained from the Treasury website.

11. ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2016, the School District has recognized as revenues and expenditures \$1,263,200 of on-behalf payments made by the State of New Jersey for normal retirement costs related to TPAF and \$1,161,046 for employer's share of social security contributions for TPAF members, as calculated on their base salaries.

12. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health and accident claims; and natural disasters. The District has chosen to purchase insurance to transfer risk to outside parties.

Property and Liability Insurance – The District is a member of the Burlington County School Joint Insurance Fund (BCIPJIF), a public entity risk pool currently operating as a common risk management and insurance program. The District pays an actuarial determined annual assessment to BCIPJIF for its insurance coverage. Supplemental assessments may be levied to supplement the fund. The District has not been notified of any supplemental assessments.

In addition, the District carries commercial insurance for all other risks of loss, including employee health, accident insurance and public official surety bonds. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

A complete schedule of insurance coverage can be found in the "Statistical Section" of this report.

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

Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

12. RISK MANAGEMENT (Continued)

New Jersey Unemployment Compensation Insurance (Continued) - The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and prior four years:

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Board Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015-2016	\$ 45,487	\$ -	\$ 905	\$ 205,153	\$ 386,041
2014-2015	21,277	-	884	18,752	554,802
2013-2014	30,049	-	1,272	17,662	541,393
2012-2013	22,780	-	3,908	123,906	527,734
2011-2012	31,002	244,867	4,165	181,875	624,952

13. DEFERRED COMPENSATION

The School District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, available to all permanent School District employees, permit participants to defer a portion of their current salary to future years. Participation in the plans is optional. The deferred compensation is not available to the participants until termination, retirement, death, or an unforeseeable emergency occurs. The plan assets are held in trust for the benefit of the employee and are administered by a third party therefore they are not reflected on the financial statements of the School District.

14. COMPENSATED ABSENCES

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

School District employees are granted vacation and sick leave in varying amounts in accordance with the School District's personnel policies. Unused sick leave may be accumulated carried forward to the subsequent years. Employees who retire from the School District shall be paid for unused sick leave in accordance with the School District's agreements with the various employee unions.

The liability for vested compensated absences is recorded within those funds as the benefits accrued to the employees. As of June 30, 2016, the liability for compensated absences in the governmental fund was \$1,201,180.

15. FLEXIBLE BENEFITS PROGRAM

The District offers its employees a Flexible Benefits Program. The purpose of the program is to provide a tax incentive for plan participants incurring health premium expenses, dependent care expenses and other medical expenses not covered by other insurance. The District, who is the plan administrator, has contracted with a third party administrator to act as its agent to furnish reimbursement services. The plan participants redirect a prescribed amount of their gross pay (tax-free) into a reimbursement account and then in-turn submit claims to a third party administrator for repayment. Because of Internal Revenue Service regulations, if at the end of any plan year unexpended funds remain, these funds will be forfeited by the participants and returned to the District.

**Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

15. FLEXIBLE BENEFITS PROGRAM (Continued)

The following is a summary of District contributions, employee contributions, reimbursements to the plan participants for benefits paid and the ending balance of the District's fiduciary fund for the current and prior four years.

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earnings</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015-2016	\$ 102,383	\$ 299	\$ 66,551	\$ 165,175	\$ 80,209
2014-2015	162,488	144	51,904	284,311	76,151
2013-2014	-	1,127	-	210,844	145,926
2012-2013	165,600	2,227	58,076	102,595	355,643
2011-2012	132,000	2,058	56,805	174,512	232,335

16. INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables/payables are recorded to cover temporary cash shortages and/or timing differences in the respective funds. There are no interfund balances that are not expected to be repaid by June 30, 2016. The following interfund balances were recorded on the various balance sheets as of June 30, 2016:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 273,106	\$ 2,321
Special Revenue		228,694
Capital Projects		184,434
Debt Service	184,434	
Proprietary	2,321	
Fiduciary		44,412
	<u>\$ 459,861</u>	<u>\$ 459,861</u>

17. CONTINGENCIES

The School District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the School District may be required to reimburse the grantor government.

At June 30, 2016, significant amounts of grant expenditures have not been audited by the granting agency, but the School District believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the School District. Additionally, deferred revenues are recognized in those funds that have received grant monies in advance of future, reimbursable expenditures.

18. DEFICIT FUND BALANCES

The District has a deficit of \$186,118 in the Capital Projects Fund as of June 30, 2016. This deficit is the result of the District utilizing temporary financing to fund expenditures for certain capital projects. As the District permanently finances these appropriations the District will realize as revenues the proceeds of the financing. This deficit does not indicate that the District is facing financial difficulties and is a permitted practice under generally accepted accounting principles.

**Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

19. DEFICIT UNRESTRICTED NET POSITION

As of June 30, 2016, a deficit of \$7,492,346 existed in the Unrestricted Net Position of the Governmental Activities. A reconciliation of Unreserved Fund Balance reported on Exhibit B-1 to Unrestricted Net Position reported on Exhibited A-1 as follows:

Balances June 30, 2016	
Fund Balance (Deficit)	
(Exclusive of Capital Projects and Debt Service Funds):	
Fund Balance – Unassigned	\$ 650,447
Liabilities:	
Accrued Interest Payable	(190,576)
Net Pension Differences	(6,751,037)
Compensated Absences	(1,201,180)
Unrestricted Net Position (Deficit)	<u>\$ (7,492,346)</u>

20. FUND BALANCES

RESTRICTED

As stated in Note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District’s fund balance are summarized as follows:

General Fund:

Excess Surplus – In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general fund, fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2016 is \$464,848 presented on the budgetary basis of accounting (Exhibit C-1). Additionally, \$515,396 of excess fund balance generated during the 2014-2015 fiscal year has been restricted and designated for utilization in the 2016-2017 budget.

Capital Reserve – As of June 30, 2016, the balance in the capital reserve account is \$1,339,992 which is restricted for future capital outlay expenditures for capital projects in the School District’s approved Long Range Facilities Plan.

Maintenance Reserve Account – As of June 30, 2016, the balance in the maintenance reserve account is \$400,000. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

ASSIGNED

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

General Fund:

Other Purposes – At June 30, 2016 the School District has \$48,505 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

20. FUND BALANCES (Continued)

Capital Projects Fund:

Other Purposes – At June 30, 2016 the School District has \$809 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

Debt Service Fund:

Designated for Subsequent Year's Expenditures – The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2016, \$654 of debt service fund balance.

UNASSIGNED

As stated in Note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

General Fund – As of June 30, 2016, \$650,447 of general fund balance was unassigned.

Capital Projects Fund – As of June 30, 2016, the unassigned fund balance of the capital projects fund balance was a deficit \$186,927.

Debt Service Fund – As of June 30, 2016, \$184,934 of debt service fund balance was unassigned.

21. SUBSEQUENT EVENTS

On September 14, 2016, the District issued School Bonds in the amount of \$35,251,000. The bonds are being issued to undertake various capital improvements to the District's Schools. The bonds bear interest rates of 2.00% to 3.00% with principal maturities from September 1, 2018 through September 1, 2036.

Required Supplementary Information - Part II

Budgetary Comparison Schedules

HADDONFIELD BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 32,663,145	\$ -	\$ 32,663,145	\$ 32,663,145	\$ -
Tuition - Individuals	498,000		498,000	489,956	(8,044)
Tuition - Other Leas's within State				21,544	21,544
Capital reserve interest	-		-	684	684
Unrestricted miscellaneous revenue	87,000		87,000	497,523	410,523
Total local sources	33,248,145		33,248,145	33,672,852	424,707
State sources:					
Extraordinary Aid	350,000		350,000	240,210	(109,790)
Special Education Aid	803,671		803,671	803,671	-
Security Aid	36,070		36,070	36,070	-
Adjustment Aid	252		252	252	-
Transportation Aid	36,655		36,655	36,655	-
Under Adequacy Aid	1,828		1,828	1,828	-
PARCC Readiness Aid	24,780		24,780	24,780	-
Per Pupil Growth Aid	24,780		24,780	24,780	-
On-behalf TPAF post retirement medical (non-budgeted)				1,504,121	1,504,121
On-behalf TPAF pension contributions (non-budgeted)				1,263,200	1,263,200
Reimbursed TPAF social security contributions (non-budgeted)				1,161,046	1,161,046
Total state sources	1,278,036		1,278,036	5,096,613	3,818,577
TOTAL REVENUES	34,526,181	-	34,526,181	38,769,465	4,243,284
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers					
Kindergarten	450,871	(31,001)	419,870	407,725	12,145
Grades 1-5	3,840,203	(25,800)	3,814,403	3,784,482	29,921
Grades 6-8	2,605,153	21,800	2,626,953	2,618,702	8,251
Grades 9-12	3,815,810	(73,000)	3,742,810	3,733,664	9,146
Total Instruction	10,712,037	(108,001)	10,604,036	10,544,573	59,463
Regular Programs - Home Instruction :					
Salaries of teachers	179,931	(71,521)	108,410	102,793	5,617
Other Objects		1,006	1,006	1,006	-
Total Home Instruction	179,931	(70,515)	109,416	103,799	5,617
Regular Programs - Undistributed Instruction :					
Other salaries for instruction	327,165	(2,000)	325,165	313,272	11,893
Purchased professional - educ services	266,000	(38,000)	228,000	194,933	33,067
General supplies	527,947	78,824	606,771	592,285	14,486
Textbooks	350,290	(170,306)	179,984	155,228	24,756
Other objects	25,000	(3,060)	21,940	13,453	8,487
Total Undistributed Instruction	1,496,402	(134,542)	1,361,860	1,269,171	92,689
Total - Regular Programs - Instruction	12,388,370	(313,058)	12,075,312	11,917,543	157,769

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

(CONTINUED TO NEXT PAGE)

HADDONFIELD BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2016

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special Educ Instruction: Multiple Disabilities					
Salaries of teachers	\$ 63,344	\$ 12,919	\$ 76,263	\$ 76,231	\$ 32
Other Salaries for Instruction		42,983	42,983	42,887	96
General supplies	6,500	(2,158)	4,342	4,092	250
<u>Total Multiple Disabilities</u>	<u>69,844</u>	<u>53,744</u>	<u>123,588</u>	<u>123,210</u>	<u>378</u>
Special Educ Instruction: Res. Room/Res. Center					
Salaries of teachers	2,215,648	(88,588)	2,127,060	2,106,403	20,657
Other salaries for instruction	635,951	(150,750)	485,201	483,183	2,018
General supplies	14,000	(1,900)	12,100	1,785	10,315
Textbooks	5,000	-	5,000	300	4,700
<u>Total Resource Room/Resource Center</u>	<u>2,870,599</u>	<u>(241,238)</u>	<u>2,629,361</u>	<u>2,591,671</u>	<u>37,690</u>
Special Educ Instruction: Autism					
Purchased professional - educ services	950,000	99,000	1,049,000	1,048,667	333
<u>Total Autism</u>	<u>950,000</u>	<u>99,000</u>	<u>1,049,000</u>	<u>1,048,667</u>	<u>333</u>
Special Educ Instruction: Preschool Disabilities - PT					
Salaries of teachers	195,999	63,344	259,343	251,491	7,852
Other salaries for instruction	48,857	111,250	160,107	150,035	10,072
General supplies	1,700	1,900	3,600	1,247	2,353
<u>Total Preschool Disabilities - Part-Time</u>	<u>246,556</u>	<u>176,494</u>	<u>423,050</u>	<u>402,773</u>	<u>20,277</u>
<u>Total Special Education - Instruction</u>	<u>4,136,999</u>	<u>88,000</u>	<u>4,224,999</u>	<u>4,166,321</u>	<u>58,678</u>
School-Sponsored Cocurricular Act - Inst.					
Salaries	290,904	47,543	338,447	292,941	45,506
Supplies and materials	43,500	(8,093)	35,407	34,745	662
Other Objects		21,652	21,652	21,013	639
<u>Total School-Sponsored Cocurr. Act. - Inst</u>	<u>334,404</u>	<u>61,102</u>	<u>395,506</u>	<u>348,699</u>	<u>46,807</u>
School-Sponsored Athletics - Inst.					
Salaries	486,336	77,084	563,420	548,158	15,262
Purchased services (300-500)	95,000	(12,500)	82,500	82,245	255
Supplies and materials	45,000	8,700	53,700	52,498	1,202
Other objects	9,000	-	9,000	8,679	321
<u>Total School-Sponsored Athletics - Inst</u>	<u>635,336</u>	<u>73,284</u>	<u>708,620</u>	<u>691,580</u>	<u>17,040</u>
Other Instructional Programs - Instruction					
Salaries	129,743	53,169	182,912	182,912	-
<u>Total Other Instructional Programs - Inst.</u>	<u>129,743</u>	<u>53,169</u>	<u>182,912</u>	<u>182,912</u>	<u>-</u>
Undistributed Expenditures - Instruction					
Tuition to other leas w/ state reg		1,634	1,634	1,633	1
Tuition to CSSD & reg day schools	163,003	(20,000)	143,003	62,465	80,538
Tuition to priv. sch. for the disabled w/ state	1,162,156	(130,634)	1,031,522	798,142	233,380
Tuition to priv. sch. for the disabled and other lea's - out of state	139,200		139,200	130,984	8,216
Tuition - State Facilities	32,306		32,306	32,306	-
<u>Total Undistributed Expenditures - Instruction</u>	<u>1,496,665</u>	<u>(149,000)</u>	<u>1,347,665</u>	<u>1,025,530</u>	<u>322,135</u>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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HADDONFIELD BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2016

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Attend. and Social Work					
Purchased prof. and technical services	\$ 2,000	\$ -	\$ 2,000	\$ -	\$ 2,000
Total Undistributed Expenditures - Attendance	2,000	-	2,000	-	2,000
Undistributed Expenditures - Health Services					
Salaries	272,899	(22,000)	250,899	245,572	5,327
Purchased prof. and technical services	2,300	8,845	11,145	11,143	2
Supplies and materials	21,750	(3,845)	17,905	15,852	2,053
Total Undistributed Expenditures - Health Svcs.	296,949	(17,000)	279,949	272,567	7,382
Undist. Expend. - Speech, OT, PT & Rel. Serv.					
Salaries	507,497	40,605	548,102	548,406	(304)
Purchased prof. and educational services	216,200	(45,544)	170,656	169,115	1,541
Supplies and materials		4,939	4,939	4,609	330
Total Undst. Expend. - Speech, OT, PT & Rel. Serv.	723,697	-	723,697	722,130	1,567
Undist. Expend. - Other Supp. Serv. Stud. - Extra. Serv.					
Purchased prof. and educational services	161,547	(14,000)	147,547	139,112	8,435
Total Undst. Expend. - Other Supp. Serv. Stud. - Extra. Serv.	161,547	(14,000)	147,547	139,112	8,435
Undist. Expenditures - Guidance					
Salaries of other professional staff	713,703	-	713,703	686,921	26,782
Salaries of secretarial and clerical assistants	58,194	-	58,194	57,394	800
Supplies and materials	6,000	850	6,850	6,680	170
Other objects	5,000	-	5,000	3,414	1,586
Total Undst. Expenditures - Guidance	782,897	850	783,747	754,409	29,338
Undist. Expend. - Child Study Teams					
Salaries of other professional staff	794,331	38,487	832,818	826,873	5,945
Salaries of secretarial and clerical assistants	106,941	5,000	111,941	111,745	196
Unused Vacation Payment to Terminated/Retired Staff	4,192	(4,192)			-
Supplies and materials	16,000	(1,295)	14,705	13,334	1,371
Total Undst. Expenditures - Child Study Teams	921,464	38,000	959,464	951,952	7,512
Undist. Expend. - Improvement of Instr. Services					
Salaries of supervisors of instruction	131,507	-	131,507	127,988	3,519
Other purchased services (400-500)	8,478	-	8,478	8,291	187
Other objects	81,000	-	81,000	71,197	9,803
Total Undst. Expend. - Improvement of Instr. Services	220,985	-	220,985	207,476	13,509
Undist. Expend. - Educ. Media Serv./Sch. Library					
Salaries	225,153	-	225,153	224,383	770
Salaries of Technology Coordinators	126,066	-	126,066	125,820	246
Other purchased services (400-500)	2,000	-	2,000	79	1,921
Supplies and materials	52,000	1,500	53,500	49,828	3,672
Total Undst. Expend. - Educ. Media Serv./Sch. Library	405,219	1,500	406,719	400,110	6,609

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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HADDONFIELD BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2016

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Instructional Staff Training Services					
Other purchased services	\$ 20,376	\$ -	\$ 20,376	\$ 19,797	\$ 579
Total Undst. Expend. - Instr. Staff Training Services	20,376	-	20,376	19,797	579
Undist. Expend. - Supp. Serv. General Admin.					
Salaries	376,262	(2,000)	374,262	370,689	3,573
Legal services	90,000	36,000	126,000	118,386	7,614
Audit fees	29,000	-	29,000	29,000	-
Other purchased professional services	2,000	19,000	21,000	20,452	548
Purchased technical services	14,000	(8,750)	5,250	5,201	49
Communications / telephone	100,000	(3,000)	97,000	93,430	3,570
Other purchased services (400-500)	26,000	39,750	65,750	61,422	4,328
General Supplies	5,500	-	5,500	3,968	1,532
Miscellaneous expenditures	25,500	(15,000)	10,500	7,893	2,607
Misc expenditures BOE memberships/dues	18,500	(1,000)	17,500	17,193	307
Total Undst. Expend. - Supp. Serv. General Admin.	686,762	65,000	751,762	727,634	24,128
Undist. Expend. - Supp. Serv. School Admin.					
Salaries of principals/assist. principals	800,254	4,491	804,745	800,254	4,491
Salaries of other professional staff	96,448	11,000	107,448	107,447	1
Salaries of secretarial and clerical assistants	419,218	52,654	471,872	466,577	5,295
Other purchased services	9,500	-	9,500	3,638	5,862
Supplies and materials	95,098	(14,909)	80,189	71,034	9,155
Other objects	17,500	1,719	19,219	14,534	4,685
Total Undst. Expend. - Supp. Serv. School Admin.	1,438,018	54,955	1,492,973	1,463,484	29,489
Undist. Expend. - Central Services					
Salaries	403,136	100,000	503,136	423,737	79,399
Purchased professional services	25,000	-	25,000	19,195	5,805
Supplies and materials	4,943	-	4,943	4,930	13
Miscellaneous expenditures	8,000	-	8,000	7,618	382
Total Undst. Expend. - Central Services	441,079	100,000	541,079	455,480	85,599
Undist. Expend. - Admin. Info. Technology					
Salaries	171,207	56,320	227,527	173,529	53,998
Total Undst. Expend. - Admin. Info. Technology	171,207	56,320	227,527	173,529	53,998
Undist. Expend. - Required Maint. Sch. Facilities					
Salaries	397,409	(50,000)	347,409	321,467	25,942
Cleaning, repair, and maintenance services	280,640	(34,000)	246,640	188,669	57,971
General supplies	133,700	-	133,700	75,621	58,079
Other objects	5,300	-	5,300	2,420	2,880
Total Undst. Expend. - Required Maint. Sch. Facilities	817,049	(84,000)	733,049	588,177	144,872

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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HADDONFIELD BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2016

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Custodial Services					
Purchased professional & tech. services	\$ 22,964	\$ (17,850)	\$ 5,114	\$ -	\$ 5,114
Cleaning, repair, and maintenance services	1,392,583	(90,121)	1,302,462	1,291,950	10,512
Rental of land & bldg. oth. than lease purch. agrmt.	150,800	(8,169)	142,631	138,058	4,573
Other purchased property services	74,720	13,669	88,389	86,489	1,900
Insurance	159,137	-	159,137	148,787	10,350
General supplies	65,000	12,104	77,104	75,880	1,224
Energy (Natural Gas)	350,000	8,200	358,200	337,510	20,690
Energy (Electricity)	270,000	(8,200)	261,800	249,827	11,973
Energy (Gasoline)	15,000	-	15,000	14,674	326
Total Undst. Expend. - Custodial Services	2,500,204	(90,367)	2,409,837	2,343,175	66,662
Undist. Expend. - Care and Upkeep of Grounds					
Salaries	161,095	-	161,095	158,536	2,559
Cleaning, repair, and maintenance services		90,000	90,000	90,000	-
General supplies	63,190	-	63,190	41,874	21,316
Other Objects	250	-	250	-	250
Total Undst. Expend. - Care and Upkeep of Grounds	224,535	90,000	314,535	290,410	24,125
Total Undst. Expend. - Oper. & Maint. of Plant Services	3,541,788	(84,367)	3,457,421	3,221,762	235,659
Undist. Expend. - Student Trans. Services					
Salaries for pupil trans (other than bet home & sch)	189,368	(100,149)	89,219	80,886	8,333
Salaries for pupil trans (bet home & sch) - special	93,174	114,149	207,323	206,001	1,322
Cleaning, repair, and maintenance services	25,000	9,500	34,500	34,249	251
Lease payments	30,000	(23,500)	6,500	1,865	4,635
Contr. serv. (other than bet. home & sch.) - vendors	41,100	-	41,100	11,841	29,259
Contr. serv. (sp ed stds) - ESC's & CTSA's	300,000	-	300,000	163,462	136,538
Total Undst. Expend. - Student Trans. Services	678,642	-	678,642	498,304	180,338
Unallocated Benefits - Employee Benefits					
Social security contributions	475,832	(62,101)	413,731	412,748	983
Other retirement contributions - PERS	400,000	(87,000)	313,000	308,438	4,562
Workmen's compensation	158,050	735	158,785	158,785	-
Health benefits	4,486,305	(85,764)	4,400,541	4,333,237	67,304
Tuition reimbursement	43,895	(3,500)	40,395	37,424	2,971
Unused sick pay to term/retiree staff		179,164	179,164	178,957	207
Other employee benefits	75,267	45,003	120,270	114,584	5,686
Total Unallocated Benefits - Employee Benefits	5,639,349	(13,463)	5,625,886	5,544,173	81,713
On-behalf TPAF post retirement medical (non-budgeted)				1,504,121	(1,504,121)
On-behalf TPAF pension contributions (non-budgeted)				1,263,200	(1,263,200)
Reimbursed TPAF social security contributions (non-budgeted)				1,161,046	(1,161,046)
Total Undistributed Expenditures - TPAF				3,928,367	(3,928,367)
Total Undistributed Expenditures	17,628,644	38,795	17,667,439	20,505,816	(2,838,377)
Total General Current Expense	35,253,496	1,292	35,254,788	37,812,871	(2,558,083)

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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HADDONFIELD BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2016

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CAPITAL OUTLAY					
Equipment:					
Grades 9-12	\$ -	\$ 5,860	\$ 5,860	\$ 5,858	\$ 2
Admin Info Technology		15,587	15,587	15,039	548
Care & upkeep of grounds		37,000	37,000	16,709	20,291
Required Maintenance for School Facilities	42,000	(42,000)			-
Total Equipment	42,000	16,447	58,447	37,606	20,841
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	200,000	(200,000)			-
Construction Services	1,244,868	(224,387)	1,020,481	956,339	64,142
Other Objects		424,387	424,387	419,525	4,862
Assessment for Debt Service on SDA Funding	115,381	-	115,381	115,381	-
Total Facilities Acquisition and Construction Services	1,560,249	-	1,560,249	1,491,245	69,004
Total Capital Outlay	1,602,249	16,447	1,618,696	1,528,851	89,845
SPECIAL SCHOOLS:					
SUMMER SCHOOL:					
Summer School - Instruction:					
Salaries of Teachers	176,390	(21,107)	155,283	110,995	44,288
General Supplies	1,000	3,368	4,368	4,368	-
Total Special Schools	177,390	(17,739)	159,651	115,363	44,288
Total Expenditures	37,033,135	-	37,033,135	39,457,085	(2,423,950)
Excess (Deficiency) of Revenues Over (Under) Expenditures:	(2,506,954)	-	(2,506,954)	(687,620)	1,819,334
Other Financing Sources (Uses):					
Operating transfer out					
Total Other Financing Sources					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	(2,506,954)		(2,506,954)	(687,620)	1,819,334
Fund Balance, July 1	4,166,935		4,166,935	4,166,935	
Fund Balance, June 30	\$ 1,659,981	\$ -	\$ 1,659,981	\$ 3,479,315	\$ 1,819,334
Recapitulation of Fund Balance					
Restricted Fund Balance:					
Reserved Excess Surplus - Designated for Subsequent Years Expenditures				\$ 515,396	
Reserve for Excess Surplus				464,848	
Reserve for Encumbrances				48,505	
Capital Reserve				1,339,992	
Maintenance Reserve				400,000	
Unassigned Fund Balance				710,574	
				3,479,315	
Reconciliation on Governmental Fund Statements (GAAP):					
Less: State Aid Payment not Recognized on GAAP Basis				(60,127)	
Fund Balance per Government Fund (GAAP)				\$ 3,419,188	

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final

**HADDONFIELD SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Special Revenue Fund
 Fiscal Year Ended June 30, 2016**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local sources	\$ -	\$ 61,938	\$ 61,938	\$ 61,692	\$ (246)
State sources	360,983	35,744	396,727	315,660	(81,067)
Federal sources	<u>797,983</u>	<u>118,430</u>	<u>916,413</u>	<u>775,804</u>	<u>(140,609)</u>
Total revenues	<u>1,158,966</u>	<u>216,112</u>	<u>1,375,078</u>	<u>1,153,156</u>	<u>(221,922)</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers	122,005		122,005	109,222	12,783
Purchased professional - educ. services	282,555	24,369	306,924	228,180	78,744
Purchased professional - tech. services	40,950		40,950	40,540	410
Tuition	469,606	57,000	526,606	490,913	35,693
General supplies	11,726	42,487	54,213	52,495	1,718
Textbooks	<u>25,752</u>		<u>25,752</u>	<u>24,079</u>	<u>1,673</u>
Total instruction	<u>952,594</u>	<u>123,856</u>	<u>1,076,450</u>	<u>945,429</u>	<u>131,021</u>
Support services:					
Personal services - employee benefits	31,721		31,721		31,721
Purchased professional and technical services	145,306	48,663	193,969	159,838	34,131
Other purchased services	18,163	35,460	53,623	28,660	24,963
Supplies and materials	<u>11,182</u>	<u>8,133</u>	<u>19,315</u>	<u>19,229</u>	<u>86</u>
Total support services	<u>206,372</u>	<u>92,256</u>	<u>298,628</u>	<u>207,727</u>	<u>90,901</u>
Facilities acquisition and construction services:					
Instructional equipment					
Total facilities acq. and const. services					
Total expenditures	<u>1,158,966</u>	<u>216,112</u>	<u>1,375,078</u>	<u>1,153,156</u>	<u>221,922</u>
Total outflows	<u>1,158,966</u>	<u>216,112</u>	<u>1,375,078</u>	<u>1,153,156</u>	<u>221,922</u>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Haddonfield School District
Notes to Required Supplementary Information
Budgetary Comparison**

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 38,769,465	\$ 1,153,156
Difference - budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	49,950	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(60,127)</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 38,759,288</u>	<u>\$ 1,153,156</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 39,457,085	\$ 1,153,156
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 39,457,085</u>	<u>\$ 1,153,156</u>

Required Supplementary Information - Part III
Schedules Related to Accounting and Reporting
For Pensions (GASB 68)

HADDONFIELD SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees Retirement System
Last Three Fiscal Years

	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.0324206920%	0.0336319567%	0.0368307263%
District's proportionate share of the net pension liability (asset)	\$ 7,277,796	\$ 6,296,822	\$ 7,039,084
District's covered-employee payroll	2,430,165	2,249,833	2,220,741
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	299.48%	279.88%	316.97%
Plan fiduciary net position as a percentage of the total pension liability	38.21%	42.74%	40.71%

This schedule does not contain ten years of information as GASB 68 was implemented during the fiscal year ended June 30, 2015.

HADDONFIELD SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Contributions
Public Employees Retirement System
Last Three Fiscal Years

	June 30, 2016	June 30, 2015	June 30, 2014
Contractually required contribution	\$ 302,464	\$ 278,731	\$ 277,257
Contributions in relation to the contractually required contributions	<u>(302,464)</u>	<u>(278,731)</u>	<u>(277,257)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	2,430,165	2,249,833	2,220,741
Contributions as a percentage of covered-employee payroll	12.45%	12.39%	12.48%

This schedule does not contain ten years of information as GASB 68 was implemented during the fiscal year ended June 30, 2015.

HADDONFIELD SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund
Last Three Fiscal Years

	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.1555910196%	0.1538329676%	0.1587675235%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	<u>\$ 98,340,169</u>	<u>\$ 82,218,714</u>	<u>\$ 80,239,858</u>
Total	<u>\$ 98,340,169</u>	<u>\$ 82,218,714</u>	<u>\$ 80,239,858</u>
District's covered-employee payroll	16,105,639	15,578,525	15,377,085
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	28.71%	33.64%	33.76%

This schedule does not contain ten years of information as GASB 68 was implemented during the fiscal year ended June 30, 2015.

Haddonfield School District
Notes to Required Supplementary Information
Pension Schedules
For the Fiscal Year Ended June 30, 2016

1. Teacher's Pension and Annuity Fund (TPAF)

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

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

1. Public Employees' Retirement System (PERS)

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

Changes of assumptions: Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) 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.

Other Supplementary Information

Special Revenue Fund
Detail Statements

HADDONFIELD SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year ended June 30, 2016

	Brought Forward (Exh. E-1B)	Brought Forward (Exh. E-1C)	Brought Forward (Exh. E-1D)	Total
REVENUES:				
Local sources	\$ -	\$ -	\$ 61,692	\$ 61,692
State sources	228,180	87,480	-	315,660
Federal sources	-	775,804	-	775,804
Total revenues	\$ 228,180	\$ 863,284	\$ 61,692	\$ 1,153,156
EXPENDITURES:				
<i><u>Instruction:</u></i>				
Salaries of Teachers	\$ -	\$ 109,222	\$ -	\$ 109,222
Purchased professional educational services	228,180	-	-	228,180
Purchased professional and technical services	-	40,540	-	40,540
Tuition	-	490,913	-	490,913
General supplies	-	39,735	12,760	52,495
Textbooks	-	24,079	-	24,079
Total instruction	228,180	704,489	12,760	945,429
<i><u>Support services:</u></i>				
Purchased professional and technical services	-	110,906	48,932	159,838
Other purchased services	-	28,660	-	28,660
General Supplies	-	19,229	-	19,229
Total support services	-	158,795	48,932	207,727
<i><u>Facilities acquisition & construction services</u></i>				
Instructional equipment	-	-	-	-
Total facilities acquisition & construction services	-	-	-	-
Total expenditures	\$ 228,180	\$ 863,284	\$ 61,692	\$ 1,153,156
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	\$ -	\$ -	\$ -	\$ -

HADDONFIELD SCHOOL DISTRICT
Special Revenue Fund
 Combining Statement of Revenues and Expenditures
 Budgetary Basis
 for the Fiscal Year ended June 30, 2016

	Nonpublic Auxiliary Services				Nonpublic Handicapped Services			Carried Forward (Exh. E-1A)
	Compensatory Education	Nonpublic Home Instruction	ESL	Transportation	Corrective Speech	Suppl. Instruction	Exam, & Classification	
REVENUES:								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	104,227	7,028	3,623	3,800	34,945	30,591	43,966	228,180
Federal sources								
Total revenues	\$ 104,227	\$ 7,028	\$ 3,623	\$ 3,800	\$ 34,945	\$ 30,591	\$ 43,966	\$ 228,180
EXPENDITURES:								
<u>Instruction:</u>								
Salaries of Teachers								
Purchased professional educational services	104,227	7,028	3,623	3,800	34,945	30,591	43,966	228,180
Purchased professional and technical services								
Tuition								
General supplies								
Textbooks								
Total instruction	104,227	7,028	3,623	3,800	34,945	30,591	43,966	228,180
<u>Support services:</u>								
Purchased professional and technical services								
Other purchased services								
General supplies								
Total support services	-	-	-	-	-	-	-	-
<u>Facilities acquisition & construction services</u>								
Instructional equipment								
Total facilities acquisition & construction services	-	-	-	-	-	-	-	-
Total expenditures	\$ 104,227	\$ 7,028	\$ 3,623	\$ 3,800	\$ 34,945	\$ 30,591	\$ 43,966	\$ 228,180
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

HADDONFIELD SCHOOL DISTRICT
Special Revenue Fund
 Combining Statement of Revenues and Expenditures
 Budgetary Basis
 for the Fiscal Year ended June 30, 2016

	IDEA		Title I Current Year	Title II - Part A Current Year	Nonpublic Security	Nonpublic Textbooks	Nonpublic Nursing	Nonpublic Technology	Carried Forward (Exh. E-1A)
	Preschool Current Yr.	Basic Current Yr.							
REVENUES:									
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	11,285	24,079	40,540	11,576	87,480
Federal sources	34,187	583,588	109,222	48,807	-	-	-	-	775,804
Total revenues	\$ 34,187	\$ 583,588	\$ 109,222	\$ 48,807	\$ 11,285	\$ 24,079	\$ 40,540	\$ 11,576	\$ 863,284
EXPENDITURES:									
<i>Instruction:</i>									
Salaries of teachers			109,222						109,222
Purchased professional educational services							40,540		40,540
Purchased professional and technical services									490,913
Tuition		490,913							490,913
General supplies		28,159						11,576	39,735
Textbooks						24,079			24,079
	-	519,072	109,222	-	-	24,079	40,540	11,576	704,489
<i>Support services:</i>									
Purchased professional and technical services	14,958	64,516		31,432					110,906
Other purchased services				17,375	11,285				28,660
General supplies	19,229								19,229
Total support services	34,187	64,516	-	48,807	11,285	-	-	-	158,795
<i>Facilities acquisition & construction services</i>									
Instructional equipment									
Total facilities acquisition & construction services	-	-	-	-	-	-	-	-	-
Total expenditures	\$ 34,187	\$ 583,588	\$ 109,222	\$ 48,807	\$ 11,285	\$ 24,079	\$ 40,540	\$ 11,576	\$ 863,284
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

HADDONFIELD SCHOOL DISTRICT
Special Revenue Fund
 Combining Statement of Revenues and Expenditures
 Budgetary Basis
 for the Fiscal Year ended June 30, 2016

	Rain Garden Drainage	Environmental	Lego - Central	Lego - Tatam	Civic Engagement	Shakespeare	Music	Foreign Language	Carried Forward (Exh. E-1A)
REVENUES:									
Local Sources	\$ 48,932	\$ 3,334	\$ 2,095	\$ 1,947	\$ 474	\$ 1,100	\$ 810	\$ 3,000	\$ 61,692
State sources									-
Federal sources									-
Total revenues	\$ 48,932	\$ 3,334	\$ 2,095	\$ 1,947	\$ 474	\$ 1,100	\$ 810	\$ 3,000	\$ 61,692
EXPENDITURES:									
<i>Instruction:</i>									
Salaries of teachers									-
Purchased professional educational services									-
Purchased professional and technical services									-
Tuition									-
General supplies		3,334	2,095	1,947	474	1,100	810	3,000	12,760
Textbooks									-
		3,334	2,095	1,947	474	1,100	810	3,000	12,760
<i>Support services:</i>									
Purchased professional and technical services	48,932								48,932
Other purchased services									-
General supplies									-
Total support services	48,932	-	-	-	-	-	-	-	48,932
<i>Facilities acquisition & construction services</i>									
Instructional equipment									-
Total facilities acquisition & construction services	-	-	-	-	-	-	-	-	-
Total expenditures	\$ 48,932	\$ 3,334	\$ 2,095	\$ 1,947	\$ 474	\$ 1,100	\$ 810	\$ 3,000	\$ 61,692
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Capital Projects Fund
Detail Statements

**HADDONFIELD SCHOOL DISTRICT
Capital Projects Fund
Summary Statement of Revenues, Expenditures,
and Changes in Fund Balance - Budgetary Basis
For the Fiscal Year ended June 30, 2016**

Revenues and Other Financing Sources:	
Interest earned on investments	\$ 120
Total revenues and other financing sources	120
 Expenditures and Other Financing (Uses):	
Purchased professional services	321,849
Construction services	
Transfer to debt service fund	184,554
Total expenditures and other financing (uses)	506,403
Excess (deficiency) or revenues over (under) expenditures	(506,283)
Fund Balance - July 1, 2015	320,165
Fund Balance - June 30, 2016	\$ (186,118)

HADDONFIELD SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
J. Fithian Tatem Elementary School Renovations
From Inception and for the Fiscal Year ended June 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
State sources - SCC Grant	\$ 120,120	\$ -	\$ 120,120	\$ 120,120
Transfer from capital reserve				
Bond proceeds	159,074		159,074	159,074
Total revenues	279,194		279,194	279,194
Expenditures and Other Financing Uses:				
Purchased professional services	35,036		35,036	35,036
Construction services	244,158		244,158	244,158
	279,194		279,194	279,194
Excess (deficiency) or revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -

Additional project information:

Project Number	SP#1900-090-04-0AMS
Grant Date	05/10/05
Bond Authorization Date	12/14/04
Bonds Authorized	\$ 186,366
Bonds Issued	\$ 186,366
Original Authorized Cost	\$ 338,486
Additional Authorized Cost	\$ (59,292)
Revised Authorized Cost	\$ 279,194
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	90.00%
Original target completion date	12/31/06
Revised target completion date	N/A

HADDONFIELD SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
J. Fithian Tatem Elementary School Renovations
From Inception and for the Fiscal Year ended June 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
State sources - SCC Grant	\$ 303,357	\$ -	\$ 303,357	\$ 303,357
Transfer from capital reserve				
Bond proceeds	525,266		525,266	525,266
	<u>828,623</u>	<u> </u>	<u>828,623</u>	<u>828,623</u>
Total revenues				
Expenditures and Other Financing Uses:				
Purchased professional services	65,426		65,426	65,426
Construction services	763,197		763,197	763,197
	<u>828,623</u>	<u> </u>	<u>828,623</u>	<u>828,623</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information:				
Project Number	SP#1900-090-04-0AMR			
Grant Date	05/10/05			
Bond Authorization Date	12/14/04			
Bonds Authorized	\$ 530,928			
Bonds Issued	\$ 530,928			
Original Authorized Cost	\$ 802,285			
Additional Authorized Cost	\$ 26,338			
Revised Authorized Cost	\$ 828,623			
Percentage Increase over Original Authorized Cost	3.99%			
Percentage Completion	99.00%			
Original target completion date	12/31/06			
Revised target completion date	N/A			

**HADDONFIELD SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Elizabeth Haddon Elementary School Renovations
From Inception and for the Fiscal Year ended June 30, 2016**

	Prior Periods	Current Year	Total	Revised Authorized Costs
Revenues and Other Financing Sources:				
State sources - SCC Grant	\$ 241,471	\$ -	\$ 241,471	\$ 241,471
Transfer from capital reserve				
Bond proceeds	475,631		475,631	475,631
	717,102		717,102	717,102
Expenditures and Other Financing Uses:				
Purchased professional services	56,889		56,889	56,889
Construction services	656,396		656,396	656,396
Transfer to Debt Service Fund		3,817	3,817	3,817
	713,285	3,817	717,102	717,102
Excess (deficiency) or revenues over (under) expenditures	\$ 3,817	\$ (3,817)	\$ -	\$ -

Additional project information:

Project Number	SP#1900-080-04-0AMP
Grant Date	05/10/05
Bond Authorization Date	12/14/04
Bonds Authorized	\$ 475,631
Bonds Issued	\$ 475,631
Original Authorized Cost	\$ 657,102
Additional Authorized Cost	\$ 60,000
Revised Authorized Cost	\$ 717,102
Percentage Increase over Original Authorized Cost	9.13%
Percentage Completion	99.00%
Original target completion date	12/31/06
Revised target completion date	N/A

HADDONFIELD SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Elizabeth Haddon Elementary School Renovations
From Inception and for the Fiscal Year ended June 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
State sources - SCC Grant	\$ 62,944	\$ -	\$ 62,944	\$ 62,944
Transfer from capital reserve				
Bond proceeds	134,463		134,463	134,463
	<u>197,407</u>	<u></u>	<u>197,407</u>	<u>197,407</u>
Expenditures and Other Financing Uses:				
Purchased professional services	15,265		15,265	15,265
Construction services	179,105		179,105	179,105
Transfer to Debt Service Fund		3,037	3,037	3,037
	<u>194,370</u>	<u>3,037</u>	<u>197,407</u>	<u>197,407</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 3,037</u>	<u>\$ (3,037)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional project information:

Project Number	SP#1900-080-04-0AMQ
Grant Date	05/10/05
Bond Authorization Date	12/14/04
Bonds Authorized	\$ 120,212
Bonds Issued	\$ 120,212
Original Authorized Cost	\$ 183,156
Additional Authorized Cost	\$ 14,251
Revised Authorized Cost	\$ 197,407
Percentage Increase over Original Authorized Cost	8.19%
Percentage Completion	99.00%
Original target completion date	12/31/06
Revised target completion date	N/A

HADDONFIELD SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Central Elementary/Middle School Renovations
From Inception and for the Fiscal Year ended June 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
State sources - SCC Grant	\$ 1,007,686	\$ -	\$ 1,007,686	\$ 1,007,686
Refund of prior year expenditures	92,890		92,890	92,890
Bond proceeds	1,514,325		1,514,325	1,514,325
Miscellaneous revenue	30,010		30,010	30,010
Total revenues	<u>2,644,911</u>		<u>2,644,911</u>	<u>2,644,911</u>
Expenditures and Other Financing Uses:				
Purchased professional services	285,646		285,646	285,646
Construction services	2,354,255		2,354,255	2,354,255
Transfer to Debt Service Fund		5,010	5,010	5,010
	<u>2,639,901</u>	<u>5,010</u>	<u>2,644,911</u>	<u>2,644,911</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 5,010</u>	<u>\$ (5,010)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional project information:

Project Number	SP#1900-070-04-0AMN
Grant Date	05/10/05
Bond Authorization Date	12/14/04
Bonds Authorized	\$ 1,843,608
Bonds Issued	\$ 1,843,608
Original Authorized Cost	\$ 2,944,739
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 2,944,184

Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	87.00%
Original target completion date	12/31/06
Revised target completion date	N/A

**HADDONFIELD SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Central Elementary/Middle School Renovations
From Inception and for the Fiscal Year ended June 30, 2016**

	Prior Periods	Current Year	Total	Revised Authorized Costs
Revenues and Other Financing Sources:				
State sources - SCC Grant	\$ 665,740	\$ -	\$ 665,740	\$ 665,740
Transfer from capital reserve				
Bond proceeds	1,138,304		1,138,304	1,138,304
	1,804,044		1,804,044	1,804,044
Total revenues				
Expenditures and Other Financing Uses:				
Purchased professional services	131,924		131,924	131,924
Construction services	1,664,484		1,664,484	1,664,484
Transfer to Debt Service Fund		7,636	7,636	7,636
	1,796,408	7,636	1,804,044	1,804,044
Excess (deficiency) or revenues over (under) expenditures	\$ 7,636	\$ (7,636)	\$ -	\$ -

Additional project information:

Project Number	SP#1900-070-04-0AMO
Grant Date	05/10/05
Bond Authorization Date	12/14/04
Bonds Authorized	\$ 1,147,110
Bonds Issued	\$ 665,740
Original Authorized Cost	\$ 1,812,850
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 1,812,850
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	97.00%
Original target completion date	12/31/06
Revised target completion date	N/A

**HADDONFIELD SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Haddonfield Memorial High School School Renovations
From Inception and for the Fiscal Year ended June 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
State sources - SCC Grant	\$ 1,887,520	\$ -	\$ 1,887,520	\$ 1,887,520
Transfer from capital reserve				
Bond proceeds	3,090,413		3,090,413	3,090,413
Miscellaneous revenue	26,909		26,909	26,909
Total revenues	5,004,842		5,004,842	5,004,842
Expenditures and Other Financing Uses:				
Purchased professional services	409,191		409,191	409,191
Construction services	4,568,742		4,568,742	4,568,742
Transfer to Debt Service Fund		26,909	26,909	26,909
	4,977,933	26,909	5,004,842	5,004,842
Excess (deficiency) or revenues over (under) expenditures	\$ 26,909	\$ (26,909)	\$ -	\$ -

Additional project information:

Project Number	SP#1900-050-04-0AML
Grant Date	05/10/05
Bond Authorization Date	12/14/04
Bonds Authorized	\$ 3,037,281
Bonds Issued	\$ 3,037,281
Original Authorized Cost	\$ 4,869,801
Additional Authorized Cost	\$ 108,132
Revised Authorized Cost	\$ 4,977,933
Percentage Increase over Original Authorized Cost	1.12%
Percentage Completion	99.00%
Original target completion date	12/31/06
Revised target completion date	N/A

HADDONFIELD SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Haddonfield Memorial High School School Renovations
From Inception and for the Fiscal Year ended June 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
State sources - SCC Grant	\$ 325,966	\$ -	\$ 325,966	\$ 325,966
Transfer from capital reserve				
Bond proceeds	1,942,523		1,942,523	1,942,523
Miscellaneous revenue	6,358		6,358	6,358
Total revenues	<u>2,274,847</u>		<u>2,274,847</u>	<u>2,274,847</u>
Expenditures and Other Financing Uses:				
Purchased professional services	184,166		184,166	184,166
Construction services	2,084,323		2,084,323	2,084,323
Transfer to Debt Service Fund		6,358	6,358	6,358
	<u>2,268,489</u>	<u>6,358</u>	<u>2,274,847</u>	<u>2,274,847</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 6,358</u>	<u>\$ (6,358)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional project information:

Project Number	SP#1900-050-04-0AMM
Grant Date	05/10/05
Bond Authorization Date	12/14/04
Bonds Authorized	\$ 1,623,864
Bonds Issued	\$ 1,623,864
Original Authorized Cost	\$ 2,079,830
Additional Authorized Cost	\$ (130,000)
Revised Authorized Cost	\$ 1,949,830
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	91.00%
Original target completion date	12/31/06
Revised target completion date	N/A

HADDONFIELD SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Haddonfield Memorial High School Renovations
From Inception and for the Fiscal Year ended June 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
State sources - SCC Grant	\$ 242,732	\$ -	\$ 242,732	\$ 242,732
Transfer from capital reserve				
Bond proceeds	526,758		526,758	526,758
Miscellaneous revenue	13,078		13,078	13,078
Total revenues	<u>782,568</u>		<u>782,568</u>	<u>782,568</u>
Expenditures and Other Financing Uses:				
Purchased professional services				
Construction services	650,901		650,901	650,901
Transfer to Debt Service Fund		131,667	131,667	131,667
	<u>650,901</u>	<u>131,667</u>	<u>782,568</u>	<u>782,568</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 131,667</u>	<u>\$ (131,667)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information:				
Project Number	SP201155			
Grant Date	05/01/02			
Bond Authorization Date	---			
Bonds Authorized	\$ 526,758			
Bonds Issued	\$ 526,758			
Original Authorized Cost	\$ 877,930			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 877,930			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	98.00%			
Original target completion date	09/30/04			
Revised target completion date	09/30/05			

HADDONFIELD SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Haddonfield Memorial High Partial Roof Replacement
From Inception and for the Fiscal Year ended June 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
State sources - SCC Grant	\$ 110,600	\$ -	\$ 110,600	\$ 110,600
Transfer from capital outlay	165,900		165,900	165,900
Total revenues	<u>276,500</u>		<u>276,500</u>	<u>276,500</u>
Expenditures and Other Financing Uses:				
Purchased professional services				
Construction services	225,019		225,019	225,019
	<u>225,019</u>		<u>225,019</u>	<u>225,019</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 51,481</u>	<u>\$ -</u>	<u>\$ 51,481</u>	<u>\$ 51,481</u>
Additional project information:				
Project Number	1900-050-10-1004			
Grant Date	03/21/11			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 276,500			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 276,500			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	0.00%			
Original target completion date	12/31/11			
Revised target completion date	06/30/12			

HADDONFIELD SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Elizabeth Haddon Partial Roof Replacement
From Inception and for the Fiscal Year ended June 30, 2016

	Prior Periods	Current Year	Total	Revised Authorized Costs
Revenues and Other Financing Sources:				
State sources - SCC Grant	\$ 84,580	\$ -	\$ 84,580	\$ 84,580
Transfer from capital outlay	176,170		176,170	176,170
	260,750		260,750	260,750
Total revenues				
Expenditures and Other Financing Uses:				
Purchased professional services				
Construction services	260,750		260,750	260,750
	260,750		260,750	260,750
Excess (deficiency) or revenues over (under) expenditures				
	\$ -	\$ -	\$ -	\$ -
Additional project information:				
Project Number	1900-080-10-1007			
Grant Date	07/15/13			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 211,450			
Additional Authorized Cost	\$ 49,300			
Revised Authorized Cost	\$ 260,750			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	0.00%			
Original target completion date	06/30/12			
Revised target completion date	06/30/12			

HADDONFIELD SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Central Elementary Partial Roof Replacement
From Inception and for the Fiscal Year ended June 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
State sources - SCC Grant	\$ 56,500	\$ -	\$ 56,500	\$ 56,500
Transfer from capital outlay	84,750		84,750	84,750
Total revenues	<u>141,250</u>		<u>141,250</u>	<u>141,250</u>
Expenditures and Other Financing Uses:				
Purchased professional services				
Construction services	57,000		57,000	57,000
	<u>57,000</u>		<u>57,000</u>	<u>57,000</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 84,250</u>	<u>\$ -</u>	<u>\$ 84,250</u>	<u>\$ 84,250</u>
Additional project information:				
Project Number	1900-060-10-1005			
Grant Date	07/15/13			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 141,250			
Additional Authorized Cost				
Revised Authorized Cost	\$ 141,250			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	0.00%			
Original target completion date	06/30/13			
Revised target completion date	06/30/13			

HADDONFIELD SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Various Capital Improvements to School Facilities
From Inception and for the Fiscal Year ended June 30, 2016

	Prior Periods	Current Year	Total	Revised Authorized Costs
Revenues and Other Financing Sources:				
State sources - SCC Grant	\$ -	\$ -	\$ -	\$ -
Transfer from capital outlay				
Total revenues	-	-	-	-
Expenditures and Other Financing Uses:				
Purchased professional services		321,849	321,849	
Construction services				
	-	321,849	321,849	-
Excess (deficiency) or revenues over (under) expenditures	\$ -	\$ (321,849)	\$ (321,849)	\$ -
Additional project information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	03/08/16			
Bonds Issued	N/A			
Original Authorized Cost	\$ 35,251,000			
Additional Authorized Cost				
Revised Authorized Cost	\$ 35,251,000			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	0.00%			
Original target completion date				
Revised target completion date				

HADDONFIELD SCHOOL DISTRICT
Capital Projects Fund
 Summary Statement of Project Expenditures
 Year Ended June 30, 2016

Issue/Project Title	Original Date	Appropriations	Expenditures to Date		Transfer to Debt Service Fund	Unexpended Balance
			Prior Years	Current Year		
Various Capital Improvements to School Facilities	9/26/2000	\$ 18,300,749	\$ 18,169,082	\$ -	\$ 131,667	\$ -
Various Capital Improvements to School Facilities	12/14/2004	13,687,694	13,634,927		52,767	-
Haddonfield Memorial High School Partial Roof Replacement	3/11/2011	276,500	225,019			51,481
Elizabeth Haddon Partial Roof Replacement	7/1/2012	260,750	260,750			
Central Elementary Partial Roof Replacement	7/1/2012	141,250	57,000			84,250
Various Capital Improvements to School Facilities	3/8/2016			<u>321,849</u>		<u>(321,849)</u>
Total		<u>\$ 32,666,943</u>	<u>\$ 32,346,778</u>	<u>\$ 321,849</u>	<u>\$ 184,434</u>	<u>\$ (186,118)</u>

Proprietary Funds
Detail Statements

HADDONFIELD SCHOOL DISTRICT
Enterprise Funds
Statement of Net Position
as of June 30, 2016

	Food Service	Community Education	Total
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 26,671	\$ 57,324	\$ 83,995
Accounts receivable:			
State	101		101
Federal	1,098		1,098
Interfund	2,321		2,321
Other	3,817		3,817
Inventories	6,365		6,365
Total current assets	40,373	57,324	97,697
Fixed assets:			
Equipment	382,016		382,016
Less Accumulated depreciation	(350,780)		(350,780)
Total fixed assets	31,236	-	31,236
Total assets	\$ 71,609	\$ 57,324	\$ 128,933
LIABILITIES			
Current liabilities:			
Unearned revenue	\$ 25,117	\$ -	\$ 25,117
Total current liabilities	25,117	-	25,117
NET POSITION			
Net investment in capital assets	31,236		31,236
Unrestricted	15,256	57,324	72,580
Total net position	\$ 46,492	\$ 57,324	\$ 103,816

HADDONFIELD SCHOOL DISTRICT
Enterprise Funds
Statement of Revenues, Expenses and Changes in Fund Net Position
for the Fiscal Years ended June 30, 2016

	Food Service	Community Education	Total
OPERATING REVENUES:			
Local sources:			
Daily sales-reimbursable programs:			
School lunch program	\$ 169,256	\$ -	\$ 169,256
Total-daily sales-reimbursable programs	169,256		169,256
Program fees		113,989	113,989
Daily sales non-reimbursable programs	319,789		319,789
Total operating revenue	489,045	113,989	603,034
OPERATING EXPENSES:			
Salaries	238,383	108,815	347,198
Supplies and materials	24,639		24,639
Depreciation	17,776		17,776
Management fee	32,733		32,733
Cost of sales - reimbursable programs	98,677		98,677
Cost of sales - nonreimbursable programs	166,185		166,185
Direct Expenses	14,231	25,772	40,003
Other	33		33
Total operating expenses	592,657	134,587	727,244
Operating income (loss)	(103,612)	(20,598)	(124,210)
Non-operating revenues:			
State sources:			
State school lunch program	1,747		1,747
Federal sources:			
National school lunch program	18,881		18,881
U.S.D.A. commodities	13,968		13,968
Miscellaneous	815		815
Interest revenue	208	131	339
Total non-operating revenues	35,619	131	35,750
Net income (loss) before contributions and transfers	(67,993)	(20,467)	(88,460)
Change in net position	(67,993)	(20,467)	(88,460)
Net position - July 1 (restated)	114,485	77,791	192,276
Net position - June 30	\$ 46,492	\$ 57,324	\$ 103,816

HADDONFIELD SCHOOL DISTRICT
Enterprise Funds
Statement of Cash Flows
for the Fiscal Years ended June 30, 2016

	Food Service	Community Education	Total
Cash flows from operating activities:			
Cash receipts from customers	\$ 496,239	\$ 113,989	\$ 610,228
Cash payments to employees for services	(238,383)	(108,815)	(347,198)
Cash payments to suppliers for goods and services	(301,754)	(25,772)	(327,526)
Net cash used by operating activities	(43,898)	(20,598)	(64,496)
Cash flows from noncapital financing activities:			
Cash received from state and federal reimbursements	33,385		33,385
Net cash provided by noncapital financing activities	33,385		33,385
Cash flows from capital financing activities:			
Purchases of fixed assets			
Net cash used by capital financing activities			
Cash flows from investing activities:			
Interest on investments	208	131	339
Net cash provided by investing activities	208	131	339
Net increase (decrease) in cash and cash equivalents	(10,305)	(20,467)	(30,772)
Cash and cash equivalents, July 1	36,976	77,791	114,767
Cash and cash equivalents, June 30	\$ 26,671	\$ 57,324	\$ 83,995
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (103,612)	\$ (20,598)	\$ (124,210)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:			
Depreciation	17,776		17,776
Federal commodities	13,968		13,968
Cancellation of accounts payable/receivable	814		814
Change in assets and liabilities:			
(Increase)/decrease in inventory	20,776		20,776
(Increase)/decrease in accounts receivable	321		321
Increase/(decrease) in unearned revenue	6,059		6,059
Net cash used by operating activities	\$ (43,898)	\$ (20,598)	\$ (64,496)

Fiduciary Funds
Detail Statements

HADDONFIELD SCHOOL DISTRICT
Fiduciary Funds
 Combining Statement of Net Position
 June 30, 2016

	Agency Funds		Employee Benefit Trust Funds		Total
	Student Activity	Payroll	Flexible Benefits Program	Unemployment Compensation Insurance Fund	
ASSETS:					
Cash and cash equivalents	\$ 383,870	\$ 14,928	\$ 94,279	\$ 386,798	\$ 879,875
Interfund receivable					
Other accounts receivable					
TOTAL ASSETS	\$ 383,870	\$ 14,928	\$ 94,279	\$ 386,798	\$ 879,875
LIABILITIES					
LIABILITIES:					
Accounts payable	\$ -	\$ -	\$ 14,070	\$ 757	\$ 14,827
Payroll deductions and withholdings		239			239
Interfund payable	29,723	14,689			44,412
Due to student groups	354,147				354,147
Total liabilities	383,870	14,928	14,070	757	413,625
NET POSITION					
Reserved for unemployment claims				386,041	386,041
Reserve for flex benefits			80,209		80,209
Total net position	\$ -	\$ -	\$ 80,209	\$ 386,041	\$ 466,250

HADDONFIELD SCHOOL DISTRICT
Fiduciary Fund
Combining Statement of Changes in Fiduciary Net Position
for the Fiscal Year Ended June 30, 2016

	<u>Employee Benefit Trust Funds</u>		<u>Total</u>
	<u>Flexible Benefits Program</u>	<u>Unemployment Compensation Insurance Fund</u>	
REVENUES:			
Local sources:			
Board contributions	\$ 102,383	\$ -	\$ 102,383
Employee contributions	66,551	45,487	112,038
Interest on Investments	299	905	1,204
	<u>169,233</u>	<u>46,392</u>	<u>215,625</u>
Total Revenues			
	<u>169,233</u>	<u>46,392</u>	<u>215,625</u>
EXPENDITURES:			
Current Expense:			
Undistributed Expenditures:			
Return of Interfund	50,044	191,500	241,544
Unemployment claims		13,653	13,653
Flex benefit payments	115,131		115,131
	<u>165,175</u>	<u>205,153</u>	<u>370,328</u>
Total Expenditures			
	<u>165,175</u>	<u>205,153</u>	<u>370,328</u>
Excess (deficiency) of revenues over (under) expenditures)	4,058	(158,761)	(154,703)
Net Position July 1	<u>76,151</u>	<u>544,802</u>	<u>620,953</u>
Net Position June 30	<u>\$ 80,209</u>	<u>\$ 386,041</u>	<u>\$ 466,250</u>

HADDONFIELD SCHOOL DISTRICT
Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 for the Fiscal Year ended June 30, 2016

	<u>Balance</u> <u>June 30, 2015</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Accounts</u> <u>Payable</u> <u>June 30, 2016</u>	<u>Balance</u> <u>June 30, 2016</u>
JUNIOR/SENIOR HIGH SCHOOLS:					
Haddonfield:					
Activities	\$ 334,264	\$ 775,739	\$ 755,960	\$ -	\$ 354,043
Athletic	1,803	131,662	133,361	-	104
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 336,067</u>	<u>\$ 907,401</u>	<u>\$ 889,321</u>	<u>\$ -</u>	<u>\$ 354,147</u>

HADDONFIELD SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
for the Fiscal Year ended June 30, 2016

	<u>Balance June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2016</u>
ASSETS:				
Cash and cash equivalents	\$ 71,526	\$ 23,165,754	\$ 23,222,352	\$ 14,928
Total assets	<u>\$ 71,526</u>	<u>\$ 23,165,754</u>	<u>\$ 23,222,352</u>	<u>\$ 14,928</u>
LIABILITIES:				
Payroll deductions and withholdings	\$ 58,064	\$ 10,215,315	\$ 10,273,140	\$ 239
Net payroll		12,942,599	12,942,599	
Interfund payable	<u>13,462</u>	<u>7,840</u>	<u>6,613</u>	<u>14,689</u>
Total liabilities	<u>\$ 71,526</u>	<u>\$ 23,165,754</u>	<u>\$ 23,222,352</u>	<u>\$ 14,928</u>

Long-Term Debt Schedules

HADDONFIELD SCHOOL DISTRICT
General Long-Term Debt Account Group
 Statement of Serial Bonds
 June 30, 2016

Issue	Date of Issue	Amount of Issue	Annual Maturities		Rate of Interest	Balance July 1, 2015	Issued	Retired	Balance June 30, 2016
			Date	Amount					
Refunding Bonds	8/1/2005	11,025,000	08/01/15	\$ 885,000	4.25%	\$ 885,000	\$ -	\$ 885,000	\$ -
Refunding Bonds	2/1/2012	8,000,000	02/15/17	375,000	3.00%	7,910,000		365,000	7,545,000
			02/15/18	380,000	4.00%				
			02/15/19	390,000	4.00%				
			02/15/20	415,000	4.00%				
			02/15/21	425,000	4.00%				
			02/15/22	425,000	4.00%				
			02/15/23	1,645,000	4.00%				
			02/15/24	1,710,000	4.00%				
			02/15/25	1,780,000	4.00%				
Balance Forward						\$ 8,795,000	\$ -	\$ 1,250,000	\$ 7,545,000

HADDONFIELD SCHOOL DISTRICT
 General Long-Term Debt Account Group
 Statement of Serial Bonds
 June 30, 2016

Issue	Date of Issue	Amount of Issue	Annual Maturities		Rate of Interest	Balance July 1, 2015	Issued	Retired	Balance June 30, 2016
			Date	Amount					
Balance Brought Forward						\$ 8,795,000	\$ -	\$ 1,250,000	\$ 7,545,000
Refunding Bonds	5/29/2015	\$ 6,115,000	02/15/16	\$ 915,000	2.00%	6,115,000		130,000	5,985,000
			02/15/17	945,000	3.00%				
			02/15/18	975,000	3.00%				
			02/15/19	1,005,000	3.25%				
			02/15/20	1,045,000	3.50%				
			02/15/21	1,100,000	4.00%				
Total						\$ 14,910,000	\$ -	\$ 1,380,000	\$ 13,530,000

HADDONFIELD SCHOOL DISTRICT
General Long-Term Debt Account Group
Statement of Obligations Under Capital Leases
June 30, 2016

<u>Series</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Amount Outstanding 6/30/2015</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding 6/30/2016</u>
2011 Van	8.30%	\$ 21,631	\$ 4,570	\$ -	\$ 4,570	\$ -
			<u>\$ 4,570</u>	<u>\$ -</u>	<u>\$ 4,570</u>	<u>\$ -</u>

HADDONFIELD SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 1,834,373	\$ -	\$ 1,834,373	\$ 1,834,373	\$ -
Miscellaneous					
Total revenues - local sources	<u>1,834,373</u>		<u>1,834,373</u>	<u>1,834,373</u>	
State sources:					
Debt service aid type II					
Total revenues - state sources					
Total Revenues	<u>1,834,373</u>		<u>1,834,373</u>	<u>1,834,373</u>	
EXPENDITURES:					
Regular debt service:					
Interest	585,507	(130,000)	455,507	455,127	380
Redemption of principal	1,250,000	130,000	1,380,000	1,380,000	
Total Expenditures	<u>1,835,507</u>	<u>-</u>	<u>1,835,507</u>	<u>1,835,127</u>	<u>380</u>
Excess (Deficiency) of revenues over (under) expenditures	(1,134)		(1,134)	(754)	380
Other Financing Sources (Uses):					
Operating transfer in				184,554	184,554
Total Other Financing Sources (Uses)				<u>184,554</u>	<u>184,554</u>
Net change in fund balance	(1,134)		(1,134)	183,800	184,934
Fund Balances, July 1	<u>1,788</u>		<u>1,788</u>	<u>1,788</u>	
Fund Balances, June 30	<u>\$ 654</u>	<u>\$ -</u>	<u>\$ 654</u>	<u>\$ 185,588</u>	<u>\$ 184,934</u>

Statistical Section

Haddonfield School District
 Net Position by Component,
 Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-1

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities:										
Net investment in capital assets	\$ 8,220,049	\$ 8,368,520	\$ 8,623,475	\$ 8,892,527	\$ 9,072,224	\$ 9,578,232	\$ 9,804,747	\$ 11,914,814	\$ 11,838,419	\$ 12,153,719
Restricted for:										
Capital projects	278,152	166,480	148,066	224,422	700,923	1,150,903	1,087,116	1,765,034	2,038,646	1,153,874
Debt service	(68,453)	(147,685)	(256,515)	(308,351)	9,162	14,458	13,813	3,987	1,788	185,588
Other purposes	78,779	247,510	531,981	439,470	845,675	1,314,071	1,473,472	1,683,474	1,777,482	1,428,749
Unrestricted	(852,987)	(641,297)	(695,030)	(595,190)	(856,188)	(774,403)	(686,329)	(979,589)	(7,612,744)	(7,492,346)
Total governmental activities net position	\$ 7,655,540	\$ 7,993,528	\$ 8,351,977	\$ 8,652,878	\$ 9,771,796	\$ 11,283,261	\$ 11,692,819	\$ 14,387,720	\$ 8,043,591	\$ 7,429,584
Business-type activities:										
Net investment in capital assets	\$ 55,347	\$ 36,073	\$ 16,792	\$ 6,449	\$ -	\$ -	\$ -	\$ 66,787	\$ 49,012	\$ 31,236
Unrestricted	61,259	84,296	85,033	110,867	135,619	125,450	109,723	136,462	143,264	72,580
Total business-type activities net position	\$ 116,606	\$ 120,369	\$ 101,825	\$ 117,316	\$ 135,619	\$ 125,450	\$ 109,723	\$ 203,249	\$ 192,276	\$ 103,816
District-wide:										
Net investment in capital assets	\$ 8,275,396	\$ 8,404,593	\$ 8,640,267	\$ 8,898,976	\$ 9,072,224	\$ 9,578,232	\$ 9,804,747	\$ 11,981,601	\$ 11,887,431	\$ 12,184,955
Restricted:										
Capital projects	278,152	166,480	148,066	224,422	700,923	1,150,903	1,087,116	1,765,034	2,038,646	1,153,874
Debt service	(68,453)	(147,685)	(256,515)	(308,351)	9,162	14,458	13,813	3,987	1,788	185,588
Other purposes	78,779	247,510	531,981	439,470	845,675	1,314,071	1,473,472	1,683,474	1,777,482	1,428,749
Unrestricted	(791,728)	(557,001)	(609,997)	(484,323)	(720,569)	(648,953)	(576,606)	(843,127)	(7,469,480)	(7,419,766)
Total district net position	\$ 7,772,146	\$ 8,113,897	\$ 8,453,802	\$ 8,770,194	\$ 9,907,415	\$ 11,408,711	\$ 11,802,542	\$ 14,590,969	\$ 8,235,867	\$ 7,533,400

Haddonfield School District
 Changes in Net Position, Last Ten Fiscal Years
 (accrual basis of accounting)

Exhibit J-2

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses:										
Governmental activities:										
Instruction:										
Regular	\$ 11,908,959	\$ 11,574,958	\$ 11,801,237	\$ 12,112,451	\$ 12,235,851	\$ 12,272,871	\$ 11,960,804	\$ 12,674,897	\$ 12,867,646	\$ 12,942,732
Special education	2,861,165	2,911,940	3,194,446	3,272,380	3,830,367	3,471,486	4,028,326	4,369,579	3,399,199	4,685,393
Other instruction	1,083,371	1,107,339	1,110,379	1,067,012	1,077,473	1,106,102	1,163,380	1,225,945	1,141,735	1,223,191
Support Services:										
Tuition	857,463	812,659	1,026,695	1,336,186	783,100	1,098,794	1,300,539	1,147,065	1,363,042	1,025,530
Student & instruction related services	2,830,341	3,088,294	3,007,417	3,234,708	3,087,241	3,131,429	3,288,219	3,425,536	4,130,270	3,675,280
School administrative services	1,584,250	1,571,552	1,466,637	1,419,354	1,458,967	1,450,604	1,555,713	1,364,581	1,418,403	1,469,020
General and business administrative services	1,233,266	1,191,444	1,209,743	1,212,177	1,202,954	1,130,714	950,767	1,222,927	1,490,246	1,463,484
Plant operations and maintenance	3,849,168	3,790,970	3,637,968	3,652,703	3,474,005	3,971,747	4,475,539	4,069,678	3,996,237	5,236,458
Pupil transportation	629,566	503,835	451,054	341,765	306,140	533,737	299,965	468,815	544,335	498,304
Unallocated employee benefits	7,127,822	7,692,787	7,202,600	7,230,953	7,053,656	7,661,323	8,287,559	7,541,020	6,337,424	9,510,343
Special schools	184,246	184,009	210,996	165,035	161,341	108,653	136,209	112,057	141,616	115,363
Charter schools	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	1,037,068	1,100,838	1,022,744	989,475	862,025	834,991	741,106	701,745	732,852	459,660
Unallocated depreciation	81,248	76,661	75,040	50,455	58,682	87,835	30,936	62,112	56,507	56,188
Total governmental activities expenses	35,267,933	35,607,286	35,416,956	36,084,654	35,591,802	36,860,286	38,219,072	38,385,957	39,619,512	42,360,946
Business-type activities:										
Community Education	88,670	89,310	77,154	77,217	79,191	81,841	82,722	109,036	91,026	134,587
Food service	461,805	502,895	539,276	545,408	535,136	554,666	559,954	519,642	522,126	592,657
Total business-type activities expense	550,475	592,205	616,430	622,625	614,327	636,507	642,676	628,678	613,152	727,244
Total district expenses	\$ 35,818,408	\$ 36,199,491	\$ 36,033,386	\$ 36,707,279	\$ 36,206,129	\$ 37,496,793	\$ 38,861,748	\$ 39,014,635	\$ 40,232,664	\$ 43,088,190
Program Revenues:										
Governmental activities:										
Operating grants and contributions	\$ 3,912,700	\$ 4,033,993	\$ 3,088,834	\$ 3,181,308	\$ 3,501,365	\$ 3,727,388	\$ 4,314,447	\$ 3,763,353	\$ 4,246,118	\$ 5,081,523
Total governmental activities program revenues	3,912,700	4,033,993	3,088,834	3,181,308	3,501,365	3,727,388	4,314,447	3,763,353	4,246,118	5,081,523

(Continued)

Haddonfield School District
 Changes in Net Position, Last Ten Fiscal Years
 (accrual basis of accounting)

Exhibit J-2

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Business-type activities:										
Charges for services:										
Community Education	\$ 95,777	\$ 83,903	\$ 73,921	\$ 79,161	\$ 83,732	\$ 80,861	\$ 94,488	\$ 101,176	\$ 106,360	\$ 113,989
Food service	368,734	381,675	467,055	494,153	493,216	490,935	464,331	464,667	458,200	489,045
Operating grants and contributions	51,958	60,065	55,233	64,166	54,378	67,815	66,799	71,159	35,708	34,596
Capital grants and contributions										
Total business type activities program revenues	516,469	525,643	596,209	637,480	631,326	639,611	625,618	637,002	600,268	637,630
Total district program revenues	\$ 4,429,169	\$ 4,559,636	\$ 3,685,043	\$ 3,818,788	\$ 4,132,691	\$ 4,366,999	\$ 4,940,065	\$ 4,400,355	\$ 4,846,386	\$ 5,719,153
Net (Expense)/Revenue:										
Governmental activities	\$ (31,355,233)	\$ (31,573,293)	\$ (32,328,122)	\$ (32,903,346)	\$ (32,090,437)	\$ (33,132,898)	\$ (33,904,625)	\$ (34,622,604)	\$ (35,373,394)	\$ (37,279,423)
Business-type activities	(34,006)	(66,562)	(20,221)	14,855	16,999	3,104	(17,058)	8,324	(12,884)	(89,614)
Total district-wide net expense	\$ (31,389,239)	\$ (31,639,855)	\$ (32,348,343)	\$ (32,888,491)	\$ (32,073,438)	\$ (33,129,794)	\$ (33,921,683)	\$ (34,614,280)	\$ (35,386,278)	\$ (37,369,037)
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 26,645,049	\$ 27,758,553	\$ 28,835,895	\$ 29,287,620	\$ 30,299,125	\$ 30,826,248	\$ 30,785,248	\$ 31,394,796	\$ 32,022,692	\$ 32,663,145
Taxes levied for debt service	1,700,213	1,784,974	1,759,514	1,835,309	1,909,311	1,919,491	1,865,209	1,858,955	1,849,040	1,834,373
Unrestricted grants and contributions	1,647,924	1,681,342	1,605,934	1,495,619	359,785	1,024,049	1,033,493	1,081,752	1,132,245	1,158,069
State aid restricted for capital projects										
Tuition	324,482	373,907	267,028	215,049	220,243	321,758	492,118	526,947	505,276	511,500
Miscellaneous income	537,645	349,962	218,200	370,650	420,891	552,817	359,417	361,473	281,584	498,329
Transfers	-	(37,457)								
Total governmental activities	30,855,313	31,911,281	32,686,571	33,204,247	33,209,355	34,644,363	34,535,485	35,223,923	35,790,837	36,665,416
Business-type activities:										
Investment earnings	5,961	4,094	987	543	1,086	1,300	1,331	649	369	339
Miscellaneous income	17,807	28,774	690	93	218	3,245			1,542	815
Cancellation of accounts receivable						(17,818)				
Transfers		37,457								
Total business-type activities	23,768	70,325	1,677	636	1,304	(13,273)	1,331	649	1,911	1,154
Total district-wide	\$ 30,879,081	\$ 31,981,606	\$ 32,688,248	\$ 33,204,883	\$ 33,210,659	\$ 34,631,090	\$ 34,536,816	\$ 35,224,572	\$ 35,792,748	\$ 36,666,570
Change in Net Position:										
Governmental activities	\$ (499,920)	\$ 337,988	\$ 358,449	\$ 300,901	\$ 1,118,918	\$ 1,511,465	\$ 630,860	\$ 601,319	\$ 417,443	\$ (614,007)
Business-type activities	(10,238)	3,763	(18,544)	15,491	18,303	(10,169)	(15,727)	8,973	(10,973)	(88,460)
Total district-wide	\$ (510,158)	\$ 341,751	\$ 339,905	\$ 316,392	\$ 1,137,221	\$ 1,501,296	\$ 615,133	\$ 610,292	\$ 406,470	\$ (702,467)

Haddonfield School District
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

Exhibit J-3

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund:										
Restricted for:										
Capital reserve	\$ 116	\$ 118	\$ 119	\$ 120	\$ 200,121	\$ 900,120	\$ 766,951	\$ 1,444,869	\$ 1,718,481	\$ 1,339,992
Maintenance reserve							200,000	200,000	200,000	400,000
Excess surplus	2,544	138,360	334,980	305,829	789,114	634,165	639,307	639,455	515,396	464,848
Excess surplus - designated for next year						679,906	634,165	639,307	639,455	515,396
Assigned - Reserve for encumbrances								204,712	422,631	48,505
Unassigned	488,420	705,063	766,590	693,792	669,318	635,917	593,100	596,116	621,022	650,447
Total general fund	<u>\$ 491,080</u>	<u>\$ 843,541</u>	<u>\$ 1,101,689</u>	<u>\$ 999,741</u>	<u>\$ 1,658,553</u>	<u>\$ 2,850,108</u>	<u>\$ 2,833,523</u>	<u>\$ 3,724,459</u>	<u>\$ 4,116,965</u>	<u>\$ 3,419,188</u>
All Other Governmental Funds										
Reserved:										
Encumbrances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 809
Unreserved, reported in:										
Special revenue fund										
Capital projects fund	278,036	166,362	147,947	224,302	500,802	250,783	320,165	320,165	320,165	(186,927)
Debt service fund	280,204	184,028	62,215	18,430	9,162	14,458	13,813	3,987	1,788	185,588
Total all other governmental funds	<u>\$ 558,240</u>	<u>\$ 350,390</u>	<u>\$ 210,162</u>	<u>\$ 242,732</u>	<u>\$ 509,964</u>	<u>\$ 265,241</u>	<u>\$ 333,978</u>	<u>\$ 324,152</u>	<u>\$ 321,953</u>	<u>\$ (530)</u>

Haddonfield School District
 Changes in Fund Balances, Governmental Funds,
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

Exhibit J-4

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Tax levy	\$ 28,345,262	\$ 29,543,527	\$ 30,595,409	\$ 31,122,929	\$ 32,208,436	\$ 32,745,739	\$ 32,650,457	\$ 33,253,751	\$ 33,871,732	\$ 34,497,518
Tuition charges	362,478	373,907	267,028	215,049	220,243	321,758	492,118	526,947	505,276	511,500
Miscellaneous	499,649	349,962	218,200	370,650	420,891	552,817	359,417	361,473	281,584	560,021
State sources	5,021,206	5,145,617	4,160,373	4,067,485	2,980,163	4,047,116	4,743,016	4,291,989	4,830,943	5,402,096
Federal sources	539,418	569,718	534,395	609,442	991,587	704,321	604,924	553,116	547,420	775,804
Total revenue	<u>34,768,013</u>	<u>35,982,731</u>	<u>35,775,405</u>	<u>36,385,555</u>	<u>36,821,320</u>	<u>38,371,751</u>	<u>38,849,932</u>	<u>38,987,276</u>	<u>40,036,955</u>	<u>41,746,939</u>
Expenditures										
Instruction										
Regular Instruction	11,019,941	11,070,891	11,247,319	11,704,775	11,605,322	11,670,436	11,599,918	11,510,189	11,988,396	12,343,900
Special education instruction	2,861,165	2,911,940	3,194,446	3,272,380	3,830,367	3,471,486	4,028,326	4,369,579	3,399,199	4,685,393
Other instruction	1,083,371	1,107,339	1,110,379	1,067,012	1,077,473	1,106,102	1,163,390	1,225,945	1,141,735	1,223,191
Support Services:										
Tuition	857,463	812,659	1,026,695	1,336,186	783,100	1,098,794	1,300,539	1,147,065	1,363,042	1,025,530
Student & instruction related services	2,830,341	3,088,294	3,007,417	3,159,054	3,087,241	3,131,429	3,288,219	3,425,536	4,130,270	3,675,280
School administrative services	1,492,869	1,490,271	1,386,430	1,419,354	1,366,859	1,364,459	1,555,713	1,364,581	1,418,403	1,356,643
General and business admin. services	1,233,266	1,191,444	1,209,743	1,212,177	1,202,954	1,130,714	851,565	1,098,703	1,377,232	1,463,484
Plant operations and maintenance	3,331,773	3,612,737	3,532,758	3,515,414	3,307,718	3,264,278	3,140,940	3,334,402	3,190,543	3,221,762
Pupil transportation	629,566	503,835	451,054	341,765	306,140	533,737	299,965	468,815	544,335	498,304
Employee Benefits	7,127,822	7,692,787	7,202,600	7,230,953	7,053,656	7,661,323	8,287,559	7,541,020	8,385,762	9,472,540
Special Schools	184,246	184,009	210,996	165,035	161,341	108,653	136,209	112,057	141,616	115,363
Capital outlay	953,252	18,102	86,921	72,045	109,119	875,710	1,194,331	557,665	636,172	1,850,701
Debt service:										
Principal	820,000	905,000	955,000	1,000,000	1,115,000	1,150,000	1,210,000	1,250,000	1,286,000	1,380,000
Interest and other charges	1,142,266	1,117,783	1,035,727	981,352	888,986	942,747	741,106	700,609	643,923	455,128
Total expenditures	<u>35,567,341</u>	<u>35,707,091</u>	<u>35,657,485</u>	<u>36,477,502</u>	<u>35,895,276</u>	<u>37,509,868</u>	<u>38,797,780</u>	<u>38,106,166</u>	<u>39,646,628</u>	<u>42,767,219</u>
Excess (Deficiency) of revenues over (under) expenditures	(799,328)	275,640	117,920	(91,947)	926,044	861,883	52,152	881,110	390,327	(1,020,280)
Other Financing sources (uses)										
Proceeds from borrowing	20,946			22,569	-	8,966,507	-	-	-	-
Payment to bond payment agent						(8,881,558)	-	-	-	-
Cancellation of accounts receivable	-	(93,572)								
Transfers in	118,315	45,382	11,603	5,664	169,285	188,004	87,602	1,134	654	184,555
Transfers out	(118,315)	(82,839)	(11,603)	(5,664)	(169,285)	(188,004)	(87,602)	(1,134)	(654)	(184,555)
Total other financing sources (uses)	<u>20,946</u>	<u>(131,029)</u>	<u>-</u>	<u>22,569</u>	<u>-</u>	<u>84,949</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (778,382)</u>	<u>\$ 144,611</u>	<u>\$ 117,920</u>	<u>\$ (69,378)</u>	<u>\$ 926,044</u>	<u>\$ 946,832</u>	<u>\$ 52,152</u>	<u>\$ 881,110</u>	<u>\$ 390,327</u>	<u>\$ (1,020,280)</u>
Debt service as a percentage of noncapital expenditures	5.67%	5.67%	5.60%	5.44%	5.60%	5.71%	5.19%	5.19%	4.95%	4.49%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

Haddonfield School District
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

Exhibit J-5

Fiscal Year Ending June 30,	Interest on Investments	Tuition	Transportation	Preschool Program Fees	Prior Year Refunds	Rentals	Summer Enrichment	Reading Recovery Program Fees	Student Activity Fee	Miscellaneous	Total
2007	\$ 206,534	\$ 362,478	\$ -	\$ 45,455	\$ 68,733	\$ 18,654	\$ -	\$ -	\$ -	\$ 42,325	\$ 744,179
2008	140,777	323,555		50,352	104,481	22,090				37,232	678,487
2009	59,814	267,028	16,893	56,525	41,835	9,720	9,815			11,995	473,625
2010	15,398	215,049		66,557	77,855	25,720	34,830	67,687		584	503,680
2011	24,268	220,243		65,416	250,451	27,895	21,640	5,250		22,585	637,748
2012	55,987	321,758		77,198	299,168	66,411	34,490			7,729	862,741
2013	68,505	367,920		84,478	125,168	39,715	39,720		60,000	63,177	848,683
2014	28,210	382,845		95,107	188,705	52,217	48,995		56,950	34,257	887,286
2015	16,968	414,863		90,413	70,094	21,868	61,606		49,600	60,794	786,206
2016	15,724	426,569		84,931	32,691	16,640	51,331			381,821	1,009,707
	<u>\$ 632,185</u>	<u>\$ 3,302,308</u>	<u>\$ 16,893</u>	<u>\$ 716,432</u>	<u>\$ 1,259,181</u>	<u>\$ 300,930</u>	<u>\$ 302,427</u>	<u>\$ 72,937</u>	<u>\$ 166,550</u>	<u>\$ 662,499</u>	<u>\$ 7,432,342</u>

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Source: District records

Haddonfield School District
 Assessed Value and Actual Value of Taxable Property,
 Last Ten Fiscal Years

Exhibit J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate b	Estimated Actual (County Equalized) Value
2007	\$ 2,849,400	\$ 920,345,300	\$ -	\$ -	\$ 106,420,600	\$ -	\$ 5,949,600	\$1,035,564,900	\$ 3,023,543	\$1,038,588,443	\$ 151,571,800	\$ 2.844	\$ 2,003,446,434
2008 R	12,511,200	2,007,692,800			220,959,500		14,107,700	2,255,271,200	6,620,595	2,261,891,795	256,639,000	1.352	2,185,536,682
2009	12,449,200	2,011,863,200			218,652,200		14,012,200	2,256,976,800	7,235,354	2,264,212,154	257,249,300	1.375	2,221,502,914
2010	9,781,500	2,020,185,900			217,053,900		14,007,200	2,261,028,500	8,323,964	2,269,352,464	257,442,700	1.420	2,240,311,617
2011	9,265,400	2,016,563,800			214,971,600		13,990,900	2,254,791,700	7,550,383	2,262,342,083	255,691,100	1.447	2,281,045,590
2012	7,912,800	2,012,114,200			214,168,800		13,735,900	2,247,931,700	7,274,970	2,255,206,670	248,734,400	1.448	2,240,113,023
2013	7,566,000	1,998,319,100			210,260,800		13,735,900	2,229,881,800	5,899,042	2,235,780,842	249,037,500	1.488	2,186,783,204
2014	7,137,600	1,995,842,100			207,793,100		13,735,900	2,224,508,700	5,350,221	2,229,858,921	249,351,100	1.519	2,128,836,807
2015	6,041,600	1,998,716,500			203,780,200		14,000,500	2,222,538,800	5,072,498	2,227,611,298	250,702,200	1.549	2,155,798,632
2016	5,828,300	2,006,189,500			209,345,300		14,000,500	2,235,363,600	5,653,649	2,241,017,249	248,882,400	1.584	2,251,696,362

Source: Municipal Tax Assessor

Note:

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

Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Improvements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

c Information not available.

R Revaluation.

Haddonfield School District
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
 (rate per \$100 of assessed value)

Exhibit J-7

Fiscal Year Ended June 30,	Haddonfield School District Direct Rate			Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Borough of Haddonfield	Municipal Open Space	Municipal Library	Camden County	
2007	\$ 2.679	\$ 0.165	\$ 2.844	\$ 0.767	\$ 0.010	\$ -	\$ 1.271	\$ 4.892
2008	1.273	0.079	1.352	0.377	0.005		0.576	2.310
2009	1.300	0.075	1.375	0.391	0.005		0.567	2.338
2010	1.335	0.085	1.420	0.423	0.004		0.604	2.451
2011	1.362	0.085	1.447	0.408	0.005	0.033	0.677	2.570
2012	1.363	0.085	1.448	0.435	0.006	0.033	0.720	2.642
2013	1.405	0.083	1.488	0.454	0.005	0.032	0.768	2.747
2014	1.436	0.083	1.519	0.455	0.005	0.031	0.769	2.779
2015	1.466	0.083	1.549	0.454	0.005	0.032	0.802	2.842
2016	1.505	0.079	1.584	0.461	0.005	0.033	0.840	2.923

Source: Municipal Tax Collector

Note:

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

- a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.
- b Rates for debt service are based on each year's requirements.

**Haddonfield School District
Principal Property Tax Payers,
Current Year and Nine Years Ago**

Exhibit J-8

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Taxpayer	2016		Taxpayer	2007	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Gerald & Erica Levin	\$ 10,116,800	0.45%	Verizon	\$ 6,366,075	0.61%
Verizon	9,164,849	0.41%	One Centennial Square	4,950,000	0.48%
One Centennial Square	8,300,000	0.37%	95 Grove Street Partnership	3,832,700	0.37%
132 Warwick Rd LLC	8,250,000	0.37%	Gerald & Erica Levin	3,268,700	0.31%
95 Grove Street Partnership	7,989,400	0.36%	G. Elzy	2,664,300	0.26%
110 Kings Highway East	5,400,000	0.24%	Park Lane Properties	2,446,000	0.24%
Park Lane Properties	5,281,000	0.24%	ACME	2,350,000	0.23%
Laurie Industries (ACME Markets)	4,069,800	0.18%	Tommar LLC	1,950,000	0.19%
Tommar LLC	3,750,000	0.17%	807 Haddon Properties	1,732,500	0.17%
807 Haddon Properties	3,000,000	0.13%	35 Kings Highway East	1,525,000	0.15%
Total	\$ 65,321,849	2.91%		\$ 31,085,275	2.99%

Source: Municipal Tax Assessor

**Haddonfield School District
Property Tax Levies and Collections,
Last Ten Fiscal Years**

Exhibit J-9

Fiscal Year Ended June 30,	Taxes Levied for the Calendar Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2007	\$ 28,345,262	\$ 28,345,262	100.00%	-
2008	29,543,527	29,543,527	100.00%	-
2009	30,595,409	30,595,409	100.00%	-
2010	31,122,929	31,122,929	100.00%	-
2011	32,208,436	32,208,436	100.00%	-
2012	32,745,739	32,745,739	100.00%	-
2013	32,650,457	32,650,457	100.00%	-
2014	33,253,751	33,253,751	100.00%	-
2015	33,871,732	33,871,732	100.00%	-
2016	34,497,518	34,497,518	100.00%	-

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

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

Haddonfield School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(dollars in thousands, except per capita)

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^b
	General Obligation Bonds	Unfunded Pension Liability	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2007	\$ 24,156,000	\$ -	\$ 103,113	\$ -	\$ -	\$ 24,259,113	5.28%	2,112	
2008	23,251,000	-	64,833	-	-	23,315,833	4.92%	2,036	
2009	22,296,000	-	24,893	-	-	22,320,893	4.68%	1,950	
2010	21,296,000	-	21,894	-	-	21,317,894	4.38%	1,840	
2011	20,181,000	-	13,515	-	-	20,194,515	3.96%	1,746	
2012	18,801,000	-	26,058	-	-	18,827,058	3.65%	1,632	
2013	17,591,000	-	17,523	-	-	17,608,523	3.40%	1,534	
2014	16,341,000	-	8,709	-	-	16,349,709	3.05%	1,430	
2015	14,910,000	-	4,570	-	-	14,914,570	c	1,307	
2016	13,530,000	-	-	-	-	13,530,000	c	c	

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

- a Based on Per Capita Income for Camden County
- b Based on School District Population as of July 1,
- c Not available

Haddonfield School District
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
(dollars in thousands, except per capita)

Exhibit J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2007	\$ 24,156,000	\$ -	\$ 24,156,000	2.33%	2,103
2008	23,251,000	-	23,251,000	1.03%	2,030
2009	22,296,000	-	22,296,000	0.98%	1,948
2010	21,296,000	-	21,296,000	0.94%	1,838
2011	20,181,000	-	20,181,000	0.89%	1,745
2012	18,801,000	-	18,801,000	0.83%	1,630
2013	17,591,000	-	17,591,000	0.79%	1,532
2014	16,341,000	-	16,341,000	0.73%	1,429
2015	14,910,000	-	14,910,000	0.67%	1,306
2016	13,530,000	-	13,530,000	0.60%	^c

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit J-6 for property tax data.

b Population data can be found in Exhibit J-14.

c Not available.

**Haddonfield School District
 Ratios of Overlapping Governmental Activities Debt
 As of December 31, 2015**

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Borough of Haddonfield	\$ 13,523,311	100.000%	\$ 13,523,311
Camden County General Obligation Debt	342,450,381	5.855%	20,050,470
			<hr/>
Subtotal, overlapping debt			33,573,781
Haddonfield School District Direct Debt			<hr/> 15,496,000
Total direct and overlapping debt			<hr/> \$ 49,069,781 <hr/>

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

Note: Debt outstanding data provided by each governmental unit.
 Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Haddonfield. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

Legal Debt Margin Calculation for Fiscal Year 2016

	Equalized valuation basis
	2013 \$ 2,124,708,718
	2014 2,148,868,528
	2015 2,229,450,095
	[A] <u>\$ 6,503,027,341</u>
Average equalized valuation of taxable property	[A/3] \$ 2,167,675,780
Debt limit (4% of average equalized valuation)	[B] 86,707,031 ^a
Net bonded school debt	[C] 13,530,000
Legal debt margin	[B-C] <u>\$ 73,177,031</u>

Fiscal Year

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
	\$ 70,343,859	\$ 78,196,006	\$ 84,351,635	\$ 87,595,927	\$ 89,423,817	\$ 89,788,145	\$ 89,401,281	\$ 87,392,554	\$ 86,239,545	\$ 86,707,031
Total net debt applicable to limit	<u>23,896,000</u>	<u>23,251,000</u>	<u>22,296,000</u>	<u>21,296,000</u>	<u>20,181,000</u>	<u>18,801,000</u>	<u>17,591,000</u>	<u>16,341,000</u>	<u>14,910,000</u>	<u>13,530,000</u>
Legal debt margin	<u>\$ 46,447,859</u>	<u>\$ 54,945,006</u>	<u>\$ 62,055,635</u>	<u>\$ 66,299,927</u>	<u>\$ 69,242,817</u>	<u>\$ 70,987,145</u>	<u>\$ 71,810,281</u>	<u>\$ 71,051,554</u>	<u>\$ 71,329,545</u>	<u>\$ 73,177,031</u>
Total net debt applicable to the limit as a percentage of debt limit	33.97%	29.73%	26.43%	24.31%	22.57%	20.94%	19.68%	18.70%	17.29%	15.60%

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

^a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts

**Haddonfield School District
Demographic and Economic Statistics
Last Ten Fiscal Years**

Exhibit J-14

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2007	11,488	\$ 459,588,928	\$ 40,006	2.7%
2008	11,454	473,886,342	41,373	3.6%
2009	11,448	476,706,168	41,641	5.7%
2010	11,586	486,530,898	41,993	6.0%
2011	11,566	510,234,090	44,115	5.9%
2012	11,535	516,098,970	44,742	5.9%
2013	11,479	517,438,883	45,077	4.1%
2014	11,437	536,235,182	46,886	3.8%
2015	11,414	e	e	3.5%
2016	e	e	e	e

Source:

- a Population information provided by the NJ Dept of Labor and Workforce Development
- b Personal income for Haddonfield Borough.
- c Per Capita for Camden County.
- d Unemployment data provided by the NJ Dept of Labor and Workforce Development
- e Not available.

Haddonfield School District
 Full-time Equivalent District Employees by Function/Program,
 Last Ten Fiscal Years

Exhibit J-16

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Instruction										
Regular	169	173	188	172	172	172	170	170	173	169
Special education	28	40	40	34	34	34	43	47	47	32
Other special education				55	55	55	58	58	58	49
Vocational										
Other instruction				24	24	26	25	13	13	2
Support Services:										
Student & instruction related services	9	9	9	40	40	42	12	14	14	21
School administrative services	15	15	15	19	19	16	18	21	21	18
General and business administrative services	6	6	6	6	6	6	6	10	10	19
Plant operations and maintenance	9	9	9	12	12	13	8	8	8	6
Pupil transportation	7	5	4	8	8	8	12	12	12	10
Business and other support services	3	3	3							4
Special Schools										
Food Service										
Child Care										
Total	<u>246</u>	<u>260</u>	<u>274</u>	<u>370</u>	<u>370</u>	<u>372</u>	<u>352</u>	<u>353</u>	<u>356</u>	<u>330</u>

Source: District Personnel Records

Haddonfield School District
 Operating Statistics,
 Last Ten Fiscal Years

Exhibit J-17

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2007	2,432	\$ 32,651,823	\$ 13,425.91	5.69%	197	1:23	1:17	1:17	2,350	2,250	-1.84%	95.74%
2008	2,388	33,666,206	14,098.08	5.01%	213	1:23	1:17	1:17	2,385	2,287	1.49%	95.89%
2009	2,412	33,620,970	13,939.04	-1.13%	228	1:20	1:21	1:20	2,410	2,315	1.04%	96.06%
2010	2,449	34,424,105	14,056.39	0.84%	208	1:20	1:21	1:20	2,451	2,352	1.70%	95.96%
2011	2,454	33,782,171	13,766.17	-2.06%	208	1:20	1:21	1:20	2,465	2,371	0.57%	96.19%
2012	2,503	34,541,411	13,800.00	0.24%	206	1:20	1:21	1:20	2,503	2,416	1.54%	96.52%
2013	2,547	35,652,343	13,997.78	1.43%	213	1:20	1:21	1:20	2,547	2,460	1.76%	96.58%
2014	2,560	35,597,906	13,905.43	-0.66%	217	1:20	1:21	1:20	2,573	2,481	1.02%	96.42%
2015	2,602	37,080,521	14,250.78	2.48%	220	1:20	1:21	1:20	2,609	2,512	1.40%	96.28%
2016	2,665	39,081,390	14,664.69	2.90%	201	1:20	1:21	1:20	2,661	2,567	0.00%	96.47%

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Sources: District records

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**Haddonfield School District
School Building Information
Last Ten Fiscal Years**

Exhibit J-18

District Building	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Elizabeth Haddon Elementary School (1965)										
Square Feet	47,000	47,000	47,000	47,000	47,000	47,000	47,000	47,000	47,000	47,000
Capacity (students)	450	450	450	450	450	450	450	450	450	450
Enrollment	398	380	379	360	348	327	336	361	343	355
JF Tatem Elementary School (1923)										
Square Feet	46,000	46,000	46,000	46,000	46,000	46,000	46,000	46,000	46,000	46,000
Capacity (students)	490	490	490	490	490	490	490	490	490	490
Enrollment	409	405	426	447	481	511	515	440	458	447
Central Elementary School (1947)										
Square Feet	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Capacity (students)	350	350	350	350	350	350	350	350	350	350
Enrollment	268	277	286	314	316	350	363	396	404	409
Haddonfield Middle School (1965)										
Square Feet	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Capacity (students)	700	700	700	700	700	700	700	700	700	700
Enrollment	556	531	543	555	555	562	573	596	621	653
Memorial High School (1926)										
Square Feet	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000
Capacity (students)	975	975	975	975	975	975	975	975	975	975
Enrollment	775	792	776	775	765	753	760	780	783	797

Number of Schools at June 30, 2016

- Elementary = 3
- Middle School = 1
- Senior High School = 1

Source: District Facilities Office

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of any additions. Enrollment is based on the annual October district count.

Haddonfield School District
 Schedule of Required Maintenance
 Last Ten Fiscal Years

Exhibit J-19

UNDISTRIBUTED EXPENDITURES - REQUIRED
 MAINTENANCE FOR SCHOOL FACILITIES
 11-000-261-xxx

	Project # (s)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total
* School Facilities												
High School	SP#201155	\$ 294,413	\$ 305,809	\$ 313,699	\$ 494,029	\$ 459,096	\$ 445,380	\$ 422,494	\$ 442,142	\$ 344,092	\$ 270,561	\$ 3,791,715
Middle School	SP#201156	245,345	254,842	261,417	236,275	205,128	213,008	202,063	211,459	164,566	129,399	2,123,502
J. Fithian Tatem Elementary School	SP#201154	147,206	152,904	156,849	118,137	107,448	106,504	101,031	105,730	82,283	64,699	1,142,791
Elizabeth Haddon Elementary School	SP#201157	147,206	152,904	156,849	118,137	107,448	106,504	101,031	105,730	82,283	64,700	1,142,792
Central Elementary School	SP#201158	147,206	152,904	156,849	107,399	97,680	96,822	91,847	96,118	74,803	58,818	1,080,446
Total School Facilities		<u>\$ 981,376</u>	<u>\$ 1,019,363</u>	<u>\$ 1,045,663</u>	<u>\$ 1,073,977</u>	<u>\$ 976,800</u>	<u>\$ 968,218</u>	<u>\$ 918,466</u>	<u>\$ 961,179</u>	<u>\$ 748,027</u>	<u>\$ 588,177</u>	<u>\$ 9,281,246</u>

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* School facilities as defined under EFCFA.
 (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District records

**Haddonfield School District
Insurance Schedule
June 30, 2016**

Exhibit J-20

	<u>Coverage</u>	<u>Self Insured Retention</u>	<u>Deductible</u>
School Package Policy (1)			
Building and Contents (All Locations)			
Limits of liability per occurrence	\$ 150,000,000	\$ 250,000	\$ 500
General and Automobile Liability	20,000,000	250,000	
Workers' Compensation	Statutory	250,000	
Crime Coverage - Blanket Surety Coverage	500,000	250,000	500
Educator's Legal Liability	20,000,000	175,000	
Pollution Legal Liability	3,000,000		25,000
Cyber Liability	1,000,000		25,000
Boiler and Machinery	125,000,000		1,000
Violent Malicious Acts	1,000,000		15,000
Student Accident (2)	1,000,000		
Catastrophic Student Accident (2)	6,000,000		
Surety Bonds (3)			
Treasurer	300,000		
Board Secretary	100,000		

- (1) Burlington County Insurance Pool (JIF)
- (2) National Union Fire Insurance Company
- (3) Selective Insurance Company

Source: District records

Single Audit Section

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 New Jersey Society of CPAs

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
 REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
 ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE
 UNIFORM GUIDANCE AND SCHEDULE OF EXPENDITURES OF STATE FINANCIAL
 ASSISTANCE AS REQUIRED BY NEW JERSEY TREASURY CIRCULAR OMB 15-08**

INDEPENDENT AUDITOR'S REPORT

The Honorable President and Members
 of the Board of Education
 Haddonfield School District
 County of Camden
 Haddonfield, New Jersey

Report on Compliance for Each Major Federal and State Program

I have audited Haddonfield School District (School District), in the County of Camden, State of New Jersey's compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2016. The School District's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of federal and state statutes, regulations, and the terms and conditions of its federal awards and state financial assistance applicable to its federal and state programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of the School District's major federal and state programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and New Jersey Treasury Circular OMB 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, Uniform Guidance and New Jersey Treasury Circular OMB 15-08 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal and state program. However, my audit does not provide a legal determination of the School District's compliance.

Opinion on Each Major Federal and State Program

In my opinion, the Haddonfield School District, in the County of Camden, State of New Jersey complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of the Haddonfield School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey Treasury Circular OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Haddonfield School District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the New Jersey Treasury Circular OMB 15-08. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08

I have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Haddonfield School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements. I issued my report thereon dated September 15, 2016, which contained unmodified opinions on those financial statements. My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey Treasury Circular OMB 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 my opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

This report is intended for the information of the Board of Education, the New Jersey Department of Education, and Federal awarding agencies.

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant

Marlton, New Jersey
September 15, 2016

HADDONFIELD SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2016

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period	June 30, 2015			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years' Balances	June 30, 2016		
						Accounts Receivable	Deferred Revenue	Due to Grantor at						Accounts Receivable	Deferred Revenue	Due to Grantor at
U.S. Department of Education																
<u>Special Revenue Fund:</u>																
<u>No Child Left Behind(N.C.L.B.)</u>																
Title I	84.010	S010A150030	NCLB-1900-16	153,726	7/1/15 - 6/30/16	\$ -	\$ -	\$ -	\$ -	\$ 79,967	\$ (109,222)	\$ -	\$ -	\$ (29,255)	\$ -	\$ -
Title II - Part A - CY	84.367	S367A150029	NCLB-1900-16	85,550	7/1/15 - 6/30/16					40,328	(48,807)			(8,479)		
Title II - Part A - PY	84.367	S367A150029	NCLB-1900-15	78,178	7/1/14 - 6/30/15	(11,322)				11,322						
<u>Individuals With Disabilities Act (I.D.E.I.A.)</u>																
Part B - Basic	84.027	H027A150100	IDEA-1900-16	639,956	7/1/15 - 6/30/16					454,238	(583,588)			(129,350)		
Part B - Basic	84.027	H027A150100	IDEA-1900-15	547,836	7/1/14 - 6/30/15	(483,166)				483,166						
Part B - Basic	84.027	H027A150100	IDEA-1900-14	507,661	7/1/13 - 6/30/14	(9,565)						(2,893)		(6,672)		
Part B - Preschool	84.173	H173A150114	IDEA-1900-16	37,181	7/1/15 - 6/30/16					8,574	(34,187)			(25,613)		
Part B - Preschool	84.173	H173A150114	IDEA-1900-15	38,440	7/1/14 - 6/30/15	(28,646)				26,807		(1,839)				
Total Special Revenue Fund						(532,699)	-	-	-	1,104,402	(775,804)	(4,732)	-	(199,369)	-	-
U.S. Department of Agriculture																
<u>Enterprise Fund:</u>																
Food Distribution Program	10.565	16161NJ304N1099	N/A	13,968	7/1/15 - 6/30/16					13,968	(13,968)					
National School Lunch Program	10.555	16161NJ304N1099	N/A	18,881	7/1/15 - 6/30/16					17,783	(18,881)			(1,098)		
National School Lunch Program	10.555	16161NJ304N1099	N/A	16,328	7/1/14 - 6/30/15	(3,317)				3,317						
Total Enterprise Fund						(3,317)	-	-	-	35,068	(32,849)	-	-	(1,098)	-	-
Total Federal Awards						\$ (536,016)	\$ -	\$ -	\$ -	\$ 1,139,470	\$ (808,653)	\$ (4,732)	\$ -	\$ (200,467)	\$ -	\$ -

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

HADDONFIELD SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2016

State Grantor / Program Title	Grant or State Project Number	Program Award Amount	Grant Period	June 30, 2015			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years' Balances	June 30, 2016					
				Accounts Receivable	Deferred Revenue	Due to Grantor at						(Accounts Receivable)	Deferred Revenue	Due to Grantor at			
State Department of Education																	
<u>General Fund:</u>																	
Extraordinary Aid	16-495-034-5120-044	\$ 240,210	7/1/15 - 6/30/16	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (240,210)	\$ -	\$ -	\$ (240,210)	\$ -	\$ -			
Extraordinary Aid	15-495-034-5120-044	200,817	7/1/14 - 6/30/15	(200,817)				200,817									
Special Education Categorical Aid	16-495-034-5120-089	803,671	7/1/15 - 6/30/16					751,602	(803,671)			(52,069)					
Special Education Categorical Aid	15-495-034-5120-089	803,671	7/1/14 - 6/30/15	(43,256)				43,256									
Security Aid	16-495-034-5120-084	36,070	7/1/15 - 6/30/16					33,733	(36,070)			(2,337)					
Security Aid	15-495-034-5120-084	36,070	7/1/14 - 6/30/15	(1,941)				1,941									
Transportation Aid	16-495-034-5120-014	36,655	7/1/15 - 6/30/16					34,280	(36,655)			(2,375)					
Transportation Aid	15-495-034-5120-014	36,655	7/1/14 - 6/30/15	(1,973)				1,973									
Adjustment Aid	16-495-034-5120-085	252	7/1/15 - 6/30/16					236	(252)			(16)					
Adjustment Aid	15-495-034-5120-085	252	7/1/14 - 6/30/15	(14)				14									
Under Adequacy Aid	16-495-034-5120-096	1,828	7/1/15 - 6/30/16					1,710	(1,828)			(118)					
Under Adequacy Aid	15-495-034-5120-096	1,828	7/1/14 - 6/30/15	(98)				98									
PARCC Readiness Aid	16-495-034-5120-098	24,780	7/1/15 - 6/30/16					23,174	(24,780)			(1,606)					
PARCC Readiness Aid	15-495-034-5120-098	24,780	7/1/14 - 6/30/15	(1,334)				1,334									
Per Pupil Growth Aid	16-495-034-5120-097	24,780	7/1/15 - 6/30/16					23,174	(24,780)			(1,606)					
Per Pupil Growth Aid	15-495-034-5120-097	24,780	7/1/14 - 6/30/15	(1,334)				1,334									
On Behalf TPAF Post Retirement Medical	16-495-034-5094-002	1,504,121	7/1/15 - 6/30/16					1,504,121	(1,504,121)								
On Behalf TPAF Pension	16-495-034-5094-001	1,263,200	7/1/15 - 6/30/16					1,263,200	(1,263,200)								
Reimbursed TPAF Social Security Contributions	16-495-034-5094-003	1,161,046	7/1/15 - 6/30/16					1,161,046	(1,161,046)								
Reimbursed TPAF Social Security Contributions	15-495-034-5094-003	1,140,696	7/1/14 - 6/30/15	(52,719)				52,719									
Total General Fund				(303,486)	-	-	-	5,099,762	(5,096,613)	-	-	(300,337)	-	-			
<u>Special Revenue Fund</u>																	
<u>N.J. Nonpublic Aid:</u>																	
Textbook Aid	16-100-034-5120-064	25,752	7/1/15 - 6/30/16					25,752	(24,079)					1,673			
Textbook Aid	15-100-034-5120-064	25,679	7/1/14 - 6/30/15			2,677					(2,677)						
Nursing Aid	16-100-034-5120-070	40,950	7/1/15 - 6/30/16					40,950	(40,540)					410			
Nursing Aid	15-100-034-5120-070	41,260	7/1/14 - 6/30/15			413					(413)						
Technology Aid	16-100-034-5120-373	11,726	7/1/15 - 6/30/16					11,726	(11,576)					150			
Technology Aid	15-100-034-5120-373	13,792	7/1/14 - 6/30/15			1					(1)						
Security Aid	16-100-034-5120-067	11,375	7/1/15 - 6/30/16					11,375	(11,285)					90			
<u>Auxiliary Services:</u>																	
Compensatory Education	16-100-034-5120-067	116,328	7/1/15 - 6/30/16					116,328	(104,227)					12,101			
Compensatory Education	15-100-034-5120-067	152,645	7/1/14 - 6/30/15			51,688					(51,688)						
ESL	16-100-034-5120-067	7,765	7/1/15 - 6/30/16					7,765	(3,623)					4,142			
Transportation	16-100-034-5120-068	13,984	7/1/15 - 6/30/16					13,984	(3,800)					10,184			
Transportation	15-100-034-5120-068	11,475	7/1/14 - 6/30/15			7,517					(7,517)						
Home Instruction	16-100-034-5120-067	7,028	7/1/15 - 6/30/16						(7,028)			(7,028)					
Home Instruction	15-100-034-5120-067	2,869	7/1/14 - 6/30/15	(2,867)				2,867									
<u>Handicapped Services:</u>																	
Examination & Classification	16-100-034-5120-066	62,881	7/1/15 - 6/30/16					62,881	(43,966)					18,915			
Examination & Classification	15-100-034-5120-066	49,347	7/1/14 - 6/30/15			8,280					(8,280)						
Corrective Speech	16-100-034-5120-066	56,017	7/1/15 - 6/30/16					56,017	(34,945)					21,072			
Corrective Speech	15-100-034-5120-066	54,777	7/1/14 - 6/30/15			12,458					(12,458)						
Supplemental Instruction	16-100-034-5120-066	42,921	7/1/15 - 6/30/16					42,921	(30,591)					12,330			
Supplemental Instruction	15-100-034-5120-066	42,532	7/1/14 - 6/30/15			7,927					(7,927)						
Total Special Revenue Fund				(2,867)	-	90,961	-	392,566	(315,660)	-	(90,961)	(7,028)	-	81,067			

(Continued)

HADDONFIELD SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2016

State Grantor / Program Title	Grant or State Project Number	Program Award Amount	Grant Period	June 30, 2015			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years' Balances	June 30, 2016		
				Accounts Receivable	Deferred Revenue	Due to Grantor at						(Accounts Receivable)	Deferred Revenue	Due to Grantor at
New Jersey Economic Development Authority														
Capital Projects Fund														
Central Elementary School	SP#1900-060-10-1005	56,500	7/01/12 - 6/30/13	(56,500)								(56,500)		
Memorial High School	SP#1900-050-10-1004	110,600	3/21/11 - 6/30/12	(110,600)								(110,600)		
Elizabeth Haddon School	SP#1900-080-10-1007	84,580	7/01/11 - 6/30/12	(84,580)								(84,580)		
Total Capital Projects Fund				(251,680)								(251,680)		
State Department of Agriculture														
Enterprise Fund:														
State School Lunch Program	16-100-010-3350-023	1,747	7/1/15 - 6/30/16				1,646	(1,747)				(101)		
State School Lunch Program	15-100-010-3350-023	1,571	7/1/14 - 6/30/15	(316)			316							
Total Enterprise Fund				(316)			1,962	(1,747)				(101)		
Total State Financial Assistance				\$ (558,349)	\$ -	\$ 90,961	\$ -	\$ 5,494,290	\$ (5,414,020)	\$ -	\$ (90,961)	\$ (559,146)	\$ -	\$ 81,067
Less: State Financial Assistance Not Subject to Major Program Determination														
On-Behalf TPAF Contribution - Pension (Non-Budgeted) (1,263,200)														
On-Behalf TPAF Contribution - Post-Retirement Medical (Non-Budgeted) (1,504,121)														
Total State Financial Assistance Subject to Major Program Determination \$ (2,646,699)														

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

**Haddonfield School District
Notes to the Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2016**

I. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Board of Education, Borough of Haddonfield School District. The Board of Education is defined in Note 1 to the School District's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance.

2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is (\$10,177) for the general fund and \$-0- for the special revenue fund. See Exhibit C-3, Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Expenditures from awards and financial assistance revenues are reported in the School District's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 5,086,436	\$ 5,086,436
Special Revenue Fund	775,804	315,660	1,091,464
Food Service Fund	<u>32,849</u>	<u>1,747</u>	<u>34,596</u>
Total Awards & Financial Assistance	<u>\$ 808,653</u>	<u>\$ 5,403,843</u>	<u>\$ 6,212,496</u>

**Haddonfield School District
Notes to the Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2016
(Continued)**

4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2016. TPAF Social Security Contributions represents the amount reimbursed by the State for the School District's share of social security contributions for TPAF members for the year ended June 30, 2016.

6. MAJOR PROGRAMS

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

7. ADJUSTMENTS

Amounts reported in the column entitled "Adjustments" represent the following:

	<u>Federal</u>
Cancelation of Accounts Receivable	<u>\$ 4,732</u>
Total	<u><u>\$ 4,732</u></u>

**HADDONFIELD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Section I --Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- 1) Material weaknesses identified? yes X no
- 2) Significant deficiencies identified that are not considered to be a material weakness? yes X none reported

Noncompliance material to basic financial statements noted? X yes no

Federal Awards

Internal Control over major programs:

- 1) Material weakness(es) identified? yes X no
- 2) Significant deficiencies identified that are not considered to be a material weakness? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516 of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)? yes X no

Identification of major programs :

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027</u>	<u>H027A150100</u>	<u>IDEA Part B Basic</u>
<u>84.713</u>	<u>H0173A150114</u>	<u>IDEA Part B Preschool</u>
<u>10.555</u>	<u>16161NJ304N1099</u>	<u>National School Lunch Program</u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>

Dollar threshold used to distinguish between type A and type B programs: \$75,000

Auditee qualified as low-risk auditee? X yes no

HADDONFIELD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

State Awards Section

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X yes no

Internal Control over major programs:

1) Material weakness(es) identified? yes X no

2) Significant deficiencies identified that are not considered to be material weakness? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 15-08 as applicable? yes X no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
<u>16-495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>16-495-034-5094-003</u>	<u>Reimbursed TPAF Social Security Contributions</u>
<u>16-100-010-3350-023</u>	<u>School Lunch Program</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
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**HADDONFIELD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Section 2 -- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements in accordance with Government Auditing Standards.

Finding #2016-001

Criteria or specific requirement:

N.J.A.C. 6A:23-16.12 and good internal control require supporting documentation for cash all receipt and disbursements.

Condition:

Community Education/Adult School cash receipts supporting documentation was not maintained and approvals were lacking for payment of instructors.

Context:

Community Education/Adult School receipts tested did not have supporting documentation and no approvals were available for instructors salaries.

Effect:

The District did not comply with N.J.A.C. 6A:23-16.12.

Cause:

Unknown.

Recommendation:

That supporting documentation is maintained for all Community Education/Adult School receipts and expenditures.

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.

**HADDONFIELD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Section 2 -- Schedule of Financial Statement Findings (Continued)

Finding #2016-002

Criteria or specific requirement:

The internal Revenue Service requires that all employee compensation is included in gross payroll.

Condition:

One employee was paid a stipend from the Middle School Activity Fund.

Context:

The Middle School Student Activity Fund paid a stipend of \$1,289.

Effect:

The District did not comply with Internal Revenue Service regulations.

Cause:

Unknown.

Recommendation:

That all employee compensation is included in gross payroll.

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.

**HADDONFIELD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Section 3 -- Schedule of Federal Awards and State Financial Assistance
Findings and Questioned Costs**

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award* and NJOMB Circular Letter 15-08, as applicable.

FEDERAL AWARDS:

No findings and/or questioned costs identified.

STATE AWARDS:

No findings and/or questioned costs identified.

**HADDONFIELD SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT**

This section identifies the status of prior year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, USOMB *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and NJOMB's Circular 14-04 and/or 15-08, as applicable.

FINANCIAL STATEMENT FINDINGS

There were no prior year audit findings

FEDERAL AWARDS

There were no prior year audit findings.

STATE AWARDS

There were no prior year audit findings.