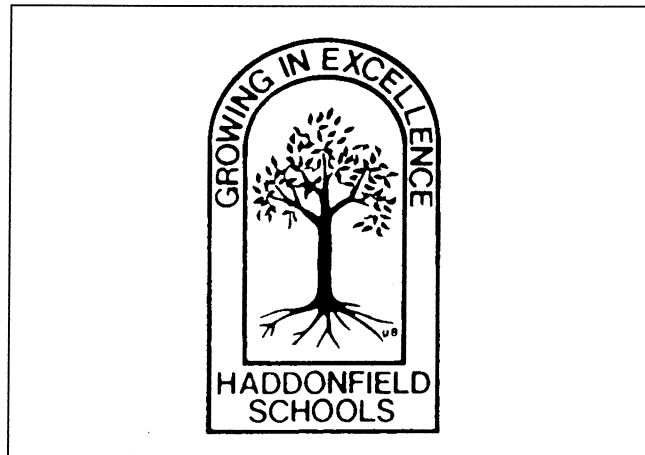


SCHOOL DISTRICT  
OF  
**HADDONFIELD**



Haddonfield Board of Education  
Haddonfield, New Jersey

Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2017

**Comprehensive Annual  
Financial Report**

**of the**

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

**For the Fiscal Year Ended June 30, 2017**

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

# HADDONFIELD SCHOOL DISTRICT

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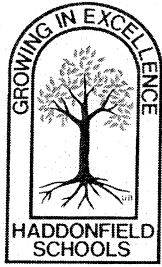
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## **Introductory Section**



## 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*

October 12, 2017

Mr. Adam Sangillo and  
Members of the Board of Education  
One Lincoln Avenue  
Haddonfield, NJ 08033

Dear Mr. Sangillo and Board of Education Members:

The Comprehensive Annual Financial Report (CAFR) of the Haddonfield School District for the fiscal year ended June 30, 2017, 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 2016-2017 fiscal year with an average daily enrollment of 2,690 students, which is an increase of 29 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>
2016-17	2,690	1.1 %
2015-16	2,661	2.0 %
2014-15	2,609	1.4 %
2013-14	2,573	1.0 %
2012-13	2,547	1.8 %
2011-12	2,503	1.5 %
2010-11	2,465	0.6 %
2009-10	2,451	1.7 %
2008-09	2,410	1.1 %
2007-08	2,385	(0.9) %

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 many 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 Memorial High School.

- 95% percentage of Haddonfield Memorial High School Class of 2017 took SATs.
- Class of 2017 had a mean score of 1729 – Math 588, Writing 567, and Reading 574
- Class of 2017 had 96% graduating seniors continue their education in college
- Class of 2017 attending four year college or university 92%

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

- *South Jersey Magazine's* September 2017 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.

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 teacher and principal evaluation programs along with Achieve New Jersey state mandated programs. 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. 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, 2017.

**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,

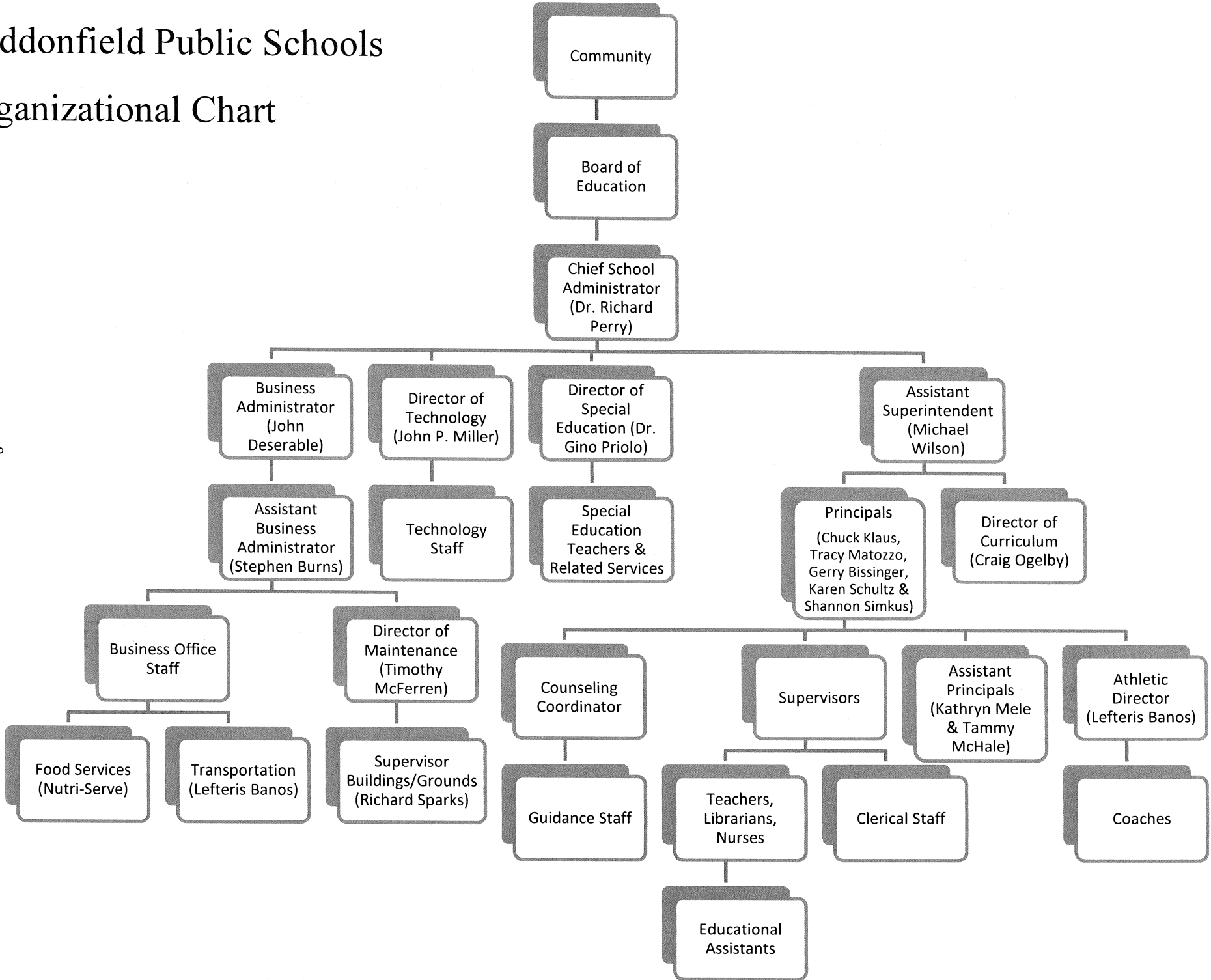
  
John J. Deserable  
Interim Business Administrator/Board Secretary

  
Richard P. Perry, Ed.D.  
Superintendent



# Haddonfield Public Schools

## Organizational Chart



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

**ROSTER OF OFFICIALS  
JUNE 30, 2017**

	<b><u>Term Expires</u></b>
Adam Sangillo, President	2018
Susan Kutner, Vice-President	2018
Maureen Eyles	2017
Mary Fagan	2019
Robert Little	2017
Glenn Moramarco	2017
Heather Paoli	2017
Matt Ritter	2019
David Siedell	2019

**Other Officials**

Richard P. Perry, Ed. D., Superintendent  
Michael Wilson, Assistant Superintendent  
John J. Deserable, 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**

Capehart & Scatchard, P.A.  
8000 Midlantic Drive  
Suite 300  
Mount Laurel, NJ 08054

**Architect**

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

**Official Depository**

Republic Bank  
30 Kings Highway East  
Haddonfield, NJ 08033

**Financial Section**

**INVERSO & STEWART, LLC**  
Certified Public Accountants

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New Jersey Society of CPAs

**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, 2017, 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, 2017, and the respective changes in financial position and where applicable, cash flows thereof for the fiscal 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, schedule of the School District's proportionate share of the net pension liability, and schedule of the School District's contributions, 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 introductory section, combining statements and related major fund supporting statements and schedules, statistical section, and schedule of expenditures of federal awards are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey and are not a required part of the basic financial statements. The accompanying schedules of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost principles, and Audit Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and State of New Jersey Circular 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and 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 accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections listed in the table of contents 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 October 12, 2017 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, 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 No. CS001095

Marlton, New Jersey  
October 12, 2017

***INVERSO & STEWART, LLC***  
**Certified Public Accountants**

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 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, the standards applicable to financial statement 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 fiscal year ended June 30, 2017, 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 October 12, 2017.

***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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 is 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 is 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: 2017-001 and 2017-002.

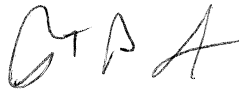
***The Haddonfield School District's Response to Findings***

The Haddonfield School District's response to the findings identified in my audit is 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, and federal and state awarding agencies and pass-through entities, 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 No. CS001095

Marlton, New Jersey  
October 12, 2017

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, 2017**

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, 2017. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

**Financial Highlights**

- The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by \$5,485,494 (*net position*).
- Governmental activities have an unrestricted net position deficit of \$8,853,533. 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 \$2,047,906, or a 27.18% decrease from the prior fiscal year-end balance. The majority of this decrease is attributable to the increase in long term debt and depreciation expense.
- Fund balance of the School District's governmental funds increased by \$34,251,395 resulting in an ending fund balance of \$37,670,053. This increase is largely due to the results of operations in the general fund and proceeds of bonds.
- Business-type activities have unrestricted net position of \$69,774, 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 increased by \$36,642,691 which is the result of an increase in serial bonds and net pension liability and a decrease in 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 2017. 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 2017.

The assets of the primary government activities exceeded liabilities by \$5,402,256 with an unrestricted deficit balance of \$8,853,533. The net position of the primary government does not include internal balances.

A net investment of a deficit of \$22,807,300 in land, improvements, buildings, equipment and vehicles which provide the services to the School District's 2,690 public school students, represents (422.18%) of the School District's net position. Net position of \$35,398,343 has been restricted to provide resources for future capital expansion and renovation projects, \$401,000 for maintenance projects, \$1,008,679 has been restricted for budget appropriation and \$255,067 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, 2017 and 2016**

	Governmental Activities		Business-Type Activities		District-Wide	
	2017	2016	2017	2016	2017	2016
Assets:						
Current assets	\$ 38,027,834	\$ 5,111,698	\$ 105,536	\$ 97,697	\$ 38,133,370	\$ 5,209,395
Capital assets	<u>24,956,186</u>	<u>26,010,702</u>	<u>13,464</u>	<u>31,236</u>	<u>24,969,650</u>	<u>26,041,938</u>
Total assets	<u>62,984,020</u>	<u>31,122,400</u>	<u>119,000</u>	<u>128,933</u>	<u>63,103,020</u>	<u>31,251,333</u>
Deferred Outflows of Resources	<u>3,228,922</u>	<u>1,257,664</u>			<u>3,228,922</u>	<u>1,257,664</u>
Liabilities:						
Current Liabilities	2,733,334	3,228,113	35,762	25,117	2,769,096	3,253,230
Noncurrent Liabilities	<u>57,599,153</u>	<u>20,991,462</u>			<u>57,599,153</u>	<u>20,991,462</u>
Total liabilities	<u>60,332,487</u>	<u>24,219,575</u>	<u>35,762</u>	<u>25,117</u>	<u>60,368,249</u>	<u>24,244,692</u>
Deferred Inflows of Resources	<u>478,199</u>	<u>730,905</u>			<u>478,199</u>	<u>730,905</u>
Net position	<u>\$ 5,402,256</u>	<u>\$ 7,429,584</u>	<u>\$ 83,238</u>	<u>\$ 103,816</u>	<u>\$ 5,485,494</u>	<u>\$ 7,533,400</u>
Net position consists of:						
Net investment in						
Capital assets	(22,807,300)	12,153,719	13,464	31,236	(22,793,836)	\$ 12,184,955
Restricted net position	37,063,089	2,768,211			37,063,089	2,768,211
Unrestricted net position	<u>(8,853,533)</u>	<u>(7,492,346)</u>	<u>69,774</u>	<u>72,580</u>	<u>(8,738,759)</u>	<u>(7,419,766)</u>
Net position	<u>\$ 5,402,256</u>	<u>\$ 7,429,584</u>	<u>\$ 83,238</u>	<u>\$ 103,816</u>	<u>\$ 5,485,494</u>	<u>\$ 7,533,400</u>

**Haddonfield School District**  
**Comparative Schedule of Changes in Net Position**  
**As of and for the Fiscal Year Ended June 30, 2017 and 2016**

	Governmental Activities		Business-Type Activities		District-Wide	
	2017	2016	2017	2016	2017	2016
<b>Revenues:</b>						
<b>Program Revenues</b>						
Charges for services	\$	\$	\$ 662,826	\$ 603,034	\$ 662,826	\$ 603,034
Operating grants and Contributions	5,501,059	5,081,523	36,199	34,596	5,537,258	5,116,119
<b>General Revenues:</b>						
Property Taxes	35,497,016	34,497,518			35,497,016	34,497,518
Unrestricted State Aid	1,173,632	1,158,069			1,173,632	1,158,069
Tuition	290,603	511,500			290,603	511,500
Other Revenues	323,597	498,327	339	1,154	323,936	499,481
<b>Total Revenues</b>	<b>42,785,907</b>	<b>41,746,937</b>	<b>699,364</b>	<b>638,784</b>	<b>43,485,271</b>	<b>42,385,721</b>
<b>Expenses:</b>						
<b>Governmental Activities:</b>						
Instruction	17,882,877	18,851,316			17,882,877	18,851,316
Tuition	670,140	1,025,530			670,140	1,025,530
Related Services	4,309,090	3,675,280			4,309,090	3,675,280
Administrative Services	2,386,621	2,303,495			2,386,621	2,303,495
Central Services	808,912	629,009			808,912	629,009
Operations and Maintenance	6,182,702	5,236,457			6,182,702	5,236,457
Transportation	509,109	498,304			509,109	498,304
Special Schools	131,437	115,363			131,437	115,363
Employee benefits	10,953,773	9,510,343			10,953,773	9,510,343
Interest on long-term Debt	925,848	459,659			925,848	459,659
Other	52,726	56,188			52,726	56,188
<b>Business-Type Activities:</b>						
Food Service Operations			609,298	592,657	609,298	592,657
Community Education			110,644	134,587	110,644	134,587
<b>Total Expenses</b>	<b>44,813,235</b>	<b>42,360,944</b>	<b>719,942</b>	<b>727,244</b>	<b>45,553,177</b>	<b>43,088,188</b>
<b>Increase in net position</b>						
Before transfers	(2,027,328)	(614,007)	(20,578)	(88,460)	(2,047,906)	(702,467)
Cancelled						
<b>Changes in net position</b>	<b>(2,027,328)</b>	<b>(614,007)</b>	<b>(20,578)</b>	<b>(88,460)</b>	<b>(2,047,906)</b>	<b>(702,467)</b>
Net position, July 1,	7,429,584	8,043,591	103,816	192,276	7,533,400	8,235,867
<b>Net position, June 30,</b>	<b>\$ 5,402,256</b>	<b>\$ 7,429,584</b>	<b>\$ 83,238</b>	<b>\$ 103,816</b>	<b>\$ 5,485,494</b>	<b>\$ 7,533,400</b>

## **Governmental Activities**

Governmental activities decreased the net position of the School District by \$2,027,328 during the current fiscal year. Key elements of the decrease in net position for governmental activities are as follows:

- Increase of the net pension liability reduced the net position of the School District by \$885,002 during the current fiscal year.
- Depreciation expense reduced net position by \$1,054,516.

## **Business-type Activities**

Business-type activities decreased the School District's net position by \$20,578. Key elements of the decrease in net position for governmental activities are as follows:

- The Food Service Fund had a net loss of \$13,729 and the Community Education Program had a net loss of \$6,849.

## **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 \$37,670,053, an increase of \$34,251,395 in comparison with the prior year. This increase 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 \$606,964 and \$70,133 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 \$35,398,343, 2) as restricted for future maintenance projects of \$401,000, 3) \$765,078 appropriated as a revenue source for subsequent year's budgets, and 4) \$428,535 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 \$679,131 while total fund balance (budgetary basis) was \$4,982,151. 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 \$38,317,790. Unreserved fund balance (budgetary basis) represents 1.77% of expenditures while total fund balance (budgetary basis) represents 13.00% 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, 2017, totaled \$24,969,650 (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 \$1,072,288 or a 4.12% decrease. The decrease is due to depreciation expense.

#### Capital Asset (net of accumulated depreciation) June 30, 2017 and 2016

	Governmental Activities		Business-Type Activities		District-Wide	
	2017	2016	2017	2016	2017	2016
Land	\$ 1,898,592	\$ 1,898,592	\$ -	\$ -	\$ 1,898,592	\$ 1,898,592
Construction in Progress						
Buildings and Building Improvements	22,866,989	23,753,410			22,866,989	23,753,410
Equipment	190,605	358,700	13,464	31,236	204,069	389,936
<b>Total</b>	<b>\$ 24,956,186</b>	<b>\$ 26,010,702</b>	<b>\$ 13,464</b>	<b>\$ 31,236</b>	<b>\$ 24,969,650</b>	<b>\$ 26,041,938</b>

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, 2017, the School District had \$47,763,486 in serial bonds payable, \$1,131,575 in compensated absences and \$10,083,589 in pension liability.

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 \$88,516,977. The available amount as of June 30, 2017 is \$41,025,977.

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 2017-18 fiscal year.

- For the 2017-18 fiscal year the School District will not be receiving An increase in state aid. The local tax levy in the General Fund increased by \$864,728 or 2.56%. Salaries continue to increase contractually; however, the District has managed to control costs. The 2017-18 General Fund Budget is \$443,585 more than the previous year or a 1.23% increase.
- The tax rate increased from \$1.584 in 2016 to \$1.641 in 2017.

### **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, 2017**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 34,494,751	\$ 79,679	\$ 34,574,430
Receivables, net	653,517	3,843	657,360
Internal balances	(13,775)	13,775	-
Inventory		8,239	8,239
Restricted assets:			
Capital reserve account - cash	2,893,341		2,893,341
Capital assets, net (Note 5)	24,956,186	13,464	24,969,650
Total assets	<u>62,984,020</u>	<u>119,000</u>	<u>63,103,020</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred outflows of resources from pensions	<u>3,228,922</u>		<u>3,228,922</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:</b>	<u>66,212,942</u>	<u>119,000</u>	<u>66,331,942</u>
<b>LIABILITIES:</b>			
Accounts payable			
Related to pensions	303,173		303,173
Other	217,366	1,179	218,545
Payable to state government	80,505		80,505
Unearned revenue	59,910	34,583	94,493
Accrued interest	692,883		692,883
Noncurrent liabilities:			
Due within one year	1,379,497		1,379,497
Due beyond one year	57,599,153		57,599,153
Total liabilities	<u>60,332,487</u>	<u>35,762</u>	<u>60,368,249</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred Inflows of resources from pensions	<u>478,199</u>		<u>478,199</u>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:</b>	<u>60,810,686</u>	<u>35,762</u>	<u>60,846,448</u>
<b>NET POSITION:</b>			
Net investment in capital assets	(22,807,300)	13,464	(22,793,836)
Restricted for:			
Debt Service Fund	255,067		255,067
Capital Projects	35,398,343		35,398,343
Other Purposes	1,409,679		1,409,679
Unrestricted	<u>(8,853,533)</u>	<u>69,774</u>	<u>(8,783,759)</u>
Total net position	<u>\$ 5,402,256</u>	<u>\$ 83,238</u>	<u>\$ 5,485,494</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, 2017

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	\$ 13,213,069	\$ -	\$ 460,426	\$ (12,752,643)	\$ -	\$ (12,752,643)
Special education	3,663,913		507,873	(3,156,040)		(3,156,040)
Other instruction	1,005,895			(1,005,895)		(1,005,895)
Support Services:						
Tuition	670,140			(670,140)		(670,140)
Student & instruction related services	4,309,090		171,505	(4,137,585)		(4,137,585)
General administrative services	843,301			(843,301)		(843,301)
School administrative services	1,543,320			(1,543,320)		(1,543,320)
Central services	808,912			(808,912)		(808,912)
Plant operations and maintenance	6,182,702			(6,182,702)		(6,182,702)
Pupil transportation	509,109			(509,109)		(509,109)
Special schools	131,437			(131,437)		(131,437)
Unallocated employee benefits	10,953,773		4,361,255	(6,592,518)		(6,592,518)
Interest on long-term debt	925,848			(925,848)		(925,848)
Unallocated depreciation and amortization	52,726			(52,726)		(52,726)
Total governmental activities	<u>44,813,235</u>		<u>5,501,059</u>	<u>(39,312,176)</u>		<u>(39,312,176)</u>
Business-type activities:						
Community education	110,644	103,672			(6,972)	(6,972)
Food service	609,298	559,154	36,199		(13,945)	(13,945)
Total business-type activities	<u>719,942</u>	<u>662,826</u>	<u>36,199</u>		<u>(20,917)</u>	<u>(20,917)</u>
Total primary government	<u>\$ 45,533,177</u>	<u>\$ 662,826</u>	<u>\$ 5,537,258</u>	<u>\$ (39,312,176)</u>	<u>\$ (20,917)</u>	<u>\$ (39,333,093)</u>
General revenues:						
Taxes:						
				33,729,632		33,729,632
				1,767,384		1,767,384
				1,173,632		1,173,632
				290,603		290,603
				3,350	339	3,689
				320,247		320,247
				<u>37,284,848</u>	<u>339</u>	<u>37,285,187</u>
				(2,027,328)	(20,578)	(2,047,906)
				<u>7,429,584</u>	<u>103,816</u>	<u>7,533,400</u>
				<u>\$ 5,402,256</u>	<u>\$ 83,238</u>	<u>\$ 5,485,494</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, 2017**

<b>ASSETS</b>	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Assets:					
Cash and cash equivalents	\$ 1,740,267	\$ 316,228	\$ 32,253,322	\$ 184,934	\$ 34,494,751
Receivables, net	297,280	58,425	251,680		607,385
Interfund receivables, net	339,414		70,133	70,133	479,680
Restricted cash and cash equivalents	<u>2,893,341</u>				<u>2,893,341</u>
<b>Total assets</b>	<u><b>\$ 5,270,302</b></u>	<u><b>\$ 374,653</b></u>	<u><b>\$ 32,575,135</b></u>	<u><b>\$ 255,067</b></u>	<u><b>\$ 38,475,157</b></u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	216,500	866			217,366
Loan payable					-
Interfund payable	83,908	293,282	70,133		447,323
Intergovernmental payable:					
State		80,505			80,505
Unearned revenues	<u>59,910</u>				<u>59,910</u>
<b>Total liabilities</b>	<u><b>360,318</b></u>	<u><b>374,653</b></u>	<u><b>70,133</b></u>	<u><b>-</b></u>	<u><b>805,104</b></u>
Fund Balances:					
Restricted for:					
Excess surplus	428,535				428,535
Capital reserve account	2,893,341				2,893,341
Maintenance reserve account	401,000				401,000
Excess surplus designated for subsequent year's expenditures	464,848				464,848
Assigned to:					
Reserve for Encumbrances	27,572				27,572
Unreserved - designated for subsequent year's expenditures	87,724			184,934	272,658
Unassigned	<u>606,964</u>		<u>32,505,002</u>	<u>70,133</u>	<u>33,182,099</u>
<b>Total fund balances</b>	<u><b>4,909,984</b></u>		<u><b>32,505,002</b></u>	<u><b>255,067</b></u>	<u><b>37,670,053</b></u>
<b>Total liabilities and fund balances</b>	<u><b>\$ 5,270,302</b></u>	<u><b>\$ 374,653</b></u>	<u><b>\$ 32,575,135</b></u>	<u><b>\$ 255,067</b></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 \$22,075,551. 24,956,186

Accrued interest is not due and payable in the current period and therefore is not reported as a liability in the funds. (692,883)

Accounts payable related to the April 1, 2018 required PERS contribution that is not to be liquidated with current financial resources. (303,173)

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	3,228,922	
Net Pension Liability	(10,083,589)	
Deferred Inflows of resources from Pensions	<u>(478,199)</u>	(7,332,866)

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	(47,763,486)	
Compensated Absences Payable	<u>(1,131,575)</u>	<u>(48,895,061)</u>

Net position of governmental activities 5,402,256

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, 2017**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 33,729,632	\$ -	\$ -	\$ 1,767,384	\$ 35,497,016
Tuition charges	290,603				290,603
Transportation charges	1,594				1,594
Capital reserve interest	3,350				3,350
Miscellaneous	248,520		70,133		318,653
<b>Total revenues-local sources</b>	<b>34,273,699</b>	<b>-</b>	<b>70,133</b>	<b>1,767,384</b>	<b>36,111,216</b>
Local sources		10,670			10,670
State sources	5,534,887	342,340			5,877,227
Federal sources		786,794			786,794
<b>Total revenues</b>	<b>39,808,586</b>	<b>1,139,804</b>	<b>70,133</b>	<b>1,767,384</b>	<b>42,785,907</b>
<b>EXPENDITURES:</b>					
Current expense:					
Regular instruction	12,084,087	460,426			12,544,513
Special education instruction	3,156,040	507,873			3,663,913
Other instruction	1,005,895				1,005,895
Support services and undistributed costs:					
Tuition	670,140				670,140
Student & instruction related services	4,137,585	171,505			4,309,090
General administrative services	737,849				737,849
School administrative services	1,543,320				1,543,320
Central services	808,912				808,912
Plant operations and maintenance	3,303,168				3,303,168
Pupil transportation	509,109				509,109
Unallocated employee benefits	10,068,771				10,068,771
Special schools	131,437				131,437
Capital outlay	161,477		2,559,880		2,721,357
Debt service:					
Principal				1,290,000	1,290,000
Interest and other charges				478,038	478,038
<b>Total expenditures</b>	<b>38,317,790</b>	<b>1,139,804</b>	<b>2,559,880</b>	<b>1,768,038</b>	<b>43,785,512</b>
Excess (deficiency) of revenues over (under) expenditures	1,490,796	-	(2,489,747)	(654)	(999,605)
Other Financing Sources (Uses):					
Proceeds of Bonds			35,251,000		35,251,000
Operating transfer out			(70,133)		(70,133)
Operating transfer in				70,133	70,133
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>35,180,867</b>	<b>70,133</b>	<b>35,251,000</b>
Net change in fund balance	1,490,796	-	32,691,120	69,479	34,251,395
Fund balances, July 1	3,419,188		(186,118)	185,588	3,418,658
<b>Fund balances, June 30</b>	<b>\$ 4,909,984</b>	<b>\$ -</b>	<b>\$ 32,505,002</b>	<b>\$ 255,067</b>	<b>\$ 37,670,053</b>

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, 2017**

Total net change in fund balances - governmental funds (from B-2) \$ 34,251,395

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

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.

Depreciation expense	\$ (1,054,516)	
Capital outlay	<u>-</u>	(1,054,516)

The proceeds of a bond issue is an other financing source of revenue in the governmental funds but is not reported in the statement of activities. (35,251,000)

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. 1,290,000

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

Net differences between pension system contributions recognized in the fund statement of revenues, expenditures and changes in fund balances and the statement of activities. (885,002)

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. (502,307)

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>69,605</u>
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Change in net position of governmental activities \$ (2,027,328)

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, 2017**

	<b>Business-type Activities Enterprise Funds</b>		<b>Total</b>
	<u>Food Service Program</u>	<u>Community Education</u>	
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$ 26,891	\$ 52,788	\$ 79,679
Accounts receivable	3,843		3,843
Interfund receivable	13,775		13,775
Inventories	8,239		8,239
Total current assets	<u>52,748</u>	<u>52,788</u>	<u>105,536</u>
Noncurrent assets:			
Equipment	382,016		382,016
Less accumulated depreciation	<u>(368,552)</u>		<u>(368,552)</u>
Total noncurrent assets	<u>13,464</u>	<u>-</u>	<u>13,464</u>
Total assets	<u>\$ 66,212</u>	<u>\$ 52,788</u>	<u>\$ 119,000</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts Payable	\$ 1,179	\$ -	\$ 1,179
Unearned Revenue	<u>32,270</u>	<u>2,313</u>	<u>34,583</u>
Total liabilities	<u>33,449</u>	<u>2,313</u>	<u>35,762</u>
<b>NET POSITION</b>			
Net investment in capital assets related debt	13,464		13,464
Unrestricted	<u>19,299</u>	<u>50,475</u>	<u>69,774</u>
Total net position	<u>\$ 32,763</u>	<u>\$ 50,475</u>	<u>\$ 83,238</u>

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, 2017**

	<b>Business-type Activities</b>		<b>Total</b>
	<b>Enterprise Funds</b>		
	<u>Food Service Program</u>	<u>Community Education</u>	
<b>Operating revenues:</b>			
Charges for services:			
Daily sales-reimbursable programs	\$ 198,943	\$ -	\$ 198,943
Daily sales-non-reimbursable programs	360,211		360,211
Program fees		103,672	103,672
Total operating revenue	<u>559,154</u>	<u>103,672</u>	<u>662,826</u>
<b>Operating expenses:</b>			
Salaries	232,114	93,099	325,213
Employee Benefits	13,773		13,773
Supplies and materials	24,060		24,060
Depreciation	17,772		17,772
Management Fee	35,382		35,382
Direct expenses	15,504	17,545	33,049
Cost of sales - reimbursable programs	117,182		117,182
Cost of sales - nonreimbursable programs	153,357		153,357
Other costs	154		154
Total operating expenses	<u>609,298</u>	<u>110,644</u>	<u>719,942</u>
Operating income (loss)	<u>(50,144)</u>	<u>(6,972)</u>	<u>(57,116)</u>
<b>Nonoperating revenues (expenses):</b>			
State sources:			
State school lunch program	1,713		1,713
Federal sources:			
National school lunch program	19,254		19,254
U.S.D.A. commodities	15,232		15,232
Local sources:			
Interest revenue	216	123	339
Total nonoperating revenues (expenses)	<u>36,415</u>	<u>123</u>	<u>36,538</u>
Net income (loss) before contributions and transfers	<u>(13,729)</u>	<u>(6,849)</u>	<u>(20,578)</u>
Change in net position	<u>(13,729)</u>	<u>(6,849)</u>	<u>(20,578)</u>
Total net position- July 1	<u>46,492</u>	<u>57,324</u>	<u>103,816</u>
Total net position- June 30	<u>\$ 32,763</u>	<u>\$ 50,475</u>	<u>\$ 83,238</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, 2017**

	<b>Business-type Activities</b>		
	<b>Enterprise Funds</b>		
	<u>Food Service Program</u>	<u>Community Education</u>	<u>Total</u>
<b>Cash flows from operating activities:</b>			
Receipts from customers	\$ 567,644	\$ 105,985	\$ 673,629
Payments to employees	(244,766)	(93,099)	(337,865)
Payments to suppliers	(332,224)	(17,545)	(349,769)
Net cash used for operating activities	<u>(9,346)</u>	<u>(4,659)</u>	<u>(14,005)</u>
<b>Cash flows from noncapital financing activities:</b>			
State sources	794		794
Federal sources	8,556		8,556
Net cash provided by non-capital financing activities	<u>9,350</u>		<u>9,350</u>
<b>Cash flows from capital activities:</b>			
Purchases of fixed assets			
<b>Cash flows from investing activities:</b>			
Interest and dividends	216	123	339
Net cash provided by investing activities	<u>216</u>	<u>123</u>	<u>339</u>
Net increase in cash and cash equivalents	220	(4,536)	(4,316)
Balances - beginning of year	<u>26,671</u>	<u>57,324</u>	<u>83,995</u>
Balances - end of year	<u>\$ 26,891</u>	<u>\$ 52,788</u>	<u>\$ 79,679</u>
Reconciliation of operating loss to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (50,144)	\$ (6,972)	\$ (57,116)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	17,772		17,772
Federal commodities	15,232		15,232
(Increase) decrease in inventories	(1,874)		(1,874)
(Increase) decrease in accounts receivable	1,336		1,336
Increase (decrease) in accounts payable	1,179		1,179
Increase (decrease) in unearned revenue	7,153	2,313	9,466
Total adjustments	<u>40,798</u>	<u>2,313</u>	<u>43,111</u>
Net cash provided by (used for) operating activities	<u>\$ (9,346)</u>	<u>\$ (4,659)</u>	<u>\$ (14,005)</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, 2017**

	<u>Flexible Benefits Account</u>	<u>Unemployment Compensation Insurance Trust</u>	<u>Agency Fund</u>
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 22,213	\$ 387,705	\$ 783,345
Interfund receivable			
Total assets	<u>\$ 22,213</u>	<u>\$ 387,705</u>	<u>\$ 783,345</u>
<b>LIABILITIES:</b>			
Accounts payable	\$ -	\$ 6,991	\$ -
Payroll deductions and withholdings			327,602
Interfund payable			46,132
Due to student groups			409,611
Total liabilities	<u>\$ -</u>	<u>\$ 6,991</u>	<u>\$ 783,345</u>
<b>NET POSITION:</b>			
Held in trust for flexible benefits	<u>\$ 22,213</u>		
Held in trust for unemployment claims and other purposes		<u>\$ 380,714</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, 2017**

	Flexible Benefits Account	Unemployment Compensation Insurance Trust
<b>ADDITIONS:</b>		
Contributions:		
Board contributions	\$ -	\$ -
Employee contributions	63,442	27,990
Total Contributions	63,442	27,990
Investment earnings:		
Interest	104	936
Net investment earnings	104	936
Total additions	63,546	28,926
<b>DEDUCTIONS:</b>		
Due to General Fund		
Unemployment claims		34,253
Flex benefit payments	121,542	
Total deductions	121,542	34,253
Change in net position	(57,996)	(5,327)
Net position - July 1	80,209	386,041
Net position - June 30	\$ 22,213	\$ 380,714

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, 2017**

**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, 2017 of 2,690 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. GASB Statement No. 80, *Blending Requirements for Certain Component Units* - an Amendment of GASB Statement No. 14 amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criteria requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. 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.



**Haddonfield School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Government-wide Statements (Continued)** - 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.

**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.

**Haddonfield School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

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.

**Haddonfield School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fund Financial Statements (Continued)** - 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.

**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.

**Haddonfield School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Budgets/Budgetary Control (Continued)** - 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.

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. 17:9-41et 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.

**Haddonfield School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Cash, Cash Equivalents and Investments (Continued)** - 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, 2017 and 2016 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

**Inventories** - Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out 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, 2017.

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, 2017**

**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, 2017**

**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, 2017.

**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, 2017**

**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 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 30, 2017. 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.

In November 2016, the GASB issued Statement 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements.

In January 2017, the GASB issued Statement 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.



**Haddonfield School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Recently Issued Accounting Pronouncements (Continued)** The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements.

In March 2017, the GASB issued Statement 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The requirements of this Statement are effective for reporting 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.

In May 2017, the GASB issued Statement 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting 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.

In June 2017, the GASB issued Statement 87, *Leases*. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. 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 \$39,660,211 as of June 30, 2017, \$268,535 was insured under FDIC and the remaining balance of \$39,391,676 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.

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.

**Haddonfield School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

**3. CAPITAL RESERVE ACCOUNT (Continued)**

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, 2016 to June 30, 2017 fiscal year is as follows:

Balance – July 1, 2016	\$	1,339,992
Increased by:		
Transfer by Board Resolution	\$	1,550,000
Interest Earned		<u>3,349</u>
		<u>1,553,349</u>
		2,893,341
Decreased by:		
Budgeted Withdrawal		<u>                    </u>
Balance – June 30, 2017	\$	<u>2,893,341</u>

The June 30, 2017 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, 2017 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, 2017 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	\$ 277,893	\$ 251,680	\$ 4,037	\$ 109	\$ 533,719
Federal Aid			43,719	1,253	44,972
Other	<u>19,387</u>	<u>                    </u>	<u>10,669</u>	<u>2,481</u>	<u>32,537</u>
Total Accounts Receivable	<u>\$ 297,280</u>	<u>\$ 251,680</u>	<u>\$ 58,425</u>	<u>\$ 3,843</u>	<u>\$ 611,228</u>

**Haddonfield School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

**5. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2017, was as follows:

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2017</u>
<b>Governmental Activities:</b>				
<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	<u>4,463,979</u>			<u>4,463,979</u>
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	(658,520)	(55,624)		(714,144)
Building and Building Improvements	(16,257,236)	(830,797)		(17,088,033)
Equipment	<u>(4,105,279)</u>	<u>(168,095)</u>		<u>(4,273,374)</u>
Totals accumulated depreciation	<u>(21,021,035)</u>	<u>(1,054,516)</u>		<u>(22,075,551)</u>
Total Capital Assets, being depreciated, net	<u>24,112,110</u>	<u>(1,054,516)</u>		<u>23,057,594</u>
Governmental Activities Capital Assets, Net	<u>\$ 26,010,702</u>	<u>\$ (1,054,516)</u>	<u>\$ -</u>	<u>\$ 24,956,186</u>
<b>Business-Type Activities:</b>				
<i>Capital Assets, being depreciated:</i>				
Equipment	\$ 382,016	\$ -	\$ -	\$ 382,016
Less accumulated depreciation	<u>(350,780)</u>	<u>(17,772)</u>		<u>(368,552)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 31,236</u>	<u>\$ (17,772)</u>	<u>\$ -</u>	<u>\$ 13,464</u>

Depreciation expense in the amount of \$1,054,516 was charged to governmental functions as follows:

<u>Function</u>	<u>Amount</u>
Regular Instruction	\$ 738,161
Plant Operations and Maintenance	158,177
Administration	105,452
Unallocated	<u>52,726</u>
Total depreciation expense	<u>\$ 1,054,516</u>

**6. INVENTORY**

Inventory in the Food Service Fund at June 30, 2017 consisted of the following:

Food	\$ 5,462
Supplies	<u>2,777</u>
	<u>\$ 8,239</u>

**Haddonfield School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

**7. LONG-TERM OBLIGATIONS**

During the fiscal year ended June 30, 2017, the following changes occurred in long-term obligations:

<u>Governmental Activities:</u>	<u>Principal Outstanding July 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2017</u>	<u>Amounts Due Within One Year</u>
Other Liabilities:					
Compensated Absences	\$ 1,201,180	\$ -	\$ 69,605	\$ 1,131,575	\$ -
Net Pension Liability	7,277,796	2,805,793		10,083,589	
Total	<u>8,478,976</u>	<u>2,805,793</u>	<u>69,605</u>	<u>11,215,164</u>	<u>-</u>
General Obligation Bonds					
Principal	13,530,000	35,251,000	1,290,000	47,491,000	1,325,000
Unamortized Premiums	326,983		54,497	272,486	54,497
Total	<u>13,856,983</u>	<u>35,251,000</u>	<u>1,344,497</u>	<u>47,763,486</u>	<u>1,379,497</u>
Total Governmental Activity	<u>\$ 22,335,959</u>	<u>\$ 38,056,793</u>	<u>\$ 1,414,102</u>	<u>\$ 58,978,650</u>	<u>\$ 1,379,497</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 \$7,170,000 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 \$5,070,000 due in annual installments through August 1, 2021 bearing interest rates ranging from 0.40% - 4.00%.

2016 School Bonds dated September 14, 2016 in the amount of \$35,251,000 due in annual installments through September 1, 2036 bearing interest rates ranging from 2.00% - 3.00%.

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>
2018	\$ 1,325,000	\$ 1,614,749	\$ 2,939,749
2019	2,525,000	1,187,983	3,712,983
2020	2,586,000	1,118,166	3,704,166
2021	2,655,000	1,043,438	3,698,438
2022	2,710,000	962,450	3,672,450
2023-2027	13,090,000	3,610,350	16,700,350
2028-2032	11,050,000	2,171,188	13,221,188
2033-2037	11,550,000	838,987	12,388,987
	<u>\$ 47,491,000</u>	<u>\$ 12,547,311</u>	<u>\$ 60,038,311</u>

As of June 30, 2017, 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, 2017**

**8. OPERATING LEASES**

At June 30, 2017, the District had operating lease agreements in effect for the following:

Copiers, Postage Machine and Printers

Total operating lease payments made during the year ended June 30, 2017 was \$130,804. Future minimum lease payments are as follows:

<u>Year Ended</u>	<u>Amount</u>
June 30, 2018	\$ 130,804
June 30, 2019	<u>119,904</u>
Total future minimum lease payments	<u>\$ 250,708</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) and the Public Employees' Retirement System (PERS). IN addition, several School District employees participate in the Defined Contribution Retirement Program (DCRP), which is a defined contribution pension plan. This plan is administered by Prudential Financial for the Division. 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)**

*Plan Description* - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established on January 1, 1955, under the provisions of N.J.S.A. 18A:66. The State of New Jersey (the "State") is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF's designated purpose is to provide retirement, death and disability, and medical benefits to qualified members. Membership in the TPAF is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified. The TPAF's Board of Trustees is primarily responsible for the administration of the TPAF.

*Vesting and Benefit Provisions* – 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 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.

**Haddonfield School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

**9. PENSION PLANS (CONTINUED)**

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

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for their respective tier.

*Contributions* - The contribution requirements of plan members are determined by N.J.S.A.18A:66 and requires contributions by active members and contributing employers. 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 member contribution rate was 7.20% in State fiscal year 2017. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid.

For fiscal year 2016, the State's pension contribution was less than the actuarial determined amount.

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. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, *Accounting and Financial Reporting for Pensions*.

The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2017 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2016, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2017 was \$1,256,610 and was paid by April 1, 2017. School District employee contributions to the pension plan during the fiscal year ended June 30, 2017 were \$1,165,967.

*Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions* - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the 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.

**Haddonfield School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

**9. PENSION PLANS (CONTINUED)**

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

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.

At June 30, 2017, the School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% special funding situation by the State of New Jersey.

For the year ended June 30, 2017, the School District recognized pension expense of \$9,325,520 and revenue of \$9,325,520 for support provided by the State. Although the School 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 School District.

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

	06/30/16	06/30/15
Collective deferred outflows of resources	\$ 17,414,701,002	\$ 7,521,378,257
Collective deferred inflows of resources	134,532,594	554,399,005
Collective net pension liability (Non-Employer – State of New Jersey)	79,028,907,033	63,577,864,440
State's portion of the net pension liability that was associated with the School District	124,115,064	98,340,169
State's portion of the net pension liability that was associated with the School District as a percentage of the collective net pension liability	.1577739868%	.1555910196%

*Actuarial assumptions* – The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. 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: 7.65%

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

*Long-Term Expected Rate of Return* - In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produced 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.

**Haddonfield School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

**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, 2016 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%	0.39%
Government Bonds	01.50%	1.28%
Credit Bonds	13.00%	2.76%
Mortgages	02.00%	2.38%
Inflation-Indexed Bonds	01.50%	1.41%
High Yield Bonds	02.00%	4.70%
Equity Market	26.00%	5.14%
Foreign-Developed Equity	13.25%	5.91%
Emerging Markets Equity	06.50%	8.16%
Private Real Estate Property	05.25%	3.64%
Timber	01.00%	3.86%
Farmland	01.00%	4.39%
Private Equity	09.00%	8.97%
Commodities	00.50%	2.87%
Hedge Funds – MultiStrategy	05.00%	3.70%
Hedge Funds – Equity Hedge	03.75%	4.72%
Hedge Funds - Distressed	03.75%	3.49%
	100.00%	

*Discount rate.* The discount rate used to measure the State's total pension liability was 3.22% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, 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 contribution rate in the most recent fiscal year. The state contributed 30% of the actuarially determined 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 2029. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the School District's proportionate share of the net pension liability to changes in the discount rate.* As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2016, the pension plans measurement date, attributable to the School District is \$0.00, and the State of New Jersey's proportionate share of the net pension liability, attributable to the School District, using a discount rate of 4.13%, as well as what the School 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 (3.13%) or 1 percentage point higher (5.13%) that the current rate:



**Haddonfield School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

**9. PENSION PLANS (CONTINUED)**

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

	<u>1% Decrease (3.13%)</u>	<u>Current Discount Rate (4.13%)</u>	<u>1% Increase (5.13%)</u>
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	<u>148,221,123</u>	<u>124,115,064</u>	<u>104,429,356</u>
	<u>\$ 148,221,123</u>	<u>\$ 124,115,064</u>	<u>\$ 104,429,356</u>

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)**

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

*Vesting and Benefit Provisions* - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for their respective tier.

*Contributions* - The contribution requirements of plan members are determined by N.J.S.A 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%.

**Haddonfield School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

**9. PENSION PLANS (CONTINUED)**

**Public Employees' Retirement System (PERS) (Continued)**

An additional 1.0% increase is being phased-in over seven years beginning on July 1, 2012. The member contribution rate was 7.20% in State fiscal year 2017. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 336, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. The School District's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2017 was 13.31% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2016, the School Districts contractually required contribution to the pension plan for the fiscal year ended June 30, 2017 was \$302,464 and was paid by April 1, 2017. School District employee contributions to the pension plan during the fiscal year ended June 30, 2017 were \$168,792.

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>
2017	\$ 47,312	\$ -	\$ 240,774	\$ 14,378	\$ 302,464
2016	47,188	-	217,378	14,165	278,731
2015	46,157	-	213,513	17,587	277,257

*Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions* – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the 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.

At June 30, 2017, the School District reported a liability of \$10,083,589 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The School District's proportion of the of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

**Haddonfield School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

**9. PENSION PLANS (CONTINUED)**

**Public Employees' Retirement System (PERS) (Continued)**

For the year ended June 30, 2017, the School District recognized pension expense of \$884,984. At June 30, 2017, the School District reported a liability of \$10,083,589 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	\$ 187,524	\$ -
Changes of assumptions	2,088,781	
Net Difference between projected and actual earnings on pension plan investments	384,496	
Changes in proportion	264,948	478,199
District contributions subsequent to the measurement date	303,173	
<b>Total</b>	<b>\$ 3,228,922</b>	<b>\$ 478,199</b>

\$303,173 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, 2017, the plan measurement date is June 30, 2016) will be recognized as a reduction of the net liability in the year ended June 30, 2017.

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
2017	\$ 430,461
2018	460,460
2019	653,380
2020	601,456
2021	331,793
<b>Total</b>	<b>\$ 2,477,550</b>

**Haddonfield School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

**9. PENSION PLANS (CONTINUED)**

**Public Employees' Retirement System (PERS) (Continued)**

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Changes of assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Net Difference between projected and actual earnings on pension plan investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	-	5.00
Changes in proportion		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57

**Additional Information**

Collective balances at June 30, 2016 and 2015 are as follows:

	<u>6/30/2016</u>	<u>6/30/2015</u>
Collective deferred outflows of resources	\$ 8,685,338,380	\$ 3,578,755,666
Collective deferred inflows of resources	\$ 870,133,595	\$ 993,410,455
Collective net pension liability	\$ 29,617,131,759	\$ 22,447,996,119
District's Proportion	.0340464726%	.0324206920%

*Actuarial assumptions* – The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

- Inflation rate: 3.08%
- Salary Increases:
  - Through 2025: 1.65-4.15% based on age
  - Thereafter: 2.65-5.15% based on age
- Investment Rate of Return: 7.65%

**Haddonfield School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

**9. PENSION PLANS (CONTINUED)**

**Public Employees' Retirement System (PERS) (Continued)**

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 3 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. 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 (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 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%	00.87%
U.S. Treasuries	01.50%	01.74%
Investment Grade Credit	08.00%	01.79%
Mortgages	02.00%	01.67%
High Yield Bonds	02.00%	04.56%
Inflation Indexed Bonds	01.50%	03.44%
Broad US Equities	26.00%	08.53%
Developed Foreign Equities	13.25%	06.83%
Emerging Market Equities	06.50%	09.95%
Private Equity	09.00%	12.40%
Hedge Funds/Absolute Ret	12.50%	04.68%
Real Estate (Property)	02.00%	06.91%
Commodities	00.50%	05.45%
Global Debt ex US	05.00%	-0.25%
REIT	05.25%	05.63%
	<u>100.00%</u>	

*Discount rate.* The discount rate used to measure the State's total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, 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.

**Haddonfield School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

**9. PENSION PLANS (CONTINUED)**

**Public Employees' Retirement System (PERS) (Continued)**

*Discount rate (Continued)* - 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 contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined 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 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the School District's proportionate share of the net pension liability to changes in the discount rate.* The following presents the School District's proportionate share of the net pension liability measured as of June 30, 2016, calculated using the discount rate of 3.98%, as well as what the School 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 (2.98%) or 1 percentage point higher (4.98%) than the current rate:

	<b>1% Decrease (2.98%)</b>	<b>Current Discount Rate (3.98%)</b>	<b>1% Increase (4.98%)</b>
District's proportionate share of the net pension liability	\$ 12,356,261	\$ 10,083,589	\$ 8,207,301

*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>
2017	\$ 24,484	\$ 24,484
2016	21,988	21,988
2015	19,976	19,976

**Haddonfield School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

**10. STATE POST-RETIREMENT MEDICAL BENEFITS**

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2016, there were 110,512 retirees receiving post-retirement medical benefits, and the State contributed \$1.37 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$231.1 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

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 at:

<http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>

**11. ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2017, the School District has recognized as revenues and expenditures on-behalf payments made by the state for normal retirement costs, post-retirement medical costs and long term disability insurance related to TPAF, in the fund statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, post-retirement medical costs and long term disability insurance were \$1,744,840, \$1,453,848, and \$5,453. In addition, \$1,157,114 on-behalf payments were made by the state for the 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, 2017**

**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>
2016-2017	\$ 27,990	\$ -	\$ 936	\$ 34,253	\$ 380,714
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

**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, 2017, the liability for compensated absences in the governmental fund was \$1,131,575.

**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, 2017**

**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>
2016-2017	\$	\$	104	\$ 63,442	\$ 22,213
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

**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, 2018. The following interfund balances were recorded on the various balance sheets as of June 30, 2017:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 339,414	\$ 83,908
Special Revenue		293,282
Capital Projects	70,133	70,133
Debt Service	70,133	
Proprietary	13,775	
Fiduciary		46,132
	<u>\$ 493,455</u>	<u>\$ 493,455</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, 2017, 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. TAX ABATEMENTS**

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

**Haddonfield School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

**18. TAX ABATEMENTS (CONTINUED)**

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

As of December 31, 2016, the Borough of Haddonfield had no tax abatements.

**19. DEFICIT UNRESTRICTED NET POSITION**

As of June 30, 2017, a deficit of \$8,835,533 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, 2017	
Fund Balance (Deficit)	
(Exclusive of Capital Projects and Debt Service Funds):	
Fund Balance – Unassigned	\$ 606,964
Liabilities:	
Accrued Interest Payable	(692,883)
Net Pension Differences	(7,636,039)
Compensated Absences	(1,131,575)
Unrestricted Net Position (Deficit)	<u>\$ (8,835,533)</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, 2017 is \$428,535 presented on the budgetary basis of accounting (Exhibit C-1). Additionally, \$464,848 of excess fund balance generated during the 2015-2016 fiscal year has been restricted and designated for utilization in the 2017-2018 budget.

**Capital Reserve** – As of June 30, 2017, the balance in the capital reserve account is \$2,893,341 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, 2017, the balance in the maintenance reserve account is \$401,000. 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).

**Haddonfield School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

**20. FUND BALANCES (Continued)**

**General Fund (Continued):**

*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, 2017 the School District has \$27,572 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

**Designated for Subsequent Year's Expenditures** – The School District has appropriated \$87,724 and included as an anticipated revenue for the fiscal year ending June 30, 2017.

**Debt Service Fund:**

**Designated for Subsequent Year's Expenditures** – The School District has appropriated \$184,934 and included as an anticipated revenue for the fiscal year ending June 30, 2017.

*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, 2017, \$606,964 of general fund balance was unassigned.

**Capital Projects Fund** – As of June 30, 2017, the unassigned fund balance of the capital projects fund balance was \$32,505,002.

**Debt Service Fund** – As of June 30, 2017, \$70,133 of debt service fund balance was unassigned.

**21. LITIGATION**

The District is involved in one legal proceeding. The outcome or potential liability exposure from this litigation is unknown at this time.

Required Supplementary Information - Part II

Budgetary Comparison Schedules

**HADDONFIELD BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 33,729,632	\$ -	\$ 33,729,632	\$ 33,729,632	\$ -
Tuition - Individuals	400,000		400,000	290,603	(109,397)
Transportation				1,594	1,594
Capital reserve interest	-		-	3,349	3,349
Unrestricted miscellaneous revenue	177,000		177,000	248,521	71,521
<b>Total local sources</b>	<b>34,306,632</b>		<b>34,306,632</b>	<b>34,273,699</b>	<b>(32,933)</b>
State sources:					
Extraordinary Aid	350,000		350,000	223,686	(126,314)
Special Education Aid	802,294		802,294	802,294	-
Security Aid	41,592		41,592	41,592	-
Adjustment Aid	243		243	243	-
Transportation Aid	40,814		40,814	40,814	-
Under Adequacy Aid	1,828		1,828	1,828	-
PARCC Readiness Aia	24,780		24,780	24,780	-
Per Pupil Growth Aid	24,780		24,780	24,780	-
Professional Learning Community Aid	25,655		25,655	25,655	-
On-behalf TPAF pension contributions (non-budgeted)				1,744,840	1,744,840
On-behalf TPAF post retirement medical (non-budgeted)				1,453,848	1,453,848
On-behalf TPAF LTDI (non-budgeted)				5,453	5,453
Reimbursed TPAF social security contributions (non-budgeted)				1,157,114	1,157,114
<b>Total state sources</b>	<b>1,311,986</b>		<b>1,311,986</b>	<b>5,546,927</b>	<b>4,234,941</b>
<b>TOTAL REVENUES</b>	<b>35,618,618</b>	<b>-</b>	<b>35,618,618</b>	<b>39,820,626</b>	<b>4,202,008</b>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE:</b>					
Regular Programs - Instruction:					
Salaries of teachers					
Kindergarten	531,373	(226,525)	304,848	278,980	25,868
Grades 1-5	3,994,028	143,944	4,137,972	4,032,450	105,522
Grades 6-8	2,784,895	(4,400)	2,780,495	2,647,567	132,928
Grades 9-12	3,928,152	(11,500)	3,916,652	3,770,871	145,781
<b>Total Instruction</b>	<b>11,238,448</b>	<b>(98,481)</b>	<b>11,139,967</b>	<b>10,729,868</b>	<b>410,099</b>
Regular Programs - Home Instruction:					
Salaries of teachers	100,000	(2,500)	97,500	67,774	29,726
Purchased professional - educ services		2,500	2,500	2,250	250
<b>Total Home Instruction</b>	<b>100,000</b>	<b>-</b>	<b>100,000</b>	<b>70,024</b>	<b>29,976</b>
Regular Programs - Undistributed Instruction:					
Other salaries for instruction	332,950	4,000	336,950	292,161	44,789
Purchased professional - educ services	266,000	(24,483)	241,517	240,071	1,446
General supplies	586,311	16,598	602,909	587,358	15,551
Textbooks	211,613	(16,667)	194,946	147,414	47,532
Other objects	24,313	(2,445)	21,868	17,191	4,677
<b>Total Undistributed Instruction</b>	<b>1,421,187</b>	<b>(22,997)</b>	<b>1,398,190</b>	<b>1,284,195</b>	<b>113,995</b>
<b>Total - Regular Programs - Instruction</b>	<b>12,759,635</b>	<b>(121,478)</b>	<b>12,638,157</b>	<b>12,084,087</b>	<b>554,070</b>

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, 2017**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special Educ Instruction: Multiple Disabilities					
Salaries of teachers	\$ 79,288	\$ -	\$ 79,288	\$ 79,287	\$ 1
Other Salaries for Instruction	39,170	(13,500)	25,670	24,199	1,471
Purchased Professional- Educational Services	200,000	283,997	483,997	317,085	166,912
General supplies	25,000	-	25,000	21,083	3,917
Textbooks	12,000	-	12,000	147	11,853
<b>Total Multiple Disabilities</b>	<b>355,458</b>	<b>270,497</b>	<b>625,955</b>	<b>441,801</b>	<b>184,154</b>
Special Educ Instruction: Res. Room/Res. Center					
Salaries of teachers	2,182,064	(126,064)	2,056,000	1,987,916	68,084
Other salaries for instruction	490,256	(108,604)	381,652	332,127	49,525
General supplies	12,100	(250)	11,850	10,120	1,730
Textbooks	11,000	-	11,000	10,742	258
<b>Total Resource Room/Resource Center</b>	<b>2,695,420</b>	<b>(234,918)</b>	<b>2,460,502</b>	<b>2,340,905</b>	<b>119,597</b>
Special Educ Instruction: Preschool Disabilities - PT					
Salaries of teachers	260,524	600	261,124	260,524	600
Other salaries for instruction	157,202	5,843	163,045	112,561	50,484
General supplies	3,600	-	3,600	249	3,351
<b>Total Preschool Disabilities - Part-Time</b>	<b>421,326</b>	<b>6,443</b>	<b>427,769</b>	<b>373,334</b>	<b>54,435</b>
<b>Total Special Education - Instruction</b>	<b>3,472,204</b>	<b>42,022</b>	<b>3,514,226</b>	<b>3,156,040</b>	<b>358,186</b>
School-Sponsored Cocurricular Act - Inst.					
Salaries	312,000	9,734	321,734	308,665	13,069
Supplies and materials	45,500	25,527	71,027	67,063	3,964
<b>Total School-Sponsored Cocurr. Act. - Inst</b>	<b>357,500</b>	<b>35,261</b>	<b>392,761</b>	<b>375,728</b>	<b>17,033</b>
School-Sponsored Athletics - Inst.					
Salaries	512,144	(96,576)	415,568	371,760	43,808
Purchased services (300-500)	99,850	9,800	109,650	97,474	12,176
Supplies and materials	49,022	5,000	54,022	52,180	1,842
Other objects	9,000	-	9,000	8,644	356
<b>Total School-Sponsored Athletics - Inst</b>	<b>670,016</b>	<b>(81,776)</b>	<b>588,240</b>	<b>530,058</b>	<b>58,182</b>
Other Instructional Programs - Instruction					
Salaries	115,000	2,560	117,560	100,109	17,451
<b>Total Other Instructional Programs - Inst.</b>	<b>115,000</b>	<b>2,560</b>	<b>117,560</b>	<b>100,109</b>	<b>17,451</b>
Undistributed Expenditures - Instruction					
Tuition to other leas w/l state reg	2,000	-	2,000		2,000
Tuition to other leas w/l state spec	23,500	(23,500)			-
Tuition to CSSD & reg day schools	152,303	31,544	183,847	131,753	52,094
Tuition to priv. sch. for the disabled w/l state	954,342	(101,996)	852,346	482,254	370,092
Tuition to priv. sch. for the disabled and other lea's - out of state	60,000	(33,600)	26,400	23,827	2,573
Tuition - State Facilities	23,154	9,152	32,306	32,306	-
<b>Total Undistributed Expenditures - Instruction</b>	<b>1,215,299</b>	<b>(118,400)</b>	<b>1,096,899</b>	<b>670,140</b>	<b>426,759</b>

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, 2017**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Attend. and Social Work					
Salaries	\$ -	\$ 85,000	\$ 85,000	\$ 81,113	\$ 3,887
Purchased prof. and technical services	2,000	-	2,000	1,027	973
<b>Total Undistributed Expenditures - Attendance</b>	<b>2,000</b>	<b>85,000</b>	<b>87,000</b>	<b>82,140</b>	<b>4,860</b>
Undistributed Expenditures - Health Services					
Salaries	252,600	35,371	287,971	275,368	12,603
Purchased prof. and technical services	750	14,085	14,835	13,956	879
Supplies and materials	19,760	(907)	18,853	17,645	1,208
<b>Total Undistributed Expenditures - Health Svcs.</b>	<b>273,110</b>	<b>48,549</b>	<b>321,659</b>	<b>306,969</b>	<b>14,690</b>
Undist. Expend. - Speech, OT, PT & Rel. Serv.					
Salaries	510,958	54,813	565,771	556,245	9,526
Purchased prof. and educational services	175,000	11,700	186,700	184,271	2,429
Supplies and materials	5,500	-	5,500	5,453	47
<b>Total Undst. Expend. - Speech, OT, PT &amp; Rel. Serv.</b>	<b>691,458</b>	<b>66,513</b>	<b>757,971</b>	<b>745,969</b>	<b>12,002</b>
Undist. Expend. - Other Supp. Serv. Stud. - Extra. Serv.					
Salaries		146,445	146,445	143,456	2,989
Purchased prof. and educational services	160,000	41,263	201,263	197,998	3,265
<b>Total Undst. Expend. - Other Supp. Serv. Stud. - Extra. :</b>	<b>160,000</b>	<b>187,708</b>	<b>347,708</b>	<b>341,454</b>	<b>6,254</b>
Undist. Expenditures - Guidance					
Salaries of other professional staff	667,051	(2,855)	664,196	659,826	4,370
Salaries of secretarial and clerical assistants	58,394	800	59,194	58,394	800
Supplies and materials	6,000	-	6,000	5,513	487
Other objects	4,500	(4,000)	500	-	500
<b>Total Undst. Expenditures - Guidance</b>	<b>735,945</b>	<b>(6,055)</b>	<b>729,890</b>	<b>723,733</b>	<b>6,157</b>
Undist. Expend. - Child Study Teams					
Salaries of other professional staff	753,957	(66,451)	687,506	687,496	10
Salaries of secretarial and clerical assistants	109,780	(3,500)	106,280	103,214	3,066
Unused Vacation Payment to Terminated/Retired Staff		-			-
Purchased Professional- Educational Services	850,000	(309,698)	540,302	501,919	38,383
Supplies and materials	7,500	(110)	7,390	7,375	15
<b>Total Undst. Expenditures - Child Study Teams</b>	<b>1,721,237</b>	<b>(379,759)</b>	<b>1,341,478</b>	<b>1,300,004</b>	<b>41,474</b>
Undist. Expend. - Improvement of Instr. Services					
Salaries of supervisors of instruction	130,932	4,397	135,329	130,316	5,013
Salaries of other professional staff		14,224	14,224	8,100	6,124
Other purchased services (400-500)	9,325	(2,940)	6,385	1,557	4,828
Other objects	81,305	7,527	88,832	88,047	785
<b>Total Undst. Expend. - Improvement of Instr. Services</b>	<b>221,562</b>	<b>23,208</b>	<b>244,770</b>	<b>228,020</b>	<b>16,750</b>
Undist. Expend. - Educ. Media Serv./Sch. Library					
Salaries	253,781	(19,058)	234,723	224,422	10,301
Salaries of Technology Coordinators	128,714	4,400	133,114	127,748	5,366
Other purchased services (400-500)	1,940	-	1,940	187	1,753
Supplies and materials	50,080	(4,325)	45,755	42,887	2,868
<b>Total Undst. Expend. - Educ. Media Serv./Sch. Library</b>	<b>434,515</b>	<b>(18,983)</b>	<b>415,532</b>	<b>395,244</b>	<b>20,288</b>

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, 2017**

(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	\$ 14,052	\$ 6,324
<b>Total Undst. Expend. - Instr. Staff Training Services</b>	<b>20,376</b>	<b>-</b>	<b>20,376</b>	<b>14,052</b>	<b>6,324</b>
Undist. Expend. - Supp. Serv. General Admin.					
Salaries	379,937	9,617	389,554	379,057	10,497
Legal services	115,000	60,000	175,000	153,895	21,105
Audit fees	30,000	-	30,000	29,000	1,000
Other purchased professional services	1,000	-	1,000	-	1,000
Purchased technical services	14,850	(728)	14,122	4,884	9,238
Communications / telephone	101,000	(700)	100,300	89,645	10,655
Other purchased services (400-500)	46,350	(300)	46,050	45,823	227
General Supplies	5,700	2,658	8,358	7,397	961
Miscellaneous expenditures	27,600	(11,975)	15,625	12,255	3,370
Misc expenditures BOE memberships/dues	19,175	(780)	18,395	15,893	2,502
<b>Total Undst. Expend. - Supp. Serv. General Admin.</b>	<b>740,612</b>	<b>57,792</b>	<b>798,404</b>	<b>737,849</b>	<b>60,555</b>
Undist. Expend. - Supp. Serv. School Admin.					
Salaries of principals/assist. principals	815,798	19,740	835,538	807,872	27,666
Salaries of other professional staff	109,918	82,750	192,668	189,724	2,944
Salaries of secretarial and clerical assistants	407,584	29,085	436,669	429,012	7,657
Other purchased services	7,000	-	7,000	5,329	1,671
Supplies and materials	98,450	(9,888)	88,562	85,490	3,072
Other objects	16,338	12,102	28,440	25,893	2,547
<b>Total Undst. Expend. - Supp. Serv. School Admin.</b>	<b>1,455,088</b>	<b>133,789</b>	<b>1,588,877</b>	<b>1,543,320</b>	<b>45,557</b>
Undist. Expend. - Central Services					
Salaries	501,717	4,007	505,724	505,720	4
Purchased professional services	25,250	1,001	26,251	25,960	291
Purchased technical services	-	1,000	1,000	835	165
Supplies and materials	5,000	(356)	4,644	4,632	12
Interest on Bond Anticipation Notes	-	2,221	2,221	2,221	-
Miscellaneous expenditures	8,000	(1,386)	6,614	6,614	-
<b>Total Undst. Expend. - Central Services</b>	<b>539,967</b>	<b>6,487</b>	<b>546,454</b>	<b>545,982</b>	<b>472</b>
Undist. Expend. - Admin. Info. Technology					
Salaries	229,825	(9,586)	220,239	218,273	1,966
Purchased technical services	-	44,660	44,660	44,657	3
<b>Total Undst. Expend. - Admin. Info. Technology</b>	<b>229,825</b>	<b>35,074</b>	<b>264,899</b>	<b>262,930</b>	<b>1,969</b>
Undist. Expend. - Required Maint. Sch. Facilities					
Salaries	400,957	(23,015)	377,942	340,694	37,248
Cleaning, repair, and maintenance services	209,600	(13,580)	196,020	166,412	29,608
General supplies	120,700	(10,000)	110,700	102,948	7,752
Other objects	7,600	-	7,600	5,386	2,214
<b>Total Undst. Expend. - Required Maint. Sch. Facilities</b>	<b>738,857</b>	<b>(46,595)</b>	<b>692,262</b>	<b>615,440</b>	<b>76,822</b>

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, 2017**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Custodial Services					
Purchased professional & tech. services	\$ 23,000	\$ (9,512)	\$ 13,488	\$ 13,224	\$ 264
Cleaning, repair, and maintenance services	1,263,095	(14,513)	1,248,582	1,243,005	5,577
Rental of land & bldg. oth. than lease purch. agrmt.	145,000	13,844	158,844	158,840	4
Other purchased property services	80,000	10,028	90,028	90,023	5
Insurance	165,000	(2,500)	162,500	160,381	2,119
General supplies	62,000	28,445	90,445	90,182	263
Energy (Natural Gas)	352,000	(8,160)	343,840	336,901	6,939
Energy (Electricity)	287,973	54,859	342,832	342,824	8
Energy (Gasoline)	16,500	6,452	22,952	22,951	1
<b>Total Undst. Expend. - Custodial Services</b>	<b>2,394,568</b>	<b>78,943</b>	<b>2,473,511</b>	<b>2,458,331</b>	<b>15,180</b>
Undist. Expend. - Care and Upkeep of Grounds					
Salaries	178,849	-	178,849	170,642	8,207
Cleaning, repair, and maintenance services	6,000	-	6,000	4,350	1,650
General supplies	60,040	-	60,040	54,322	5,718
Other Objects	275	-	275	83	192
<b>Total Undst. Expend. - Care and Upkeep of Grounds</b>	<b>245,164</b>	<b>-</b>	<b>245,164</b>	<b>229,397</b>	<b>15,767</b>
<b>Total Undst. Expend. - Oper. &amp; Maint. of Plant Services</b>	<b>3,378,589</b>	<b>32,348</b>	<b>3,410,937</b>	<b>3,303,168</b>	<b>107,769</b>
Undist. Expend. - Student Trans. Services					
Salaries of Non-Instructional Aides	10,239	27,350	37,589	37,550	39
Salaries for pupil trans (bet home & sch) - regular		25,000	25,000	24,577	423
Salaries for pupil trans (bet home & sch) - special	222,330	(29,800)	192,530	191,873	657
Salaries for pupil trans (other than bet home & sch)	67,000	6,866	73,866	73,798	68
Cleaning, repair, and maintenance services	25,000	6,000	31,000	27,734	3,266
Contr. serv. (other than bet. home & sch.) - vendors	35,000	(5,100)	29,900	26,464	3,436
Contr. serv. (sp ed stds) - ESC's & CTSA's	250,000	(45,816)	204,184	127,113	77,071
<b>Total Undst. Expend. - Student Trans. Services</b>	<b>609,569</b>	<b>(15,500)</b>	<b>594,069</b>	<b>509,109</b>	<b>84,960</b>
Unallocated Benefits - Employee Benefits					
Social security contributions	475,000	(36,500)	438,500	400,790	37,710
Other retirement contributions - PERS	350,000	-	350,000	344,030	5,970
Workmen's compensation	161,686	-	161,686	161,686	-
Health benefits	4,946,800	(111,360)	4,835,440	4,596,984	238,456
Tuition reimbursement	55,835	(2,711)	53,124	24,391	28,733
Unused sick pay to term/retiree staff	15,000	102,200	117,200	88,408	28,792
Other employee benefits	60,000	34,011	94,011	91,227	2,784
<b>Total Unallocated Benefits - Employee Benefits</b>	<b>6,064,321</b>	<b>(14,360)</b>	<b>6,049,961</b>	<b>5,707,516</b>	<b>342,445</b>
On-behalf TPAF pension contributions (non-budgeted)				1,744,840	(1,744,840)
On-behalf TPAF post retirement medical (non-budgeted)				1,453,848	(1,453,848)
On-behalf TPAF LTDI (non-budgeted)				5,453	(5,453)
Reimbursed TPAF social security contributions (non-budgeted)				1,157,114	(1,157,114)
<b>Total Undistributed Expenditures - TPAF</b>				<b>4,361,255</b>	<b>(4,361,255)</b>
<b>Total Undistributed Expenditures</b>	<b>18,493,473</b>	<b>123,411</b>	<b>18,616,884</b>	<b>21,778,854</b>	<b>(3,161,970)</b>
<b>Total General Current Expense</b>	<b>35,867,828</b>	<b>-</b>	<b>35,867,828</b>	<b>38,024,876</b>	<b>(2,157,048)</b>

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, 2017**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CAPITAL OUTLAY</b>					
Equipment:					
Care & upkeep of grounds	\$ 18,000	\$ (1,575)	\$ 16,425	\$ 14,122	\$ 2,303
Required Maintenance for School Facilities	28,000	1,575	29,575	29,574	1
Total Equipment	46,000	-	46,000	43,696	2,304
Facilities Acquisition and Construction Services					
Other Objects	3,310	-	3,310	2,400	910
Assessment for Debt Service on SDA Funding	115,381	-	115,381	115,381	-
Total Facilities Acquisition and Construction Services	118,691	-	118,691	117,781	910
Total Capital Outlay	164,691	-	164,691	161,477	3,214
<b>SPECIAL SCHOOLS:</b>					
<b>SUMMER SCHOOL:</b>					
Summer School - Instruction:					
Salaries of Teachers	150,000	(1,106)	148,894	130,687	18,207
General Supplies		1,106	1,106	750	356
Total Special Schools	150,000	-	150,000	131,437	18,563
Total Expenditures	36,182,519	-	36,182,519	38,317,790	(2,135,271)
Excess (Deficiency) of Revenues Over (Under) Expenditures:	(563,901)	-	(563,901)	1,502,836	2,066,737
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):	(563,901)		(563,901)	1,502,836	2,066,737
Fund Balance, July 1	3,479,315		3,479,315	3,479,315	
Fund Balance, June 30	\$ 2,915,414	\$ -	\$ 2,915,414	\$ 4,982,151	\$ 2,066,737
Recapitulation of Fund Balance					
Restricted Fund Balance:					
Reserved Excess Surplus - Designated for Subsequent Years Expenditures				\$ 464,848	
Reserve for Excess Surplus				428,535	
Reserve for Encumbrances				27,572	
Capital Reserve				2,893,341	
Maintenance Reserve				401,000	
Assigned Fund Balance					
Designated for Subsequent Year's Expenditures				87,724	
Unassigned Fund Balance				679,131	
				4,982,151	
Reconciliation on Governmental Fund Statements (GAAP):					
Less: State Aid Payment not Recognized on GAAP Basis				(72,167)	
Fund Balance per Government Fund (GAAP)				\$ 4,909,984	

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, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local sources	\$ 12,536	\$ -	\$ 12,536	\$ 10,670	\$ (1,866)
State sources	422,845	-	422,845	342,340	(80,505)
Federal sources	920,555	-	920,555	786,794	(133,761)
Total revenues	<u>1,355,936</u>	<u>-</u>	<u>1,355,936</u>	<u>1,139,804</u>	<u>(216,132)</u>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of teachers	110,000	-	110,000	104,728	5,272
Purchased professional - educ. services	329,614	-	329,614	255,323	74,291
Purchased professional - tech. services	56,474	-	56,474	45,969	10,505
Tuition	491,355	-	491,355	491,355	-
General supplies	79,413	(10,059)	69,354	47,003	22,351
Textbooks	23,921	-	23,921	23,921	-
Total instruction	<u>1,090,777</u>	<u>(10,059)</u>	<u>1,080,718</u>	<u>968,299</u>	<u>112,419</u>
Support services:					
Salaries	2,000	-	2,000	-	2,000
Personal services - employee benefits	29,120	-	29,120	1,000	28,120
Purchased professional and technical services	177,127	(77,971)	99,156	79,945	19,211
Purchased professional - educ. services	-	88,198	88,198	65,233	22,965
Other purchased services	55,912	-	55,912	24,612	31,300
Supplies and materials	1,000	(168)	832	715	117
Total support services	<u>265,159</u>	<u>10,059</u>	<u>275,218</u>	<u>171,505</u>	<u>103,713</u>
Facilities acquisition and construction services:					
Instructional equipment	-	-	-	-	-
Total facilities acq. and const. services	-	-	-	-	-
Total expenditures	<u>1,355,936</u>	<u>-</u>	<u>1,355,936</u>	<u>1,139,804</u>	<u>216,132</u>
Total outflows	<u>1,355,936</u>	<u>-</u>	<u>1,355,936</u>	<u>1,139,804</u>	<u>216,132</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>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 39,820,626	\$ 1,139,804
Difference - budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	60,127	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(72,167)</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 39,808,586</u>	<u>\$ 1,139,804</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 38,317,790	\$ 1,139,804
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>\$ 38,317,790</u>	<u>\$ 1,139,804</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 Four Fiscal Years**

	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.0340464726%	0.0324206920%	0.0336319567%	0.0368307263%
District's proportionate share of the net pension liability (asset)	\$ 10,083,589	\$ 7,277,796	\$ 6,296,822	\$ 7,039,084
District's covered-employee payroll	2,278,255	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	442.60%	299.48%	279.88%	316.97%
Plan fiduciary net position as a percentage of the total pension liability	31.20%	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 Four Fiscal Years**

	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Contractually required contribution	\$ 303,173	\$ 302,464	\$ 278,731	\$ 277,257
Contributions in relation to the contractually required contributions	(303,173)	(302,464)	(278,731)	(277,257)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	2,278,255	2,430,165	2,249,833	2,220,741
Contributions as a percentage of covered-employee payroll	13.31%	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 Four Fiscal Years**

	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.1577739868%	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>\$ 124,115,064</u>	<u>\$ 98,340,169</u>	<u>\$ 82,218,714</u>	<u>\$ 80,239,858</u>
<b>Total</b>	<u><u>\$ 124,115,064</u></u>	<u><u>\$ 98,340,169</u></u>	<u><u>\$ 82,218,714</u></u>	<u><u>\$ 80,239,858</u></u>
District's covered-employee payroll	15,957,509	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%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	22.33%	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, 2017**

**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:* Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60-year average of Social Security data from 1953 to 2013.

**2. 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:* Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 3 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

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, 2017

	Brought Forward (Exh. E-1B)	Brought Forward (Exh. E-1C)	Total
<b>REVENUES:</b>			
Local sources	\$ 10,670	\$ -	\$ 10,670
State sources	255,323	87,017	342,340
Federal sources		786,794	786,794
Total revenues	<u>\$ 265,993</u>	<u>\$ 873,811</u>	<u>\$ 1,139,804</u>
<b>EXPENDITURES:</b>			
<i>Instruction:</i>			
Salaries of Teachers	\$ -	\$ 104,728	\$ 104,728
Purchased professional educational services	255,323	-	255,323
Purchased professional and technical services	-	45,969	45,969
Tuition	-	491,355	491,355
General supplies	10,670	36,333	47,003
Textbooks		23,921	23,921
Total instruction	<u>265,993</u>	<u>702,306</u>	<u>968,299</u>
<i>Support services:</i>			
Salaries		1,000	1,000
Purchased professional and technical services		79,945	79,945
Purchased professional educational services		65,233	65,233
Other purchased services		24,612	24,612
General Supplies		715	715
Total support services	<u>-</u>	<u>171,505</u>	<u>171,505</u>
<i>Facilities acquisition &amp; construction services</i>			
Instructional equipment			
Total facilities acquisition & construction services	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 265,993</u>	<u>\$ 873,811</u>	<u>\$ 1,139,804</u>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**HADDONFIELD SCHOOL DISTRICT**  
**Special Revenue Fund**  
 Combining Statement of Revenues and Expenditures  
 Budgetary Basis  
 for the Fiscal Year ended June 30, 2017

	Nonpublic Auxiliary Services				Nonpublic Handicapped Services			Haddonfield Education Trust Grant	Carried Forward (Exh. E-1A)
	Compensatory Education	Nonpublic Home Instruction	ESL	Transportation	Corrective Speech	Suppl. Instruction	Exam, & Classification		
<b>REVENUES:</b>									
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,670	\$ 10,670
State sources	124,695	4,037	4,385	5,138	35,870	34,370	46,828		255,323
Federal sources									
<b>Total revenues</b>	<b>\$ 124,695</b>	<b>\$ 4,037</b>	<b>\$ 4,385</b>	<b>\$ 5,138</b>	<b>\$ 35,870</b>	<b>\$ 34,370</b>	<b>\$ 46,828</b>	<b>\$ 10,670</b>	<b>\$ 265,993</b>
<b>EXPENDITURES:</b>									
<i>Instruction:</i>									
Salaries of Teachers									
Purchased professional educational services	124,695	4,037	4,385	5,138	35,870	34,370	46,828		-
Purchased professional and technical services									255,323
Tuition									-
General supplies								10,670	-
Textbooks									10,670
<b>Total instruction</b>	<b>124,695</b>	<b>4,037</b>	<b>4,385</b>	<b>5,138</b>	<b>35,870</b>	<b>34,370</b>	<b>46,828</b>	<b>10,670</b>	<b>265,993</b>
<i>Support services:</i>									
Salaries									
Purchased professional and technical services									
Purchased professional educational services									
Other purchased services									
General supplies									
<b>Total support services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Facilities acquisition &amp; construction services</i>									
Instructional equipment									
<b>Total facilities acquisition &amp; construction services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenditures</b>	<b>\$ 124,695</b>	<b>\$ 4,037</b>	<b>\$ 4,385</b>	<b>\$ 5,138</b>	<b>\$ 35,870</b>	<b>\$ 34,370</b>	<b>\$ 46,828</b>	<b>\$ 10,670</b>	<b>\$ 265,993</b>
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, 2017

	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.							
<b>REVENUES:</b>									
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	20,080	23,921	37,244	5,772	87,017
Federal sources	602,658	27,838	128,496	27,802					786,794
<b>Total revenues</b>	<b>\$ 602,658</b>	<b>\$ 27,838</b>	<b>\$ 128,496</b>	<b>\$ 27,802</b>	<b>\$ 20,080</b>	<b>\$ 23,921</b>	<b>\$ 37,244</b>	<b>\$ 5,772</b>	<b>\$ 873,811</b>
<b>EXPENDITURES:</b>									
<i>Instruction:</i>									
Salaries of teachers			104,728						104,728
Purchased professional educational services									-
Purchased professional and technical services			8,725				37,244		45,969
Tuition	491,355								491,355
General supplies	2,928	13,590	14,043					5,772	36,333
Textbooks						23,921			23,921
	494,283	13,590	127,496	-	-	23,921	37,244	5,772	702,306
<i>Support services:</i>									
Salaries			1,000						1,000
Purchased professional and technical services	45,560	13,533		20,852					79,945
Purchased professional educational services	62,815			2,418					65,233
Other purchased services				4,532	20,080				24,612
General supplies		715							715
<b>Total support services</b>	<b>108,375</b>	<b>14,248</b>	<b>1,000</b>	<b>27,802</b>	<b>20,080</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>171,505</b>
<i>Facilities acquisition &amp; construction services</i>									
Instructional equipment									
<b>Total facilities acquisition &amp; construction services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenditures</b>	<b>\$ 602,658</b>	<b>\$ 27,838</b>	<b>\$ 128,496</b>	<b>\$ 27,802</b>	<b>\$ 20,080</b>	<b>\$ 23,921</b>	<b>\$ 37,244</b>	<b>\$ 5,772</b>	<b>\$ 873,811</b>
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, 2017**

**Revenues and Other Financing Sources:**

Bond Proceeds	\$ 35,251,000
Interest earned on investments	70,133
Total revenues and other financing sources	35,321,133

**Expenditures and Other Financing (Uses):**

Purchased professional services	2,038,036
Construction services	152,611
Equipment	369,233
Transfer to debt service fund	70,133
Total expenditures and other financing (uses)	2,630,013

Excess (deficiency) or revenues over (under) expenditures	32,691,120
Fund Balance - July 1, 2016	(186,118)
Fund Balance - June 30, 2017	\$ 32,505,002

**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, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
<b>Revenues and Other Financing Sources:</b>				
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>
<b>Expenditures and Other Financing Uses:</b>				
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>
<b>Additional project information:</b>				
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, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
<b>Revenues and Other Financing Sources:</b>				
State sources - SCC Grant	\$ 84,580	\$ -	\$ 84,580	\$ 84,580
Transfer from capital outlay	176,170		176,170	176,170
	<u>260,750</u>	<u>          </u>	<u>260,750</u>	<u>260,750</u>
<b>Total revenues</b>				
<b>Expenditures and Other Financing Uses:</b>				
Purchased professional services				
Construction services	260,750		260,750	260,750
	<u>260,750</u>	<u>          </u>	<u>260,750</u>	<u>260,750</u>
<b>Excess (deficiency) or revenues over (under) expenditures</b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Additional project information:</b>				
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, 2017**

	Prior Periods	Current Year	Total	Revised Authorized Costs
<b>Revenues and Other Financing Sources:</b>				
State sources - SCC Grant	\$ 56,500	\$ -	\$ 56,500	\$ 56,500
Transfer from capital outlay	84,750		84,750	84,750
<b>Total revenues</b>	<b>141,250</b>		<b>141,250</b>	<b>141,250</b>
<b>Expenditures and Other Financing Uses:</b>				
Purchased professional services				
Construction services	57,000		57,000	57,000
	<b>57,000</b>		<b>57,000</b>	<b>57,000</b>
Excess (deficiency) or revenues over (under) expenditures	<b>\$ 84,250</b>	<b>\$ -</b>	<b>\$ 84,250</b>	<b>\$ 84,250</b>
<b>Additional project information:</b>				
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, 2017**

	Prior Periods	Current Year	Total	Revised Authorized Costs
<b>Revenues and Other Financing Sources:</b>				
Bond Proceeds	\$ -	\$ 35,251,000	\$ 35,251,000	\$ 35,251,000
Total revenues	-	35,251,000	35,251,000	35,251,000
<b>Expenditures and Other Financing Uses:</b>				
Purchased professional services	321,849	2,038,036	2,359,885	2,359,885
Construction services		152,611	152,611	152,611
Equipment		369,233	369,233	369,233
	321,849	2,559,880	2,881,729	2,881,729
Excess (deficiency) or revenues over (under) expenditures	\$ (321,849)	\$ 32,691,120	\$ 32,369,271	\$ 32,369,271
<b>Additional project information:</b>				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	03/08/16			
Bonds Authorized	\$ 35,251,000			
Bonds Issued	\$ 35,251,000			
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	06/30/19			
Revised target completion date	N/A			

**HADDONFIELD SCHOOL DISTRICT**  
**Capital Projects Fund**  
 Summary Statement of Project Expenditures  
 Year Ended June 30, 2017

Issue/Project Title	Original Date	Appropriations	Expenditures to Date		Transfer to Debt Service Fund	Unexpended Balance
			Prior Years	Current Year		
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	35,251,000	321,849	2,559,880		32,369,271
Total		<u>\$ 35,929,500</u>	<u>\$ 864,618</u>	<u>\$ 2,559,880</u>	<u>\$ -</u>	<u>\$ 32,505,002</u>

Proprietary Funds  
Detail Statements

**HADDONFIELD SCHOOL DISTRICT**  
**Enterprise Funds**  
Statement of Net Position  
as of June 30, 2017

	<u>Food Service</u>	<u>Community Education</u>	<u>Total</u>
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$ 26,891	\$ 52,788	\$ 79,679
Accounts receivable:			
State	109		109
Federal	1,253		1,253
Interfund	13,775		13,775
Other	2,481		2,481
Inventories	8,239		8,239
Total current assets	<u>52,748</u>	<u>52,788</u>	<u>105,536</u>
Fixed assets:			
Equipment	382,016		382,016
Less Accumulated depreciation	<u>(368,552)</u>		<u>(368,552)</u>
Total fixed assets	<u>13,464</u>	<u>-</u>	<u>13,464</u>
Total assets	<u>\$ 66,212</u>	<u>\$ 52,788</u>	<u>\$ 119,000</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 1,179	\$ -	\$ 1,179
Unearned revenue	32,270	2,313	34,583
Total current liabilities	<u>33,449</u>	<u>2,313</u>	<u>35,762</u>
<b>NET POSITION</b>			
Net investment in capital assets	13,464		13,464
Unrestricted	19,299	50,475	69,774
Total net position	<u>\$ 32,763</u>	<u>\$ 50,475</u>	<u>\$ 83,238</u>



**HADDONFIELD SCHOOL DISTRICT**  
**Enterprise Funds**  
Statement of Revenues, Expenses and Changes in Fund Net Position  
for the Fiscal Years ended June 30, 2017

	Food Service	Community Education	Total
<b>OPERATING REVENUES:</b>			
Local sources:			
Daily sales-reimbursable programs:			
School lunch program	\$ 198,943	\$ -	\$ 198,943
Total-daily sales-reimbursable programs	198,943		198,943
Program fees		103,672	103,672
Daily sales non-reimbursable programs	360,211		360,211
Total operating revenue	<u>559,154</u>	<u>103,672</u>	<u>662,826</u>
<b>OPERATING EXPENSES:</b>			
Salaries	232,114	93,099	325,213
Employee benefits	13,773		13,773
Supplies and materials	24,060		24,060
Depreciation	17,772		17,772
Management fee	35,382		35,382
Cost of sales - reimbursable programs	117,182		117,182
Cost of sales - nonreimbursable programs	153,357		153,357
Direct Expenses	15,504	17,545	33,049
Other	154		154
Total operating expenses	<u>609,298</u>	<u>110,644</u>	<u>719,942</u>
Operating income (loss)	<u>(50,144)</u>	<u>(6,972)</u>	<u>(57,116)</u>
Non-operating revenues:			
State sources:			
State school lunch program	1,713		1,713
Federal sources:			
National school lunch program	19,254		19,254
U.S.D.A. commodities	15,232		15,232
Miscellaneous			-
Interest revenue	216	123	339
Total non-operating revenues	<u>36,415</u>	<u>123</u>	<u>36,538</u>
Net income (loss) before contributions and transfers	<u>(13,729)</u>	<u>(6,849)</u>	<u>(20,578)</u>
Change in net position	(13,729)	(6,849)	(20,578)
Net position - July 1	<u>46,492</u>	<u>57,324</u>	<u>103,816</u>
Net position - June 30	<u>\$ 32,763</u>	<u>\$ 50,475</u>	<u>\$ 83,238</u>

**HADDONFIELD SCHOOL DISTRICT**  
**Enterprise Funds**  
Statement of Cash Flows  
for the Fiscal Years ended June 30, 2017

	Food Service	Community Education	Total
Cash flows from operating activities:			
Cash receipts from customers	\$ 567,644	\$ 105,985	\$ 673,629
Cash payments to employees for services	(244,766)	(93,099)	(337,865)
Cash payments to suppliers for goods and services	(332,224)	(17,545)	(349,769)
Net cash used by operating activities	(9,346)	(4,659)	(14,005)
Cash flows from noncapital financing activities:			
Cash received from state and federal reimbursements	9,350		9,350
Net cash provided by noncapital financing activities	9,350		9,350
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	216	123	339
Net cash provided by investing activities	216	123	339
Net increase (decrease) in cash and cash equivalents	220	(4,536)	(4,316)
Cash and cash equivalents, July 1	26,671	57,324	83,995
Cash and cash equivalents, June 30	\$ 26,891	\$ 52,788	\$ 79,679
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (50,144)	\$ (6,972)	\$ (57,116)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:			
Depreciation	17,772		17,772
Federal commodities	15,232		15,232
Cancellation of accounts payable/receivable			-
Change in assets and liabilities:			
(Increase)/decrease in inventory	(1,874)		(1,874)
(Increase)/decrease in accounts receivable	1,336		1,336
Increase/(decrease) in accounts payable	1,179		1,179
Increase/(decrease) in unearned revenue	7,153	2,313	9,466
Net cash used by operating activities	\$ (9,346)	\$ (4,659)	\$ (14,005)

Fiduciary Funds  
Detail Statements

**HADDONFIELD SCHOOL DISTRICT**  
**Fiduciary Funds**  
Combining Statement of Net Position  
June 30, 2017

	Agency Funds		Employee Benefit Trust Funds		Total
	Student Activity	Payroll	Flexible Benefits Program	Unemployment Compensation Insurance Fund	
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 439,334	\$ 344,011	\$ 22,213	\$ 387,705	\$ 1,193,263
Interfund receivable					
Other accounts receivable					
<b>TOTAL ASSETS</b>	<u>\$ 439,334</u>	<u>\$ 344,011</u>	<u>\$ 22,213</u>	<u>\$ 387,705</u>	<u>\$ 1,193,263</u>
<b>LIABILITIES</b>					
<b>LIABILITIES:</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ 6,991	\$ 6,991
Payroll deductions and withholdings		327,602			327,602
Interfund payable	29,723	16,409			46,132
Due to student groups	409,611				409,611
<b>Total liabilities</b>	<u>439,334</u>	<u>344,011</u>		<u>6,991</u>	<u>790,336</u>
<b>NET POSITION</b>					
Reserved for unemployment claims				380,714	380,714
Reserve for flex benefits			22,213		22,213
<b>Total net position</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,213</u>	<u>\$ 380,714</u>	<u>\$ 402,927</u>

**HADDONFIELD SCHOOL DISTRICT**  
**Fiduciary Fund**  
Combining Statement of Changes in Fiduciary Net Position  
for the Fiscal Year Ended June 30, 2017

	<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	\$ -	\$ -	\$ -
Employee contributions	63,442	27,990	91,432
Interest on Investments	104	936	1,040
Total Revenues	<u>63,546</u>	<u>28,926</u>	<u>92,472</u>
EXPENDITURES:			
Current Expense:			
Undistributed Expenditures:			
Unemployment claims		34,253	34,253
Flex benefit payments	121,542		121,542
Total Expenditures	<u>121,542</u>	<u>34,253</u>	<u>155,795</u>
Excess (deficiency) of revenues over (under) expenditures)	(57,996)	(5,327)	(63,323)
Net Position July 1	<u>80,209</u>	<u>386,041</u>	<u>466,250</u>
Net Position June 30	<u>\$ 22,213</u>	<u>\$ 380,714</u>	<u>\$ 402,927</u>

**HADDONFIELD SCHOOL DISTRICT**  
**Student Activity Agency Fund**  
 Schedule of Receipts and Disbursements  
 for the Fiscal Year ended June 30, 2017

	<u>Balance</u> <u>June 30, 2016</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Accounts</u> <u>Payable</u> <u>June 30, 2017</u>	<u>Balance</u> <u>June 30, 2017</u>
<b>JUNIOR/SENIOR HIGH SCHOOLS:</b>					
Haddonfield:					
Activities	\$ 354,043	\$ 839,742	\$ 785,469	\$ -	\$ 408,316
Athletic	<u>104</u>	<u>145,718</u>	<u>144,527</u>		<u>1,295</u>
Total	<u>\$ 354,147</u>	<u>\$ 985,460</u>	<u>\$ 929,996</u>	<u>\$ -</u>	<u>\$ 409,611</u>

**HADDONFIELD SCHOOL DISTRICT**  
**Payroll Agency Fund**  
Schedule of Receipts and Disbursements  
for the Fiscal Year ended June 30, 2017

	<u>Balance June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2017</u>
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 14,928	\$ 23,510,638	\$ 23,181,555	\$ 344,011
<b>Total assets</b>	<u>\$ 14,928</u>	<u>\$ 23,510,638</u>	<u>\$ 23,181,555</u>	<u>\$ 344,011</u>
<b>LIABILITIES:</b>				
Payroll deductions and withholdings	\$ 239	\$ 10,673,220	\$ 10,345,857	\$ 327,602
Net payroll		12,835,207	12,835,207	
Interfund payable	14,689	2,211	491	16,409
<b>Total liabilities</b>	<u>\$ 14,928</u>	<u>\$ 23,510,638</u>	<u>\$ 23,181,555</u>	<u>\$ 344,011</u>

Long-Term Debt Schedules



**HADDONFIELD SCHOOL DISTRICT**  
**General Long-Term Debt Account Group**  
 Statement of Serial Bonds  
 June 30, 2017

Issue	Date of Issue	Amount of Issue	Annual Maturities		Rate of Interest	Balance July 1, 2016	Issued	Retired	Balance June 30, 2017
			Date	Amount					
Refunding Bonds	2/1/2012	\$ 8,000,000	02/15/18	\$ 380,000	4.00%	\$ 7,545,000	\$ -	\$ 375,000	\$ 7,170,000
			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%				
Refunding Bonds	5/29/2015	6,115,000	08/11/17	945,000	3.00%	5,985,000		915,000	5,070,000
			08/01/18	975,000	3.00%				
			08/01/19	1,005,000	3.25%				
			08/01/20	1,045,000	3.50%				
			08/01/21	1,100,000	4.00%				
Balance Forward						\$ 13,530,000	\$ -	\$ 1,290,000	\$ 12,240,000

**HADDONFIELD SCHOOL DISTRICT**  
**General Long-Term Debt Account Group**  
 Statement of Serial Bonds  
 June 30, 2017

Issue	Date of Issue	Amount of Issue	Annual Maturities		Rate of Interest	Balance July 1, 2016	Issued	Retired	Balance June 30, 2017
			Date	Amount					
Balance Brought Forward						\$ 13,530,000	\$ -	\$ 1,290,000	\$ 12,240,000
School Bonds	9/14/2016	\$ 35,251,000	09/01/18	\$ 1,160,000	2.000%		35,251,000		35,251,000
			09/01/19	1,166,000	2.000%				
			09/01/20	1,185,000	2.000%				
			09/01/21	1,185,000	2.000%				
			09/01/22	1,185,000	2.000%				
			09/01/23	1,185,000	2.000%				
			09/01/24	1,185,000	2.000%				
			09/01/25	2,200,000	2.000%				
			09/01/26	2,200,000	2.000%				
			09/01/27	2,200,000	2.000%				
			09/01/28	2,200,000	2.000%				
			09/01/29	2,200,000	2.125%				
			09/01/30	2,200,000	2.125%				
			09/01/31	2,250,000	2.250%				
			09/01/32	2,270,000	2.250%				
			09/01/33	2,320,000	2.375%				
			09/01/34	2,320,000	3.000%				
			09/01/35	2,320,000	3.000%				
			09/01/36	2,320,000	3.000%				
Total						<u>\$ 13,530,000</u>	<u>\$ 35,251,000</u>	<u>\$ 1,290,000</u>	<u>\$ 47,491,000</u>

**HADDONFIELD SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**Fiscal Year Ended June 30, 2017**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 1,767,384	\$ -	\$ 1,767,384	\$ 1,767,384	\$ -
Miscellaneous					
Total revenues - local sources	<u>1,767,384</u>		<u>1,767,384</u>	<u>1,767,384</u>	
State sources:					
Debt service aid type II					
Total revenues - state sources					
Total Revenues	<u>1,767,384</u>		<u>1,767,384</u>	<u>1,767,384</u>	
<b>EXPENDITURES:</b>					
Regular debt service:					
Interest	478,038		478,038	478,038	
Redemption of principal	<u>1,290,000</u>		<u>1,290,000</u>	<u>1,290,000</u>	
Total Expenditures	<u>1,768,038</u>	-	<u>1,768,038</u>	<u>1,768,038</u>	
Excess (Deficiency) of revenues over (under) expenditures	(654)		(654)	(654)	
Other Financing Sources (Uses):					
Operating transfer in				70,133	70,133
Total Other Financing Sources (Uses)				<u>70,133</u>	<u>70,133</u>
Net change in fund balance	(654)		(654)	69,479	70,133
Fund Balances, July 1	<u>185,588</u>		<u>185,588</u>	<u>185,588</u>	
Fund Balances, June 30	<u>\$ 184,934</u>	<u>\$ -</u>	<u>\$ 184,934</u>	<u>\$ 255,067</u>	<u>\$ 70,133</u>

**Statistical Section**

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

Exhibit J-1

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Governmental activities:</b>										
Net investment in capital assets	\$ 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	\$ (22,807,300)
Restricted for:										
Capital projects	166,480	148,066	224,422	700,923	1,150,903	1,087,116	1,765,034	2,038,646	1,153,874	35,398,343
Debt service	(147,685)	(256,515)	(308,351)	9,162	14,458	13,813	3,987	1,788	185,588	255,067
Other purposes	247,510	531,981	439,470	845,675	1,314,071	1,473,472	1,683,474	1,777,482	1,428,749	1,409,679
Unrestricted	(641,297)	(695,030)	(595,190)	(856,188)	(774,403)	(686,329)	(979,589)	(7,612,744)	(7,492,346)	(8,853,533)
<b>Total governmental activities net position</b>	<b>\$ 7,993,528</b>	<b>\$ 8,351,977</b>	<b>\$ 8,652,878</b>	<b>\$ 9,771,796</b>	<b>\$ 11,283,261</b>	<b>\$ 11,692,819</b>	<b>\$ 14,387,720</b>	<b>\$ 8,043,591</b>	<b>\$ 7,429,584</b>	<b>\$ 5,402,256</b>
<b>Business-type activities:</b>										
Net investment in capital assets	\$ 36,073	\$ 16,792	\$ 6,449	\$ -	\$ -	\$ -	\$ 66,787	\$ 49,012	\$ 31,236	\$ 13,464
Unrestricted	84,296	85,033	110,867	135,619	125,450	109,723	136,462	143,264	72,580	69,774
<b>Total business-type activities net position</b>	<b>\$ 120,369</b>	<b>\$ 101,825</b>	<b>\$ 117,316</b>	<b>\$ 135,619</b>	<b>\$ 125,450</b>	<b>\$ 109,723</b>	<b>\$ 203,249</b>	<b>\$ 192,276</b>	<b>\$ 103,816</b>	<b>\$ 83,238</b>
<b>District-wide:</b>										
Net investment in capital assets	\$ 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	\$ (22,793,836)
Restricted:										
Capital projects	166,480	148,066	224,422	700,923	1,150,903	1,087,116	1,765,034	2,038,646	1,153,874	35,398,343
Debt service	(147,685)	(256,515)	(308,351)	9,162	14,458	13,813	3,987	1,788	185,588	255,067
Other purposes	247,510	531,981	439,470	845,675	1,314,071	1,473,472	1,683,474	1,777,482	1,428,749	1,409,679
Unrestricted	(557,001)	(609,997)	(484,323)	(720,569)	(648,953)	(576,606)	(843,127)	(7,469,480)	(7,419,766)	(8,783,759)
<b>Total district net position</b>	<b>\$ 8,113,897</b>	<b>\$ 8,453,802</b>	<b>\$ 8,770,194</b>	<b>\$ 9,907,415</b>	<b>\$ 11,408,711</b>	<b>\$ 11,802,542</b>	<b>\$ 14,590,969</b>	<b>\$ 8,235,867</b>	<b>\$ 7,533,400</b>	<b>\$ 5,485,494</b>

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

Exhibit J-2

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses:</b>										
<b>Governmental activities:</b>										
Instruction:										
Regular	\$ 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	\$ 13,213,069
Special education	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	3,663,913
Other instruction	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	1,005,895
Support Services:										
Tuition	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	670,140
Student & instruction related services	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	4,309,090
School administrative services	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	1,543,320
General and business administrative services	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	1,652,213
Plant operations and maintenance	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	6,182,702
Pupil transportation	503,835	451,054	341,765	306,140	533,737	299,965	468,815	544,335	498,304	509,109
Unallocated employee benefits	7,692,787	7,202,600	7,230,953	7,053,656	7,661,323	8,287,559	7,541,020	8,337,424	9,510,343	10,953,773
Special schools	184,009	210,996	165,035	161,341	108,653	136,209	112,057	141,616	115,363	131,437
Charter schools										
Interest on long-term debt	1,100,838	1,022,744	989,475	862,025	834,991	741,106	701,745	732,852	459,660	925,848
Unallocated depreciation	76,661	75,040	50,455	58,682	87,835	30,936	62,112	56,507	56,188	52,726
Total governmental activities expenses	<u>35,607,286</u>	<u>35,416,956</u>	<u>36,084,654</u>	<u>35,591,802</u>	<u>36,860,286</u>	<u>38,219,072</u>	<u>38,385,957</u>	<u>39,619,512</u>	<u>42,360,946</u>	<u>44,813,235</u>
<b>Business-type activities:</b>										
Community Education	89,310	77,154	77,217	79,191	81,841	82,722	109,036	91,026	134,587	110,644
Food service	502,895	539,276	545,408	535,136	554,666	559,954	519,642	522,126	592,657	609,298
Total business-type activities expense	<u>592,205</u>	<u>616,430</u>	<u>622,625</u>	<u>614,327</u>	<u>636,507</u>	<u>642,676</u>	<u>628,678</u>	<u>613,152</u>	<u>727,244</u>	<u>719,942</u>
Total district expenses	<u>\$ 36,199,491</u>	<u>\$ 36,033,386</u>	<u>\$ 36,707,279</u>	<u>\$ 36,206,129</u>	<u>\$ 37,496,793</u>	<u>\$ 38,861,748</u>	<u>\$ 39,014,635</u>	<u>\$ 40,232,664</u>	<u>\$ 43,088,190</u>	<u>\$ 45,533,177</u>
<b>Program Revenues:</b>										
<b>Governmental activities:</b>										
Operating grants and contributions	\$ 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	\$ 5,501,059
Total governmental activities program revenues	<u>4,033,993</u>	<u>3,088,834</u>	<u>3,181,308</u>	<u>3,501,365</u>	<u>3,727,388</u>	<u>4,314,447</u>	<u>3,763,353</u>	<u>4,246,118</u>	<u>5,081,523</u>	<u>5,501,059</u>

(Continued)

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

Exhibit J-2

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Business-type activities:</b>										
Charges for services:										
Community Education	\$ 83,903	\$ 73,921	\$ 79,161	\$ 83,732	\$ 80,861	\$ 94,488	\$ 101,176	\$ 106,360	\$ 113,989	\$ 103,672
Food service	381,675	467,055	494,153	493,216	490,935	464,331	464,667	458,200	489,045	559,154
Operating grants and contributions	60,065	55,233	64,166	54,378	67,815	66,799	71,159	35,708	34,596	36,199
Capital grants and contributions										
Total business type activities program revenues	<u>525,643</u>	<u>596,209</u>	<u>637,480</u>	<u>631,326</u>	<u>639,611</u>	<u>625,618</u>	<u>637,002</u>	<u>600,268</u>	<u>637,630</u>	<u>699,025</u>
Total district program revenues	<u>\$ 4,559,636</u>	<u>\$ 3,685,043</u>	<u>\$ 3,818,788</u>	<u>\$ 4,132,691</u>	<u>\$ 4,366,999</u>	<u>\$ 4,940,065</u>	<u>\$ 4,400,355</u>	<u>\$ 4,846,386</u>	<u>\$ 5,719,153</u>	<u>\$ 6,200,084</u>
<b>Net (Expense)/Revenue:</b>										
Governmental activities	\$ (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)	\$ (39,312,176)
Business-type activities	(66,562)	(20,221)	14,855	16,999	3,104	(17,058)	8,324	(12,884)	(89,614)	(20,917)
Total district-wide net expense	<u>\$ (31,639,855)</u>	<u>\$ (32,348,343)</u>	<u>\$ (32,888,491)</u>	<u>\$ (32,073,438)</u>	<u>\$ (33,129,794)</u>	<u>\$ (33,921,683)</u>	<u>\$ (34,614,280)</u>	<u>\$ (35,386,278)</u>	<u>\$ (37,369,037)</u>	<u>\$ (39,333,093)</u>
<b>General Revenues and Other Changes in Net Position:</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 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	\$ 33,729,632
Taxes levied for debt service	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	1,767,384
Unrestricted grants and contributions	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	1,173,632
State aid restricted for capital projects										
Tuition	373,907	267,028	215,049	220,243	321,758	492,118	526,947	505,276	511,500	290,603
Miscellaneous income	349,962	218,200	370,650	420,891	552,817	359,417	361,473	281,584	498,329	323,597
Transfers	(37,457)									
Total governmental activities	<u>31,911,281</u>	<u>32,686,571</u>	<u>33,204,247</u>	<u>33,209,355</u>	<u>34,644,363</u>	<u>34,535,485</u>	<u>35,223,923</u>	<u>35,790,837</u>	<u>36,665,416</u>	<u>37,284,848</u>
Business-type activities:										
Investment earnings	4,094	987	543	1,086	1,300	1,331	649	369	339	339
Miscellaneous income	28,774	690	93	218	3,245			1,542	815	-
Cancellation of accounts receivable					(17,818)					
Transfers	37,457									
Total business-type activities	<u>70,325</u>	<u>1,677</u>	<u>636</u>	<u>1,304</u>	<u>(13,273)</u>	<u>1,331</u>	<u>649</u>	<u>1,911</u>	<u>1,154</u>	<u>339</u>
Total district-wide	<u>\$ 31,981,606</u>	<u>\$ 32,688,248</u>	<u>\$ 33,204,883</u>	<u>\$ 33,210,659</u>	<u>\$ 34,631,090</u>	<u>\$ 34,536,816</u>	<u>\$ 35,224,572</u>	<u>\$ 35,792,748</u>	<u>\$ 36,666,570</u>	<u>\$ 37,285,187</u>
<b>Change in Net Position:</b>										
Governmental activities	\$ 337,988	\$ 358,449	\$ 300,901	\$ 1,118,918	\$ 1,511,465	\$ 630,860	\$ 601,319	\$ 417,443	\$ (614,007)	\$ (2,027,328)
Business-type activities	3,763	(18,544)	15,491	18,303	(10,169)	(15,727)	8,973	(10,973)	(88,460)	(20,578)
Total district-wide	<u>\$ 341,751</u>	<u>\$ 339,905</u>	<u>\$ 316,392</u>	<u>\$ 1,137,221</u>	<u>\$ 1,501,296</u>	<u>\$ 615,133</u>	<u>\$ 610,292</u>	<u>\$ 406,470</u>	<u>\$ (702,467)</u>	<u>\$ (2,047,906)</u>

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

Exhibit J-3

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund:										
Restricted for:										
Capital reserve	\$ 118	\$ 119	\$ 120	\$ 200,121	\$ 900,120	\$ 766,951	\$ 1,444,869	\$ 1,718,481	\$ 1,339,992	\$ 2,893,341
Maintenance reserve						200,000	200,000	200,000	400,000	401,000
Excess surplus	138,360	334,980	305,829	789,114	634,165	639,307	639,455	515,396	464,848	428,535
Excess surplus - designated for next year					679,906	634,165	639,307	639,455	515,396	464,848
Assigned										
Reserve for encumbrances							204,712	422,631	48,505	27,572
Designated for subsequent year's budget										87,724
Unassigned	705,063	766,590	693,792	669,318	635,917	593,100	596,116	621,022	650,447	606,964
Total general fund	<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>\$ 4,116,985</u>	<u>\$ 3,419,188</u>	<u>\$ 4,909,984</u>
All Other Governmental Funds										
Reserved:										
Encumbrances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 809	\$ -
Unreserved, reported in:										
Special revenue fund										
Capital projects fund	166,362	147,947	224,302	500,802	250,783	320,165	320,165	320,165	(186,927)	32,505,002
Debt service fund	184,028	62,215	18,430	9,162	14,458	13,813	3,987	1,788	185,588	255,067
Total all other governmental funds	<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>	<u>\$ 32,760,069</u>



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

Exhibit J-4

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues</b>										
Tax levy	\$ 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	\$ 35,497,016
Tuition charges	373,907	267,028	215,049	220,243	321,758	492,118	526,947	505,276	511,500	290,603
Miscellaneous	349,962	218,200	370,650	420,891	552,817	359,417	361,473	281,584	560,021	334,267
State sources	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	5,877,227
Federal sources	569,718	534,395	609,442	991,587	704,321	604,924	553,116	547,420	775,804	786,794
Total revenue	<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>	<u>42,785,907</u>
<b>Expenditures</b>										
Instruction										
Regular Instruction	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	12,544,513
Special education instruction	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	3,663,913
Other instruction	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	1,005,895
Support Services:										
Tuition	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	670,140
Student & instruction related services	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	4,309,090
School administrative services	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	1,543,320
General and business admin. services	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	1,546,761
Plant operations and maintenance	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	3,303,168
Pupil transportation	503,835	451,054	341,765	306,140	533,737	299,965	468,815	544,335	498,304	509,109
Employee Benefits	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	10,068,771
Special Schools	184,009	210,996	165,035	161,341	108,653	136,209	112,057	141,616	115,363	131,437
Capital outlay	18,102	86,921	72,045	109,119	875,710	1,194,331	557,665	636,172	1,850,701	2,721,357
Debt service:										
Principal	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	1,290,000
Interest and other charges	1,117,783	1,035,727	981,352	888,986	942,747	741,106	700,609	643,923	455,128	478,038
Total expenditures	<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>	<u>43,785,512</u>
Excess (Deficiency) of revenues over (under) expenditures	275,640	117,920	(91,947)	926,044	861,883	52,152	881,110	390,327	(1,020,280)	(999,605)
<b>Other Financing sources (uses)</b>										
Proceeds from borrowing			22,569	-	8,966,507	-	-	-	-	35,251,000
Payment to bond payment agent					(8,881,558)	-	-	-	-	-
Cancellation of accounts receivable	(93,572)									
Transfers in	45,382	11,603	5,664	169,285	188,004	87,602	1,134	654	184,555	70,133
Transfers out	(82,839)	(11,603)	(5,664)	(169,285)	(188,004)	(87,602)	(1,134)	(654)	(184,555)	(70,133)
Total other financing sources (uses)	<u>(131,029)</u>	<u>-</u>	<u>22,569</u>	<u>-</u>	<u>84,949</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,251,000</u>
Net change in fund balances	<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>	<u>\$ 34,251,395</u>
Debt service as a percentage of noncapital expenditures	5.67%	5.60%	5.44%	5.60%	5.71%	5.19%	5.19%	4.95%	4.49%	4.31%

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
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
2017	86,464	290,603	1,594	-	26,729	7,600	51,199		-	150,011	614,200
	<u>\$ 512,115</u>	<u>\$ 3,230,433</u>	<u>\$ 18,487</u>	<u>\$ 670,977</u>	<u>\$ 1,217,177</u>	<u>\$ 289,876</u>	<u>\$ 353,626</u>	<u>\$ 72,937</u>	<u>\$ 166,550</u>	<u>\$ 770,185</u>	<u>\$ 7,302,363</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
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	2,251,696,382
2017	6,280,300	2,019,795,400			207,910,400		14,000,500	2,247,986,600	5,663,400	2,253,650,000	250,266,300	1.641	2,282,646,641

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	
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
2017	1.536	0.105	1.641	0.460	0.005	0.033	0.851	2.990

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**

Taxpayer	2017	
	Taxable Assessed Value	% of Total District Net Assessed Value
Individual No. 1	\$ 10,116,800	0.45%
Verizon	9,164,849	0.41%
One Centennial Square	8,300,000	0.37%
132 Warwick Rd LLC	8,250,000	0.37%
95 Grove Street Partnership	7,989,400	0.35%
110 Kings Highway East	5,400,000	0.24%
Park Lane Properties	5,281,000	0.23%
Laurie Industries (ACME Markets)	4,069,800	0.18%
Tommar LLC	3,750,000	0.17%
807 Haddon Properties	3,000,000	0.13%
<b>Total</b>	<b>\$ 65,321,849</b>	<b>2.90%</b>

Taxpayer	2008	
	Taxable Assessed Value	% of Total District Net Assessed Value
Verizon	\$ 6,040,543	0.27%
One Centennial Square	4,950,000	0.22%
95 Grove Street Partnership	3,832,700	0.17%
Gerald & Erica Levin	2,876,900	0.13%
Park Lane Properties	2,446,000	0.11%
Laurie Industries	2,243,500	0.10%
Tommar LLC	1,950,000	0.09%
807 Haddon Properties	1,752,100	0.08%
Thirt-Five Kings Highway East	1,525,000	0.07%
Chestnut House LLC	1,500,000	0.07%
<b>Total</b>	<b>\$ 29,116,743</b>	<b>1.29%</b>

**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 <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
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	35,497,016	35,497,016	100.00%	-
2017	36,962,235	36,962,235	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 <sup>a</sup>	Per Capita <sup>b</sup>
	General Obligation Bonds	Unfunded Pension Liability	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
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	2.72%	1,307	
2016	13,530,000	-	-	-	-	13,530,000	c	1,184	
2017	47,491,000	-	-	-	-	47,491,000	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 <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
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%	1,185
2017	47,491,000	-	47,491,000	2.11%	<b>c</b>

**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, 2016

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Borough of Haddonfield	\$ 26,941,759	100.000%	\$ 26,941,759
Camden County General Obligation Debt	342,450,381	6.037%	20,673,730
			<hr/>
Subtotal, overlapping debt			47,615,489
<b>Haddonfield School District Direct Debt</b>			<hr/> <b>47,866,000</b>
<b>Total direct and overlapping debt</b>			<hr/> <b>\$ 95,481,489</b> <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.

Haddonfield School District  
 Legal Debt Margin Information,  
 Last Ten Fiscal Years  
 (dollars in thousands)

Exhibit J-13

Legal Debt Margin Calculation for Fiscal Year 2017

	Equalized valuation basis	
	2014	2,148,868,528
	2015	2,229,450,095
	2016	2,260,454,647
	[A]	<u>\$ 6,638,773,270</u>
Average equalized valuation of taxable property	[A/3]	\$ 2,212,924,423
Debt limit (4% of average equalized valuation)	[B]	88,516,977 <sup>a</sup>
Net bonded school debt	[C]	<u>47,491,000</u>
Legal debt margin	[B-C]	<u>\$ 41,025,977</u>

Fiscal Year

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
	\$ 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	\$ 88,516,977
Total net debt applicable to limit	<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>	<u>47,491,000</u>
Legal debt margin	<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>	<u>\$ 41,025,977</u>
Total net debt applicable to the limit as a percentage of debt limit	29.73%	26.43%	24.31%	22.57%	20.94%	19.68%	18.70%	17.29%	15.60%	53.65%

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

<sup>a</sup> 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

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
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	548,830,776	48,084	3.5%
2016	11,424	e	e	3.5%
2017	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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Instruction										
Regular	173	188	172	172	172	170	170	173	169	162
Special education	40	40	34	34	34	43	47	47	32	39
Other special education			55	55	55	58	58	58	49	72
Vocational										
Other instruction			24	24	26	25	13	13	2	
Support Services:										
Student & instruction related services	9	9	40	40	42	12	14	14	21	25
School administrative services	15	15	19	19	16	18	21	21	18	19
General and business administrative services	6	6	6	6	6	6	10	10	19	7
Plant operations and maintenance	9	9	12	12	13	8	8	8	6	9
Pupil transportation	5	4	8	8	8	12	12	12	10	10
Business and other support services	3	3							4	4
Special Schools										
Food Service										
Child Care										
Total	<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>	<u>347</u>

Source: District Personnel Records

Haddonfield School District  
 Operating Statistics,  
 Last Ten Fiscal Years

Exhibit J-17

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2008	2,388	\$ 33,666,206	\$ 14,098	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	1.99%	96.47%
2017	2,689	39,296,117	14,613.65	-0.35%	201	1:20	1:21	1:20	2,690	2,585	1.09%	96.10%

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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

<u>District Building</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>	<u>2017</u>
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	380	379	360	348	327	336	361	343	355	374
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	405	426	447	481	511	515	440	458	447	441
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	277	286	314	316	350	363	396	404	409	397
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	531	543	555	555	562	573	596	621	653	652
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	792	776	775	765	753	760	780	783	797	826

Number of Schools at June 30, 2017  
 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

* School Facilities	Project # (s)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
High School	SP#201155	\$ 305,809	\$ 313,699	\$ 494,029	\$ 459,096	\$ 445,380	\$ 422,494	\$ 442,142	\$ 344,092	\$ 270,561	\$ 283,102	\$ 3,780,404
Middle School	SP#201156	254,842	261,417	236,275	205,128	213,008	202,063	211,459	164,566	129,399	135,397	2,013,554
J. Fithian Tatem Elementary School	SP#201154	152,904	156,849	118,137	107,448	106,504	101,031	105,730	82,283	64,699	67,698	1,063,283
Elizabeth Haddon Elementary School	SP#201157	152,904	156,849	118,137	107,448	106,504	101,031	105,730	82,283	64,700	67,699	1,063,285
Central Elementary School	SP#201158	152,904	156,849	107,399	97,680	96,822	91,847	96,118	74,803	58,818	61,544	994,784
Total School Facilities		<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>\$ 615,440</u>	<u>\$ 8,915,310</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, 2017**

**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	\$ 175,000,000	\$ 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
Disaster Management Services	2,000,000		15,000
Student Accident (2)	5,000,000		
Surety Bonds (3)			
Treasurer	300,000		
Board Secretary	100,000		

- (1) Burlington County Insurance Pool (JIF)
- (2) Zurich American Insurance Company
- (3) Selective Insurance Company

Source: District records



**Single Audit Section**

**INVERSO & STEWART, LLC**  
Certified Public Accountants

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American Institute of CPAs  
New Jersey Society of CPAs

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT  
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE  
UNIFORM GUIDANCE AND STATE OF NEW JERSEY CIRCULAR 15-08-OMB**

**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's (School District), in the County of Camden, State of New Jersey compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2017. 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 federal and state statutes, regulations, and the terms and conditions of its federal and state awards 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, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and State of New Jersey Circular 15-08-OMB 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 or 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, 2017.

### Report on Internal Control Over Compliance

Management of the Haddonfield School District, in the County of Camden, State of New Jersey, 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 or 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 or state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and State of New Jersey Circular 15-08-OMB, 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 State of New Jersey Circular 15-08-OMB. Accordingly, this report is not suitable for any other purpose.

***INVERSO & STEWART, LLC***  
Certified Public Accountants



Robert P. Inverso  
Certified Public Accountant  
Public School Accountant No. CS001095

Marlton, New Jersey  
October 12, 2017

HADDONFIELD SCHOOL DISTRICT  
Schedule of Expenditures of Federal Awards  
for the Fiscal Year ended June 30, 2017

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, 2016			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years' Balances	June 30, 2017		
						Accounts Receivable	Deferred Revenue	Due to Grantor at						Accounts Receivable	Deferred Revenue	Due to Grantor at
<b>U.S. Department of Education</b>																
<u>Special Revenue Fund:</u>																
<u>No Child Left Behind(N.C.L.B.)</u>																
Title I	84.010	S010A160030	NCLB-1900-17	188,974	7/1/16 - 6/30/17	\$ -	\$ -	\$ -	\$ -	\$ 117,672	\$ (128,496)	\$ -	\$ -	\$ (10,824)	\$ -	\$ -
Title I - PY	84.010	S010A150030	NCLB-1900-16	153,726	7/1/15 - 6/30/16	(29,255)				29,255				-		
Title II - Part A - CY	84.367	S367A160029	NCLB-1900-17	77,021	7/1/16 - 6/30/17					27,715	(27,802)			(87)		
Title II - Part A - PY	84.367	S367A150029	NCLB-1900-16	85,550	7/1/15 - 6/30/16	(8,479)				8,479				-		
<u>Individuals With Disabilities Act (I.D.E.I.A.)</u>																
Part B - Basic	84.027	H027A160100	IDEA-1900-17	622,325	7/1/16 - 6/30/17					575,006	(602,658)			(27,652)		
Part B - Basic	84.027	H027A150100	IDEA-1900-16	639,956	7/1/15 - 6/30/16	(129,350)				120,931		8,419		-		
Part B - Basic	84.027	H027A150100	IDEA-1900-14	507,661	7/1/13 - 6/30/14	(6,672)						6,672		-		
Part B - Preschool	84.173	H173A160114	IDEA-1900-17	32,235	7/1/16 - 6/30/17					22,682	(27,838)			(5,156)		
Part B - Preschool	84.173	H173A150114	IDEA-1900-16	37,181	7/1/15 - 6/30/16	(25,613)				22,275		3,338		-		
Total Special Revenue Fund						(199,369)	-	-	-	924,015	(786,794)	18,429	-	(43,719)	-	-
<b>U.S. Department of Agriculture</b>																
<u>Enterprise Fund:</u>																
Food Distribution Program	10.565	171NJ304N1099	N/A	15,232	7/1/16 - 6/30/17					15,232	(15,232)					
National School Lunch Program	10.555	171NJ304N1099	N/A	19,254	7/1/16 - 6/30/17					18,001	(19,254)			(1,253)		
National School Lunch Program	10.555	16161NJ304N1099	N/A	18,881	7/1/15 - 6/30/16	(1,098)				1,098				-		
Total Enterprise Fund						(1,098)	-	-	-	34,331	(34,486)	-	-	(1,253)	-	-
Total Federal Awards						\$ (200,467)	\$ -	\$ -	\$ -	\$ 958,346	\$ (821,280)	\$ 18,429	\$ -	\$ (44,972)	\$ -	\$ -

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, 2017

State Grantor / Program Title	Grant or State Project Number	Program Award Amount	Grant Period	June 30, 2016			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years' Balances	June 30, 2017		
				Accounts Receivable	Deferred Revenue	Due to Grantor at						(Accounts Receivable)	Deferred Revenue	Due to Grantor at
<b>State Department of Education</b>														
<u>General Fund:</u>														
Extraordinary Aid	17-495-034-5120-044	\$ 223,686	7/1/16 - 6/30/17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (223,686)	\$ -	\$ -	\$ (223,686)	\$ -	\$ -
Extraordinary Aid	16-495-034-5120-044	240,210	7/1/15 - 6/30/16	(240,210)				240,210						
Special Education Categorical Aid	17-495-034-5120-089	802,294	7/1/16 - 6/30/17					742,107	(802,294)			(60,187)		
Special Education Categorical Aid	16-495-034-5120-089	803,671	7/1/15 - 6/30/16	(52,069)				52,069						
Security Aid	17-495-034-5120-084	41,592	7/1/16 - 6/30/17					38,472	(41,592)			(3,120)		
Security Aid	16-495-034-5120-084	36,070	7/1/15 - 6/30/16	(2,337)				2,337						
Transportation Aid	17-495-034-5120-014	40,814	7/1/16 - 6/30/17					37,752	(40,814)			(3,062)		
Transportation Aid	16-495-034-5120-014	36,655	7/1/15 - 6/30/16	(2,375)				2,375						
Adjustment Aid	17-495-034-5120-085	243	7/1/16 - 6/30/17					225	(243)			(18)		
Adjustment Aid	16-495-034-5120-085	252	7/1/15 - 6/30/16	(16)				16						
Under Adequacy Aid	17-495-034-5120-096	1,828	7/1/16 - 6/30/17					1,691	(1,828)			(137)		
Under Adequacy Aid	16-495-034-5120-096	1,828	7/1/15 - 6/30/16	(118)				118						
PARCC Readiness Aid	17-495-034-5120-098	24,780	7/1/16 - 6/30/17					22,921	(24,780)			(1,859)		
PARCC Readiness Aid	16-495-034-5120-098	24,780	7/1/15 - 6/30/16	(1,606)				1,606						
Per Pupil Growth Aid	17-495-034-5120-097	24,780	7/1/16 - 6/30/17					22,921	(24,780)			(1,859)		
Per Pupil Growth Aid	16-495-034-5120-097	24,780	7/1/15 - 6/30/16	(1,606)				1,606						
Professional Learning Community Aid	17-495-034-5120-001	25,655	7/1/16 - 6/30/17					23,730	(25,655)			(1,925)		
On Behalf TPAF Pension	17-495-034-5094-001	1,744,840	7/1/16 - 6/30/17					1,744,840	(1,744,840)					
On Behalf TPAF Post Retirement Medical	17-495-034-5094-002	1,453,848	7/1/16 - 6/30/17					1,453,848	(1,453,848)					
On Behalf TPAF LTDI	17-495-034-5094-004	5,453	7/1/16 - 6/30/17					5,453	(5,453)					
Reimbursed TPAF Social Security Contributions	17-495-034-5094-003	1,157,114	7/1/16 - 6/30/17					1,102,907	(1,157,114)			(54,207)		
<b>Total General Fund</b>				<b>(300,337)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,497,204</b>	<b>(5,546,927)</b>	<b>-</b>	<b>-</b>	<b>(350,060)</b>	<b>-</b>	<b>-</b>
<u>Special Revenue Fund</u>														
N.J. Nonpublic Aid:														
Textbook Aid	17-100-034-5120-064	23,921	7/1/16 - 6/30/17					23,921	(23,921)					
Textbook Aid	16-100-034-5120-064	25,752	7/1/15 - 6/30/16			1,673					1,673			
Nursing Aid	17-100-034-5120-070	37,620	7/1/16 - 6/30/17					37,620	(37,244)					376
Nursing Aid	16-100-034-5120-070	40,950	7/1/15 - 6/30/16			410					410			
Technology Aid	17-100-034-5120-373	10,790	7/1/16 - 6/30/17					10,790	(5,772)					5,018
Technology Aid	16-100-034-5120-373	11,726	7/1/15 - 6/30/16			150					150			
Security Aid	17-100-034-5120-509	20,900	7/1/16 - 6/30/17					20,900	(20,080)					820
Security Aid	16-100-034-5120-509	11,375	7/1/15 - 6/30/16			90					90			
Auxiliary Services:														
Compensatory Education	17-100-034-5120-067	139,745	7/1/16 - 6/30/17					139,745	(124,695)					15,050
Compensatory Education	16-100-034-5120-067	116,328	7/1/15 - 6/30/16			12,101					12,101			
ESL	17-100-034-5120-067	10,962	7/1/16 - 6/30/17					10,962	(4,385)					6,577
ESL	16-100-034-5120-067	7,765	7/1/15 - 6/30/16			4,142					4,142			
Transportation	17-100-034-5120-068	13,028	7/1/16 - 6/30/17					13,028	(5,138)					7,890
Transportation	16-100-034-5120-068	13,984	7/1/15 - 6/30/16			10,184					10,184			
Home Instruction	17-100-034-5120-067	4,037	7/1/16 - 6/30/17					7,028	(4,037)			(4,037)		
Home Instruction	16-100-034-5120-067	7,028	7/1/15 - 6/30/16	(7,028)										
Handicapped Services:														
Examination & Classification	17-100-034-5120-066	61,409	7/1/16 - 6/30/17					61,409	(46,828)					14,581
Examination & Classification	16-100-034-5120-066	62,881	7/1/15 - 6/30/16			18,915					18,915			
Corrective Speech	17-100-034-5120-066	49,035	7/1/16 - 6/30/17					49,035	(35,870)					13,165
Corrective Speech	16-100-034-5120-066	56,017	7/1/15 - 6/30/16			21,072					21,072			-
Supplemental Instruction	17-100-034-5120-066	51,398	7/1/16 - 6/30/17					51,398	(34,370)					17,028
Supplemental Instruction	16-100-034-5120-066	42,921	7/1/15 - 6/30/16			12,330					12,330			
<b>Total Special Revenue Fund</b>				<b>(7,028)</b>	<b>-</b>	<b>81,067</b>	<b>-</b>	<b>425,836</b>	<b>(342,340)</b>	<b>-</b>	<b>81,067</b>	<b>(4,037)</b>	<b>-</b>	<b>80,505</b>

(Continued)

HADDONFIELD SCHOOL DISTRICT  
Schedule of Expenditures of State Financial Assistance  
for the Fiscal Year ended June 30, 2017

State Grantor / Program Title	Grant or State Project Number	Program Award Amount	Grant Period	June 30, 2016			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years' Balances	June 30, 2017		
				Accounts Receivable	Deferred Revenue	Due to Grantor at						(Accounts Receivable)	Deferred Revenue	Due to Grantor at
<b>New Jersey Economic Development Authority</b>														
<b>Capital Projects Fund</b>														
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)		
<b>Total Capital Projects Fund</b>				<b>(251,680)</b>		<b>-</b>						<b>(251,680)</b>		
<b>State Department of Agriculture</b>														
<b>Enterprise Fund:</b>														
State School Lunch Program	17-100-010-3350-023	1,713	7/1/16 - 6/30/17				1,604	(1,713)				(109)		
State School Lunch Program	16-100-010-3350-023	1,747	7/1/15 - 6/30/16	(101)			101							
<b>Total Enterprise Fund</b>				<b>(101)</b>			<b>1,705</b>	<b>(1,713)</b>				<b>(109)</b>		
<b>Total State Financial Assistance</b>				<b>\$ (559,146)</b>	<b>\$ -</b>	<b>\$ 81,067</b>	<b>\$ -</b>	<b>\$ 5,924,745</b>	<b>\$ (5,890,980)</b>	<b>\$ -</b>	<b>\$ 81,067</b>	<b>\$ (605,886)</b>	<b>\$ -</b>	<b>\$ 80,505</b>
Less: State Financial Assistance Not Subject to Major Program Determination														
On-Behalf TPAF Contribution - Pension (Non-Budgeted)												(1,744,840)		
On-Behalf TPAF Contribution - Post-Retirement Medical (Non-Budgeted)												(1,453,848)		
On-Behalf TPAF Contribution - LTDI (Non-Budgeted)												(5,453)		
<b>Total State Financial Assistance Subject to Major Program Determination</b>												<b>\$ (2,686,839)</b>		

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, 2017**

**1. 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*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The school district has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**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 one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes, payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more of the June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or two June state aid payments in the current budget year, consistent with *N.J.S.A. 18A:22-44.2*.

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is (\$12,040) in the general fund and \$-0- in 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.

**Haddonfield School District  
Notes to the Schedules of Expenditures  
of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2017  
(Continued)**

**3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

Awards and financial assistance expenditures are reported in the School District's basic financial statements on a GAAP basis as presented as follows:

	<b>Federal</b>	<b>State</b>	<b>Total</b>
<b>General Fund</b>	\$ -	\$ 5,534,887	\$ 6,321,681
<b>Special Revenue Fund</b>	786,794	342,340	342,340
<b>Food Service Fund</b>	34,486	1,713	36,199
<b>Total Awards &amp; Financial Assistance</b>	\$ 821,280	\$ 5,878,940	\$ 6,700,220

**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, 2017. 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, 2017.

**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:

	<b>Federal</b>
Cancelation of Accounts Receivable	\$ 18,429
<b>Total</b>	\$ 18,429



**HADDONFIELD SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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>H027A160100</u>	<u>IDEA Part B Basic</u>
<u>84.713</u>	<u>H173A160114</u>	<u>IDEA Part B Preschool</u>

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

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, 2017**

**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:

<b><u>State Grant/Project Number(s)</u></b>	<b><u>Name of State Program</u></b>
<u>17-495-034-5120-089</u>	<b>State Aid Public Cluster:</b> <u>Special Education Categorical Aid</u>
<u>17-495-034-5120-084</u>	<u>Security Aid</u>
<u>17-495-034-5120-085</u>	<u>Adjustment Aid</u>
<u>17-495-034-5120-096</u>	<u>Under Adequacy Aid</u>
<u>17-495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>17-495-034-5120-098</u>	<u>PARCC Readiness</u>
<u>17-495-034-5120-101</u>	<u>Professional Learning Community Aid</u>
<u>17-495-034-5094-003</u>	<u>Reimbursed TPAF Social Security Contributions</u>

**HADDONFIELD SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

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

**Finding #2017-001**

**Criteria or specific requirement:**

Good internal control require supporting documentation for cash all receipts 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 risk of misappropriation of funds is increased.

**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, 2017**

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

**Finding #2017-002**

**Criteria or specific requirement:**

N.J.A.C. 6A:23-16.12 and good internal control requires supporting documentation for all transactions. Disbursements should be made strictly for student purposes.

**Condition:**

Supporting documentation was not available for receipts and several disbursements did not appear to be student related.

**Context:**

The test for student activity receipts disclosed the following:

- 1) Supporting documentation was not available for many receipts.

The test for student activity disbursements disclosed the following:

- 1) A stipend of \$1,289 was paid for the AV Coordinator.
- 2) Chromebooks purchased for \$10,835.
- 3) Smart board purchase for \$3,689.
- 4) PSAT proctor fees of \$100 for several individuals.

**Effect:**

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

**Cause:**

Unknown

**Recommendation:**

That the District obtain and retain supporting documentation for all receipts and all disbursements be student related.

**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, 2017**

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

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by 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 Circular 15-08-OMB.

**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 financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, 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 Circular 15-08-OMB.

**FINANCIAL STATEMENT FINDINGS**

**Finding 2016-001**

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

**Current Status:**

Corrective action has been not taken on this finding.

**Finding 2016-002**

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

**Current Status:**

Corrective action has not been taken on this finding.

**FEDERAL AWARDS**

There were no prior year audit findings.

**STATE AWARDS**

There were no prior year audit findings.