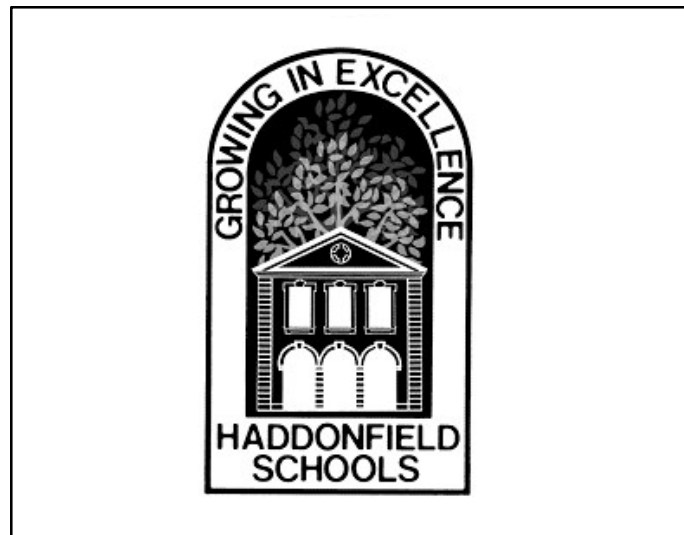


SCHOOL DISTRICT
OF
HADDONFIELD



Haddonfield Board of Education
Haddonfield, New Jersey

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2018**

**Comprehensive Annual
Financial Report**

of the

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

For the Fiscal Year Ended June 30, 2018

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

HADDONFIELD SCHOOL DISTRICT

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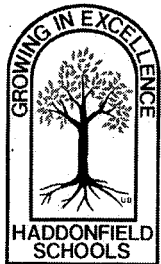
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Introductory Section



HADDONFIELD BOARD OF EDUCATION

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Lawrence Mussoline, Ed.D
Superintendent

Michael Wilson
Assistant Superintendent

Stephen Burns
*Business Administrator/
Board Secretary*

December 7, 2018

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, 2018, 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 2017-2018 fiscal year with an average daily enrollment of 2,710 students, which is an increase of 20 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>
2017-18	2,710	0.7 %
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 %

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 the increase need for advances in technology, improvement to facilities, and innovative curriculums have resulted in tax increases at or close to 2%.

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 approximately 350 full and part time staff. 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.

- 94% percentage of Haddonfield Memorial High School Class of 2018 took SATs.
- Class of 2018 had a mean score of 1212 – Math 609, EWR 603
- Class of 2018 had 97.9% graduating seniors continue their education in college
- Class of 2018 attending four year college or university 93.8%

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 25th in State and #597 in the Nation in their 2018 rankings.
- *New Jersey Magazine* ranked HMHS as 6th in the state.
- *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 2,710 students in total with an additional 13 Special Education students sent on a tuition basis to private and public school special education programs. The total number of enrolled students includes 23 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. 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 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.

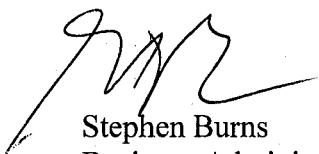
7. **RISK MANAGEMENT**: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

8. **OTHER INFORMATION**:

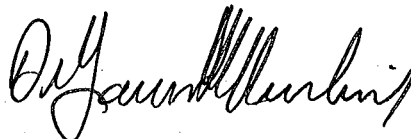
Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accounts. The accounting firm of Inverso & Stewart, LLC, performs the annual statutory audit of the Haddonfield Board of Education. In addition to meeting the requirements set 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,



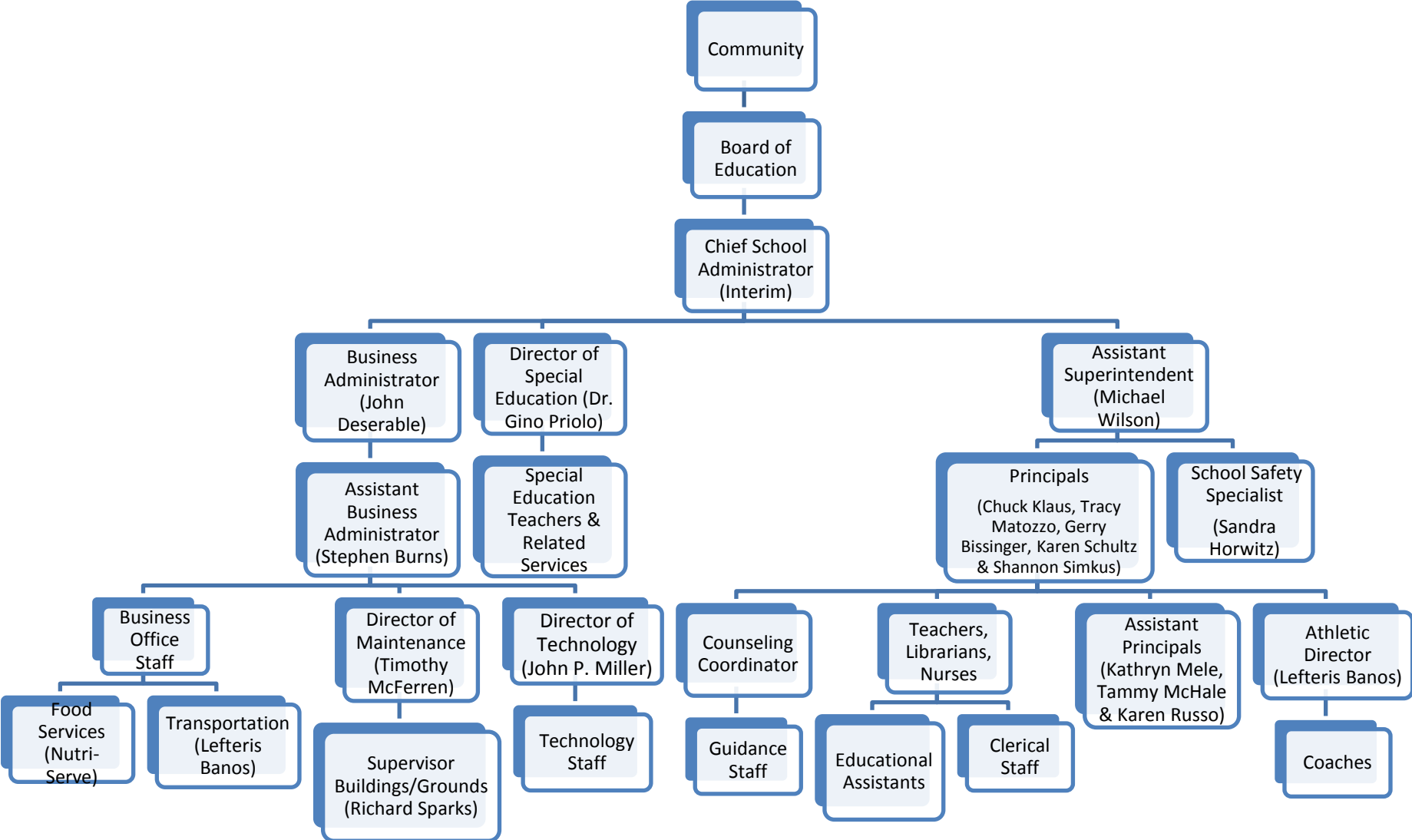
Stephen Burns
Business Administrator/Board Secretary



Lawrence Mussoline, Ed.D.
Superintendent

Haddonfield Public Schools

Organizational Chart



**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

**HADDONFIELD BOARD OF EDUCATION
HADDONFIELD, NEW JERSEY
ROSTER OF OFFICIALS
JUNE 30, 2018**

	<u>TERM EXPIRES</u>
Adam Sangillo, President	2018
Susan Kutner, Vice- President	2018
Maureen Eyles	2020
Mary Fagan	2019
Glenn Moramarco	2018
Heather Paoli	2020
Matt Ritter	2019
David Siedell	2019
Thomas Vecchio	2020

OTHER OFFICIALS

Dr David Lindenmuth	Interim Superintendent
Michael Wilson	Assistant Superintendent
John Deserable	Interim Business Administrator/Board Secretary
Stephen Burns	Assistant Business Administrator
Michael Catalano	Accounting Manager
Joseph F. Betley	Solicitor

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, 2018, 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, 2018, 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, schedule of the State's proportionate share of the net OPEB liability associated with the School District and changes in the total OPEB liability and related ratios 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 January 31, 2019 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
January 31, 2019

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 and 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, 2018, 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 January 31, 2019.

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.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying *Schedule of Findings and Questioned Costs and Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance*, I identified certain deficiencies in internal control that I consider to be material weaknesses and significant deficiencies.

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. I consider the deficiencies described in the accompanying *Schedule of Findings and Questioned Costs and Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance* to be material weaknesses as findings no. 2018-001, 2018-002, and 2018-004.

Internal Control Over Financial Reporting (Continued)

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. I consider the deficiency described in the accompanying *Schedule of Findings and Questioned Costs and Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance* to be a significant deficiency as finding no. 2018-003.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Haddonfield School District's financial statements are free from 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: 2018-001, 2018-002, 2018-003, and 2018-004.

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
January 31, 2019

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, 2018**

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, 2018. 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 \$6,187,687 (*net position*).
- Governmental activities have an unrestricted net position deficit of \$8,791,484. 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 increased by \$780,399, or a 14.23% increase 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 decreased by \$20,520,888 resulting in an ending fund balance of \$17,149,165. This decrease is largely due to the results of operations in the capital projects fund.
- Business-type activities have unrestricted net position of \$74,157, which may be used to meet the School District's ongoing obligations of the food service operations and community education program.
- The School District's long-term obligations decreased by \$3,790,393 which is the result of an decrease in serial bonds and net pension liability and a increase in 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 2019. 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 2018.

The assets of the primary government activities exceeded liabilities by \$6,169,687 with an unrestricted deficit balance of \$8,809,484. The net position of the primary government does not include internal balances.

A net investment of a deficit of \$1,555,726 in land, improvements, buildings, equipment and vehicles which provide the services to the School District's 2,714 public school students, represents (25.24%) of the School District's net position. Net position of \$14,057,596 has been restricted to provide resources for future capital expansion and renovation projects, \$902,875 for maintenance projects, \$1,416,807 has been restricted for budget appropriation and \$157,619 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, 2018 and 2017

	Governmental Activities		Business-Type Activities		District-Wide	
	2018	2017	2018	2017	2018	2017
Assets:						
Current assets	\$ 17,449,301	\$ 38,027,834	\$ 113,698	\$ 105,536	\$ 17,562,999	\$ 38,133,370
Capital assets	44,828,263	24,956,186	4,049	13,464	44,832,312	24,969,650
Total assets	62,277,564	62,984,020	117,747	119,000	62,395,311	63,103,020
Deferred Outflows of Resources	2,273,915	3,228,922			2,273,915	3,228,922
Liabilities:						
Current Liabilities	2,420,015	2,733,334	39,541	35,762	2,459,556	2,769,096
Noncurrent Liabilities	53,808,760	57,599,153			53,808,760	57,599,153
Total liabilities	56,228,775	60,332,487	39,541	35,762	56,268,316	60,368,249
Deferred Inflows of Resources	2,135,017	478,199			2,135,017	478,199
Net position	\$ 6,187,687	\$ 5,402,256	\$ 78,206	\$ 83,238	\$ 6,265,893	\$ 5,485,494
Net position consists of:						
Net investment in						
Capital assets	(1,555,726)	(22,807,300)	4,049	13,464	(1,551,677)	\$ (22,793,836)
Restricted net position	16,534,897	37,063,089			16,534,897	37,063,089
Unrestricted net position	(8,791,484)	(8,853,533)	74,157	69,774	(8,717,327)	(8,783,759)
Net position	\$ 6,187,687	\$ 5,402,256	\$ 78,206	\$ 83,238	\$ 6,265,893	\$ 5,485,494

Haddonfield School District
Comparative Schedule of Changes in Net Position
As of and for the Fiscal Year Ended June 30, 2018 and 2017

	Governmental Activities		Business-Type Activities		District-Wide	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program Revenues						
Charges for services	\$	\$	\$ 652,036	\$ 662,826	\$ 652,036	\$ 662,826
Operating grants and Contributions	19,022,458	5,501,059	37,170	36,199	19,059,628	5,537,258
General Revenues:						
Property Taxes	36,962,235	35,497,016			36,962,235	35,497,016
Unrestricted State Aid	1,263,204	1,173,632			1,263,204	1,173,632
Tuition	365,162	290,603			365,162	290,603
Other Revenues	454,654	323,597	637	339	455,291	323,936
Total Revenues	58,067,713	42,785,907	689,843	699,364	58,757,556	43,485,271
Expenses:						
Governmental Activities:						
Instruction	18,057,585	17,882,877			18,057,585	17,882,877
Tuition	504,587	670,140			504,587	670,140
Related Services	4,974,480	4,309,090			4,974,480	4,309,090
Administrative Services	2,747,193	2,386,621			2,747,193	2,386,621
Central Services	803,624	808,912			803,624	808,912
Operations and Maintenance	5,246,291	6,182,702			5,246,291	6,182,702
Transportation	548,993	509,109			548,993	509,109
Special Schools	43,602	131,437			43,602	131,437
Employee benefits	23,011,313	10,953,773			23,011,313	10,953,773
Interest on long-term Debt	1,295,356	925,848			1,295,356	925,848
Other	49,258	52,726			49,258	52,726
Business-Type Activities:						
Food Service Operations			602,426	609,298	602,426	609,298
Community Education			92,449	110,644	92,449	110,644
Total Expenses	57,282,282	44,813,235	694,875	719,942	57,977,157	45,533,177
Increase in net position						
Before transfers	785,431	(2,027,328)	(5,032)	(20,578)	780,399	(2,047,906)
Cancelled						
Changes in net position	785,431	(2,027,328)	(5,032)	(20,578)	780,399	(2,047,906)
Net position, July 1,	5,402,256	7,429,584	83,238	103,816	5,485,494	7,533,400
Net position, June 30,	\$ 6,187,687	\$ 5,402,256	\$ 78,206	\$ 83,238	\$ 6,265,893	\$ 5,485,494

Governmental Activities

Governmental activities increased the net position of the School District by \$785,431 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 \$123,984 during the current fiscal year.
- Depreciation expense reduced net position by \$985,160
- Repayment of bond principle increased the net position of the School District by \$1,325,000.

Business-type Activities

Business-type activities decreased the School District's net position by \$5,032. Key elements of the decrease in net position for governmental activities are as follows:

- The Food Service Fund had a net gain of \$8,164 and the Community Education Program had a net loss of \$13,196.

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 \$17,149,165, a decrease of \$20,520,888 in comparison with the prior year. This decrease is primarily attributable to the results of operations in the general fund and capital projects fund.

The unassigned fund balance for the School District at the end of the fiscal year includes a combination of unassigned fund balance for the General Fund of \$614,268, deficit balance of \$133,433 for the Capital Projects Fund, and \$87,486 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 \$14,191,029, 2) as restricted for future maintenance projects of \$902,875, 3) \$823,003 appropriated as a revenue source for the subsequent year's budget, and 4) \$663,937 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

The final amended budget increased \$116,311 over the final amended budget due to an increase in state aid.

At the end of the current fiscal year, unreserved fund balance (budgetary basis) of the general fund was \$698,039 while total fund balance (budgetary basis) was \$6,924,589. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance (budgetary basis) and total fund balance (budgetary basis) to total general fund expenditures. Actual (budgetary basis) expenditures of the General Fund including other financing uses amounted to \$39,730,647. Unreserved fund balance (budgetary basis) represents 1.76% of expenditures while total fund balance (budgetary basis) represents 17.43% 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, 2018, totaled \$44,832,312 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, and equipment. The net increase in the District's investment in capital assets for the current fiscal year was \$19,862,662 or a 79.55% increase. The increase is due to construction in progress.

Capital Asset (net of accumulated depreciation) June 30, 2018 and 2017

	Governmental Activities		Business-Type Activities		District-Wide	
	2018	2017	2018	2017	2018	2017
Land	\$ 1,898,592	\$ 1,898,592	\$ -	\$ -	\$ 1,898,592	\$ 1,898,592
Construction in Progress	20,615,949				20,615,949	
Buildings and Building Improvements	21,982,266	22,866,989			21,982,266	22,866,989
Equipment	331,456	190,605	4,049	13,464	335,505	204,069
Total	<u>\$ 44,828,263</u>	<u>\$ 24,956,186</u>	<u>\$ 4,049</u>	<u>\$ 13,464</u>	<u>\$ 44,832,312</u>	<u>\$ 24,969,650</u>

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

Long-term debt – During the fiscal year ended June 30, 2018, the School District had \$46,383,989 in serial bonds payable, \$1,235,742 in compensated absences and \$7,568,526 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 \$90,397,285. The available amount as of June 30, 2018 is \$44,231,285.

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 2018-19 fiscal year.

- For the 2018-19 fiscal year the School District will not be receiving an increase in state aid. The local tax levy in the General Fund increased by \$855,766 or 2.47%. Salaries continue to increase contractually; however, the District has managed to control costs. The 2018-19 General Fund Budget is \$737,958 more than the previous year or a 2.01% increase.
- The tax rate increased from \$1.641 in 2017 to \$1.694 in 2018.

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, 2018

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS:			
Cash and cash equivalents	\$ 12,786,277	\$ 171,452	\$ 12,957,729
Receivables, net	688,996	2,442	691,438
Internal balances	67,160	(67,160)	-
Inventory		6,964	6,964
Restricted assets:			
Capital reserve account - cash	3,906,868		3,906,868
Capital assets, net (Note 5)	44,828,263	4,049	44,832,312
Total assets	<u>62,277,564</u>	<u>117,747</u>	<u>62,395,311</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows of resources from pensions	<u>2,273,915</u>		<u>2,273,915</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:	<u>64,551,479</u>	<u>117,747</u>	<u>64,669,226</u>
LIABILITIES:			
Accounts payable			
Related to pensions	312,395		312,395
Other	217,226		217,226
Payable to state government	43,870		43,870
Unearned revenue	39,040	39,541	78,581
Accrued interest	427,987		427,987
Noncurrent liabilities:			
Due within one year	1,379,497		1,379,497
Due beyond one year	53,808,760		53,808,760
Total liabilities	<u>56,228,775</u>	<u>39,541</u>	<u>56,268,316</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflows of resources from pensions	<u>2,135,017</u>		<u>2,135,017</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:	<u>58,363,792</u>	<u>39,541</u>	<u>58,403,333</u>
NET POSITION:			
Net investment in capital assets	(1,555,726)	4,049	(1,551,677)
Restricted for:			
Debt Service Fund	157,619		157,619
Capital Projects	14,057,596		14,057,596
Other Purposes	2,319,682		2,319,682
Unrestricted	<u>(8,791,484)</u>	<u>74,157</u>	<u>(8,717,327)</u>
Total net position	<u>\$ 6,187,687</u>	<u>\$ 78,206</u>	<u>\$ 6,265,893</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, 2018

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	\$ 13,408,270	\$ -	\$ 504,304	\$ (12,903,966)	\$ -	\$ (12,903,966)
Special education	3,633,508		459,205	(3,174,303)		(3,174,303)
Other instruction	1,015,807		52,951	(962,856)		(962,856)
Support Services:						
Tuition	504,587			(504,587)		(504,587)
Student & instruction related services	4,974,480		217,471	(4,757,009)		(4,757,009)
General administrative services	1,131,821			(1,131,821)		(1,131,821)
School administrative services	1,615,372			(1,615,372)		(1,615,372)
Central services	803,624			(803,624)		(803,624)
Plant operations and maintenance	5,246,291			(5,246,291)		(5,246,291)
Pupil transportation	548,993			(548,993)		(548,993)
Special schools	43,602			(43,602)		(43,602)
Unallocated employee benefits	23,011,313		17,401,587	(5,609,726)		(5,609,726)
Interest on long-term debt	1,295,356		386,940	(908,416)		(908,416)
Unallocated depreciation and amortization	49,258			(49,258)		(49,258)
Total governmental activities	<u>57,282,282</u>		<u>19,022,458</u>	<u>(38,259,824)</u>		<u>(38,259,824)</u>
Business-type activities:						
Community education	92,449	79,086			(13,363)	(13,363)
Food service	602,426	572,950	37,170		7,694	7,694
Total business-type activities	<u>694,875</u>	<u>652,036</u>	<u>37,170</u>		<u>(5,669)</u>	<u>(5,669)</u>
Total primary government	<u>\$ 57,977,157</u>	<u>\$ 652,036</u>	<u>\$ 19,059,628</u>	<u>\$ (38,259,824)</u>	<u>\$ (5,669)</u>	<u>\$ (38,265,493)</u>
General revenues:						
Taxes:						
Property taxes, levied for general purposes, net				34,594,360		34,594,360
Taxes levied for debt service				2,367,875		2,367,875
Federal and State aid not restricted				1,263,204		1,263,204
Tuition revenue				365,162		365,162
Investment earnings				15,402	637	16,039
Miscellaneous income				439,252		439,252
Total general revenues, special items, extraordinary items and transfers				<u>39,045,255</u>	<u>637</u>	<u>39,045,892</u>
Change in Net Position				785,431	(5,032)	780,399
Net Position--July 1				5,402,256	83,238	5,485,494
Net Position--June 30				<u>\$ 6,187,687</u>	<u>\$ 78,206</u>	<u>\$ 6,265,893</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, 2018

ASSETS	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 2,711,143	\$ 91,506	\$ 9,983,628	\$ -	\$ 12,786,277
Receivables, net	235,208	253,122	167,100		655,430
Interfund receivables, net	400,758		157,619	157,619	715,996
Restricted cash and cash equivalents	<u>3,906,868</u>				<u>3,906,868</u>
Total assets	<u>\$ 7,253,977</u>	<u>\$ 344,628</u>	<u>\$ 10,308,347</u>	<u>\$ 157,619</u>	<u>\$ 18,064,571</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	216,500	725			217,225
Interfund payable	157,619	300,033	157,619		615,271
Intergovernmental payable:					
State		43,870			43,870
Unearned revenues	<u>39,040</u>				<u>39,040</u>
Total liabilities	<u>413,159</u>	<u>344,628</u>	<u>157,619</u>	<u>-</u>	<u>915,406</u>
Fund Balances:					
Restricted for:					
Excess surplus	663,937				663,937
Capital reserve account	3,906,868				3,906,868
Maintenance reserve account	902,875				902,875
Excess surplus designated for subsequent year's expenditures	428,535				428,535
Assigned to:					
Other purposes	324,335		10,284,161		10,608,496
Unreserved - designated for subsequent year's expenditures				70,133	70,133
Unassigned	<u>614,268</u>		<u>(133,433)</u>	<u>87,486</u>	<u>568,321</u>
Total fund balances	<u>6,840,818</u>		<u>10,150,728</u>	<u>157,619</u>	<u>17,149,165</u>
Total liabilities and fund balances	<u>\$ 7,253,977</u>	<u>\$ 344,628</u>	<u>\$ 10,308,347</u>	<u>\$ 157,619</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 \$67,861,543 and the accumulated depreciation is \$23,033,280.	44,828,263
Accrued interest is not due and payable in the current period and therefore is not reported as a liability in the funds.	(427,987)
Accounts payable related to the April 1, 2019 required PERS contribution that is not to be liquidated with current financial resources.	(312,395)
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	2,273,915
Net Pension Liability	(7,568,526)
Deferred Inflows of resources from Pensions	<u>(2,135,017)</u>
	(7,429,628)
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	(46,383,989)
Compensated Absences Payable	<u>(1,235,742)</u>
	(47,619,731)
Net position of governmental activities	<u>\$ 6,187,687</u>

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, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local sources:					
Local tax levy	\$ 34,594,360	\$ -	\$ -	\$ 2,367,875	\$ 36,962,235
Tuition charges	365,162				365,162
Maintenance reserve interest	1,875				1,875
Capital reserve interest	13,527				13,527
Miscellaneous	351,766		87,486		439,252
Total revenues-local sources	35,326,690	-	87,486	2,367,875	37,782,051
Local sources		38,457			38,457
State sources	6,334,791	384,901		386,940	7,106,632
Federal sources		810,573			810,573
Total revenues	41,661,481	1,233,931	87,486	2,754,815	45,737,713
EXPENDITURES:					
Current expense:					
Regular instruction	12,110,187	504,304			12,614,491
Special education instruction	3,174,303	459,205			3,633,508
Other instruction	1,015,807				1,015,807
Support services and undistributed costs:					
Tuition	504,587				504,587
Student & instruction related services	4,757,009	217,471			4,974,480
General administrative services	1,033,305				1,033,305
School administrative services	1,615,372				1,615,372
Central services	803,624				803,624
Plant operations and maintenance	3,244,811				3,244,811
Pupil transportation	548,993				548,993
Unallocated employee benefits	10,575,329				10,575,329
Special schools	43,602				43,602
Capital outlay	303,718	52,951	22,354,274		22,710,943
Debt service:					
Principal				1,325,000	1,325,000
Interest and other charges				1,614,749	1,614,749
Total expenditures	39,730,647	1,233,931	22,354,274	2,939,749	66,258,601
Excess (deficiency) of revenues over (under) expenditures	1,930,834	-	(22,266,788)	(184,934)	(20,520,888)
Other Financing Sources (Uses):					
Proceeds of Bonds					-
Operating transfer out			(87,486)		(87,486)
Operating transfer in				87,486	87,486
Total other financing sources (uses)	-	-	(87,486)	87,486	-
Net change in fund balance	1,930,834	-	(22,354,274)	(97,448)	(20,520,888)
Fund balances, July 1	4,909,984		32,505,002	255,067	37,670,053
Fund balances, June 30	<u>\$ 6,840,818</u>	<u>\$ -</u>	<u>\$ 10,150,728</u>	<u>\$ 157,619</u>	<u>\$ 17,149,165</u>

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, 2018

Total net change in fund balances - governmental funds (from B-2) \$ (20,520,888)

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	\$ (985,160)	
Capital outlay	<u>20,857,237</u>	19,872,077

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. 1,325,000

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. (105,984)

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. 264,896

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>(104,167)</u>
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Change in net position of governmental activities \$ 785,431

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, 2018

	Business-type Activities		Total
	Enterprise Funds		
	<u>Food Service Program</u>	<u>Community Education</u>	
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 134,173	\$ 37,279	\$ 171,452
Accounts receivable	2,442		2,442
Inventories	6,964		6,964
Total current assets	<u>143,579</u>	<u>37,279</u>	<u>180,858</u>
Noncurrent assets:			
Equipment	382,016		382,016
Less accumulated depreciation	<u>(377,967)</u>		<u>(377,967)</u>
Total noncurrent assets	<u>4,049</u>	<u>-</u>	<u>4,049</u>
Total assets	<u>\$ 147,628</u>	<u>\$ 37,279</u>	<u>\$ 184,907</u>
LIABILITIES			
Current liabilities:			
Interfund Payable	\$ 67,160	\$ -	\$ 67,160
Unearned Revenue	39,541		39,541
Total liabilities	<u>106,701</u>	<u>-</u>	<u>106,701</u>
NET POSITION			
Net investment in capital assets related debt	4,049		4,049
Unrestricted	<u>36,878</u>	<u>37,279</u>	<u>74,157</u>
Total net position	<u>\$ 40,927</u>	<u>\$ 37,279</u>	<u>\$ 78,206</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, 2018

	Business-type Activities		Total
	Enterprise Funds		
	<u>Food Service Program</u>	<u>Community Education</u>	<u>Total</u>
Operating revenues:			
Charges for services:			
Daily sales-reimbursable programs	\$ 192,010	\$ -	\$ 192,010
Daily sales-non-reimbursable programs	380,940		380,940
Program fees		79,086	79,086
Total operating revenue	<u>572,950</u>	<u>79,086</u>	<u>652,036</u>
Operating expenses:			
Salaries	223,448	79,455	302,903
Employee Benefits	16,716		16,716
Supplies and materials	27,324		27,324
Depreciation	9,415		9,415
Management Fee	38,237		38,237
Direct expenses	20,291	12,994	33,285
Cost of sales - reimbursable programs	88,568		88,568
Cost of sales - nonreimbursable programs	175,716		175,716
Other costs	2,711		2,711
Total operating expenses	<u>602,426</u>	<u>92,449</u>	<u>694,875</u>
Operating income (loss)	<u>(29,476)</u>	<u>(13,363)</u>	<u>(42,839)</u>
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	2,272		2,272
Federal sources:			
National school lunch program	21,389		21,389
U.S.D.A. commodities	13,509		13,509
Local sources:			
Interest revenue	470	167	637
Total nonoperating revenues (expenses)	<u>37,640</u>	<u>167</u>	<u>37,807</u>
Net income (loss) before contributions and transfers	<u>8,164</u>	<u>(13,196)</u>	<u>(5,032)</u>
Change in net position	<u>8,164</u>	<u>(13,196)</u>	<u>(5,032)</u>
Total net position- July 1	<u>32,763</u>	<u>50,475</u>	<u>83,238</u>
Total net position- June 30	<u>\$ 40,927</u>	<u>\$ 37,279</u>	<u>\$ 78,206</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, 2018

	Business-type Activities Enterprise Funds		Total
	Food Service Program	Community Education	
Cash flows from operating activities:			
Receipts from customers	\$ 581,538	\$ 76,773	\$ 658,311
Payments to employees	(240,164)	(79,455)	(319,619)
Payments to suppliers	(339,242)	(12,994)	(352,236)
Net cash used for operating activities	<u>2,132</u>	<u>(15,676)</u>	<u>(13,544)</u>
Cash flows from noncapital financing activities:			
Cash received from interfund activity	80,935		80,935
State sources	2,259		2,259
Federal sources	21,486		21,486
Net cash provided by non-capital financing activities	<u>104,680</u>		<u>104,680</u>
Cash flows from capital activities:			
Purchases of fixed assets			
Cash flows from investing activities:			
Interest and dividends	470	167	637
Net cash provided by investing activities	<u>470</u>	<u>167</u>	<u>637</u>
Net increase in cash and cash equivalents	107,282	(15,509)	91,773
Balances - beginning of year	<u>26,891</u>	<u>52,788</u>	<u>79,679</u>
Balances - end of year	<u>\$ 134,173</u>	<u>\$ 37,279</u>	<u>\$ 171,452</u>
Reconciliation of operating loss to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (29,476)	\$ (13,363)	\$ (42,839)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	9,415		9,415
Federal commodities	13,509		13,509
(Increase) decrease in inventories	1,275		1,275
(Increase) decrease in accounts receivable	1,317		1,317
Increase (decrease) in accounts payable	(1,179)		(1,179)
Increase (decrease) in unearned revenue	7,271	(2,313)	4,958
Total adjustments	<u>31,608</u>	<u>(2,313)</u>	<u>29,295</u>
Net cash provided by (used for) operating activities	<u>\$ 2,132</u>	<u>\$ (15,676)</u>	<u>\$ (13,544)</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, 2018

	<u>Flexible Benefits Account</u>	<u>Unemployment Compensation Insurance Trust</u>	<u>Agency Fund</u>
ASSETS:			
Cash and cash equivalents	\$ 3,587	\$ 408,881	\$ 696,438
Interfund receivable			
Total assets	<u>\$ 3,587</u>	<u>\$ 408,881</u>	<u>\$ 696,438</u>
 LIABILITIES:			
Accounts payable	\$ -	\$ 6,091	\$ -
Payroll deductions and withholdings			231,918
Interfund payable			33,565
Due to student groups			430,955
Total liabilities	<u>\$ -</u>	<u>\$ 6,091</u>	<u>\$ 696,438</u>
 NET POSITION:			
Held in trust for flexible benefits	<u>\$ 3,587</u>		
Held in trust for unemployment claims and other purposes		<u>\$ 402,790</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, 2018

	<u>Flexible Benefits Account</u>	<u>Unemployment Compensation Insurance Trust</u>
ADDITIONS:		
Contributions:		
Board contributions	\$ 96,000	\$ -
Employee contributions	83,020	35,423
Total Contributions	<u>179,020</u>	<u>35,423</u>
Investment earnings:		
Interest	122	1,659
Net investment earnings	<u>122</u>	<u>1,659</u>
Total additions	<u>179,142</u>	<u>37,082</u>
DEDUCTIONS:		
Due to General Fund		
Unemployment claims		
Flex benefit payments	197,768	15,006
Total deductions	<u>197,768</u>	<u>15,006</u>
Change in net position	(18,626)	22,076
Net position - July 1	<u>22,213</u>	<u>380,714</u>
Net position - June 30	<u>\$ 3,587</u>	<u>\$ 402,790</u>

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

Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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, 2018 of 2,714 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, 2018

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.

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

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

Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The School District's enterprise funds are:

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

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

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

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

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

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

Measurement Focus

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

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

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

Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

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

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

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

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

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

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

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

Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

N.J.S.A. 17:9-41et 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. 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, 2018 and 2017 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Prepaid Expenses - Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2018.

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, 2018

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, 2018

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, 2018.

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, 2018

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 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 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. 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 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 District’s financial statements.

In April 2018, the GASB issued Statement 88, *Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements*. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not consistently provided. In addition, information about resources to liquidate debt and the risks associated with changes in terms associated with debt will be disclosed. As a result, users will have better information to understand the effects of debt on a government’s future resource flows. 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 District’s financial statements.

In June 2018, the GASB issued Statement 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. 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 District’s financial statements.

**Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2018**

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 \$21,502,553 as of June 30, 2018, \$268,581 was insured under FDIC and the remaining balance of \$21,233,972 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.

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, 2017 to June 30, 2018 fiscal year is as follows:

Balance – July 1, 2017	\$	2,893,341
Increased by:		
Transfer by Board Resolution	\$ 1,000,000	
Interest Earned	<u>13,527</u>	<u>1,013,527</u>
		3,906,868
Decreased by:		
Budgeted Withdrawal		<u> </u>
Balance – June 30, 2018	\$	<u><u>3,906,868</u></u>

The June 30, 2018 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, 2018 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.

Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

4. ACCOUNTS RECEIVABLES (Continued)

Accounts receivable at June 30, 2018 for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Special Revenue Funds</u>	<u>Proprietary Fund</u>	<u>Total</u>
State Aid	\$ 195,658	\$ 167,100	\$ 3,118	\$ 122	\$ 365,998
Federal Aid			235,522	1,156	229,928
Other	<u>39,550</u>		<u>14,482</u>	<u>1,164</u>	<u>55,197</u>
Total Accounts Receivable	<u>\$ 235,208</u>	<u>\$ 167,100</u>	<u>\$ 253,122</u>	<u>\$ 2,442</u>	<u>\$ 651,123</u>

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2018, was as follows:

	<u>Balance June 30, 2017</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance June 30, 2018</u>
Governmental Activities:				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 1,898,592	\$ -	\$ -	\$ 1,898,592
Construction in progress		<u>20,615,949</u>		<u>20,615,949</u>
Total capital assets, not being depreciated	<u>1,898,592</u>	<u>20,615,949</u>		<u>22,514,541</u>
<i>Capital Assets, being depreciated:</i>				
Site Improvements	1,471,115			1,471,115
Building and Building Improvements	39,198,051			39,198,051
Equipment	4,463,979	241,288	27,431	4,677,836
Totals at historical cost	<u>45,133,145</u>	<u>241,288</u>	<u>27,431</u>	<u>45,347,002</u>
<i>Less Accumulated Depreciation:</i>				
Site Improvements	(714,144)	(53,926)		(768,070)
Building and Building Improvements	(17,088,033)	(830,797)		(17,918,830)
Equipment	(4,273,374)	(100,437)	(27,431)	(4,346,380)
Totals accumulated depreciation	<u>(22,075,551)</u>	<u>(985,160)</u>	<u>(27,431)</u>	<u>(23,033,280)</u>
Total Capital Assets, being depreciated, net	<u>23,057,594</u>	<u>19,872,077</u>	<u>-</u>	<u>23,271,451</u>
Governmental Activities Capital Assets, Net	<u>\$ 24,956,186</u>	<u>\$ 19,872,077</u>	<u>\$ -</u>	<u>\$ 44,828,263</u>
Business-Type Activities:				
<i>Capital Assets, being depreciated:</i>				
Equipment	\$ 382,016	\$ -	\$ -	\$ 382,016
Less accumulated depreciation	(368,552)	(9,415)		(377,967)
Business-Type Activities Capital Assets, Net	<u>\$ 13,464</u>	<u>\$ (9,415)</u>	<u>\$ -</u>	<u>\$ 4,049</u>

Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

5. CAPITAL ASSETS (Continued)

Depreciation expense in the amount of \$985,160 was charged to governmental functions as follows:

Function	Amount
Regular Instruction	\$ 689,612
Plant Operations and Maintenance	147,774
Administration	98,516
Unallocated	49,258
Total depreciation expense	\$ 985,160

6. INVENTORY

Inventory in the Food Service Fund at June 30, 2018 consisted of the following:

Food	\$	4,354
Supplies		2,610
		\$ 6,964

7. LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2018, the following changes occurred in long-term obligations:

<u>Governmental Activities:</u>	<u>Principal Outstanding July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2018</u>	<u>Amounts Due Within One Year</u>
Other Liabilities:					
Compensated Absences	\$ 1,131,575	\$ 104,167	\$ -	\$ 1,235,742	\$ -
Net Pension Liability	10,083,589		2,515,063	7,568,526	
Total	11,215,164	104,167	2,515,063	8,804,268	-
General Obligation Bonds					
Principal	47,491,000		1,325,000	46,166,000	1,325,000
Unamortized Premiums	272,486		54,497	217,989	54,497
Total	47,763,486		1,379,497	46,383,989	1,379,497
Total Governmental Activity	\$ 58,978,650	\$ 104,167	\$ 3,894,560	\$ 55,188,257	\$ 1,379,497

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 \$6,790,000 due in annual installments through August 15, 2025 bearing interest rates of 4.00%.

2015 Refunding Bonds dated May 29, 2015 in the amount of \$4,125,000 due in annual installments through August 1, 2021 bearing interest rates ranging from 3.00% - 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%.

Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

7. LONG-TERM OBLIGATIONS (Continued)

Principal and interest due on bonds outstanding is as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 2,525,000	\$ 1,187,983	\$ 3,712,983
2020	2,586,000	1,118,166	3,704,166
2021	2,655,000	1,043,437	3,698,437
2022	2,710,000	962,450	3,672,450
2023	2,830,000	899,750	3,729,750
2024-2028	12,460,000	3,235,700	15,695,700
2029-2033	11,120,000	1,935,525	13,055,525
2034-2037	<u>9,280,000</u>	<u>549,550</u>	<u>9,829,550</u>
	<u>\$ 46,166,000</u>	<u>\$ 10,932,561</u>	<u>\$ 57,098,561</u>

As of June 30, 2018, 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.

8. OPERATING LEASES

At June 30, 2018, 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, 2018 was \$130,804. Future minimum lease payments are as follows:

<u>Year Ended</u>	<u>Amount</u>
June 30, 2019	\$ 86,852
June 30, 2020	83,847
June 30, 2021	83,847
June 30, 2022	83,847
June 30, 2023	83,847
June 30, 2024	<u>6,987</u>
Total future minimum lease payments	<u>\$ 429,227</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.

**Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2018**

9. PENSION PLANS (CONTINUED)

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.

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 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to 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 7.34% in State fiscal year 2018. 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 2017, 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*.

Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

9. PENSION PLANS (CONTINUED)

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

The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2018 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, 2017, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2018 was \$1,741,906 and was paid by April 1, 2018. School District employee contributions to the pension plan during the fiscal year ended June 30, 2018 were \$1,178,250.

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. 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, 2018, 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, 2018, the School District recognized pension expense of \$7,245,483 and revenue of \$7,245,483 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.

	<u>06/30/17</u>	<u>06/30/16</u>
Collective deferred outflows of resources	\$ 14,160,879,257	\$ 17,414,701,002
Collective deferred inflows of resources	11,800,239,661	134,532,594
Collective net pension liability (Non-Employer – State of New Jersey)	67,423,605,859	79,028,907,033
State's portion of the net pension liability that was associated with the School District	104,590,250	124,115,064
State's portion of the net pension liability that was associated with the School District as a percentage of the collective net pension liability	.1551240827%	.1577739868%

Actuarial assumptions – The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

- Inflation: 2.25%
- Salary Increases: Varies based on experience
- Investment Rate of Return: 7.00%

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, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

9. PENSION PLANS (CONTINUED)

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) 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 TPAF's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	05.00%	05.51%
Cash Equivalents	05.50%	01.00%
U.S. Treasuries	03.00%	01.87%
Investment grade credit	10.00%	03.78%
Public high yield	02.50%	06.82%
Global diversified credit	05.00%	07.10%
Credit oriented hedge funds	01.00%	06.60%
Debt related private equity	02.00%	10.63%
Debt related real estate	01.00%	06.61%
Private real asset	02.50%	11.83%
Equity related real estate	06.25%	09.23%
U.S. Equity	30.00%	08.19%
Non-U.S. developed markets equity	11.50%	09.00%
Emerging markets equity	06.50%	11.64%
Buyouts/venture capital	08.25%	13.08%
	<u>100.00%</u>	

Discount rate. The discount rate used to measure the State's total pension liability was 4.25% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, 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 40% 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 2036. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2036, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

9. PENSION PLANS (CONTINUED)

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

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, 2017, 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 4.25%, 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 (3.25%) or 1 percentage point higher (5.25%) that the current rate:

	1% Decrease █ (3.25%)	Current Discount Rate █ (4.25%)	1% Increase █ (5.25%)
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	124,256,498	104,590,250	88,389,110
	\$ 124,256,498	\$ 104,590,250	\$ 88,389,110

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 to 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:

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

**Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2018**

9. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to 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%. An additional 1.0% increase is being phased-in over seven years beginning on July 1, 2012. The member contribution rate was 7.34% in State fiscal year 2018. 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, 2018 was 14.02% 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, 2017, the School Districts contractually required contribution to the pension plan for the fiscal year ended June 30, 2018 was \$301,199 and was paid by April 1, 2018. School District employee contributions to the pension plan during the fiscal year ended June 30, 2018 were \$170,271.

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>Accrued Liability</u>	<u>Non Contributory Life</u>	<u>Longterm Disability</u>	<u>Total Liability Paid by District</u>
2018	\$ 39,644	\$ 246,874	\$ 14,681	\$ 1,974	\$ 303,173
2017	47,312	240,774	14,378		302,464
2016	47,188	217,378	14,165		278,731

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, 2018, the School District reported a liability of \$7,568,526 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016.

Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

9. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

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.

For the year ended June 30, 2018, the School District recognized pension expense of \$411,625. At June 30, 2018, the School District reported a liability of \$7,568,526 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	\$ 178,213	\$ -
Changes of assumptions	1,524,797	1,519,207
Net Difference between projected and actual earnings on pension plan investments	51,537	
Changes in proportion	206,973	615,810
District contributions subsequent to the measurement date	312,395	
Total	\$ 2,273,915	\$ 2,135,017

\$312,395 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, 2018, the plan measurement date is June 30, 2017) will be recognized as a reduction of the net liability in the year ended June 30, 2018.

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 (Inflows) of Resources
2019	\$ (107,867)
2020	115,053
2021	63,129
2022	(206,535)
2023	(37,277)
Total	\$ (173,497)

Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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	-
June 30, 2017	5.48	-
Changes of assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
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	-
June 30, 2017	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, 2017 and 2016 are as follows:

	<u>6/30/2017</u>	<u>6/30/2016</u>
Collective deferred outflows of resources	\$ 6,424,455,842	\$ 8,685,338,380
Collective deferred inflows of resources	\$ 5,700,625,981	\$ 870,133,595
Collective net pension liability	\$ 23,278,401,588	\$ 29,617,131,759
School District's Proportion	.0325130840%	.0340464726%

Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

9. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Actuarial assumptions – The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate: 2.25%
Salary Increases:
 Through 2025: 1.65-4.15% based on age
 Thereafter: 2.65-5.15% based on age
Investment Rate of Return: 7.00%

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active employees. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 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 beneficiaries of former members 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. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disables Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2016 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 (7.00% at June 30, 2017) 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.

**Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2018**

9. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	05.00%	05.51%
Cash equivalents	05.50%	01.00%
U.S. Treasuries	03.00%	01.87%
Investment grade credit	10.00%	03.78%
Public high yield	02.50%	06.82%
Global diversified credit	05.00%	07.10%
Credit oriented hedge funds	01.00%	06.60%
Debt related private equity	02.00%	10.63%
Debt related real estate	01.00%	06.61%
Private real assets	02.50%	11.83%
Equity related real estate	06.25%	09.23%
U.S. Equity	30.00%	08.19%
Non-U.S. developed markets equity	11.50%	09.00%
Emerging markets equity	06.50%	11.64%
Buyouts/venture capital	08.25%	13.08%
	<u>100.00%</u>	

Discount rate. The discount rate used to measure the State's total pension liability was 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The state employer contributed 40% 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 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, 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, 2017, calculated using the discount rate of 5.00%, 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 (4.00%) or 1 percentage point higher (6.00%) than the current rate:

	<u>1% Decrease 4.00%</u>	<u>Current Discount Rate 5.00%</u>	<u>1% Increase 6.00%</u>
School District's proportionate share of the net pension liability	\$ 9,389,270	\$ 7,568,526	\$ 6,051,620

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.

Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

9. PENSION PLANS (CONTINUED)

Defined Contribution Retirement Plan (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>
2018	\$ 25,692	\$ 25,692
2017	24,484	24,484
2016	21,988	21,988

10. POST-RETIREMENT BENEFITS

Description of Plan - Plan description and benefits provided 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. 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 (APB) who retired from a board of education or county college with 25 years of service (GASB Cod. Sec. 2300.106(g)). 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.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

Employees covered by benefit terms. At June 30, 2017, the following employees were covered by the benefit terms:

TPAF participant retirees:

As of June 30, 2017, there were 112,966 retirees receiving post-retirement medical benefits, and the State contributed \$1.39 billion on their behalf.

PERS participant retirees:

The State paid \$238.9 million toward Chapter 126 benefits for 20,913 eligible retired members in Fiscal Year 2017.

Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

10. POST-RETIREMENT BENEFITS (CONTINUED)

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the school district. Note that actual numbers will be published in the NJ State's CAFR (<https://www.nj.gov/treasury/omb/publications/archives.shtml>)

Actuarial assumptions and other imputes - The total nonemployer OPEB liability as of the June 30, 2017 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The total nonemployer OPEB liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2016. The actuarial assumptions vary for each plan member depending on the pension plan the member enrolled in.

This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation	2.50%		
	TPAF/ABP	PERS	PFRS
Salary Increases			
Through 2026	1.55 - 4.55%	2.15 - 4.15%	2.10 - 8.98%
	based on years of service	based on age	based on age
Thereafter	2.00 - 5.45%	3.15 - 5.15%	3.10 - 9.98%
	based on years of service	based on age	based on age

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015, July 1, 2010 – June 30, 2013 and July 1, 2011 – June 30, 2014 for TPAF, PFRS, and PERS, respectively.

Health Care Trend Assumptions - For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.9% and decreases to a 5.0% long-term trend rate after nine years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long-term trend rate after nine years. For prescription drug benefits, the initial trend rate is 10.5% decreasing to a 5.0% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount Rate - The discount rate for June 30, 2017 and 2016 was 3.58% and 2.85%, respectively. This represent the municipal bond return rate as chosen by the Division. The source is 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.

Retirees' Share of Benefit Related Costs - Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit.

Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

10. POST-RETIREMENT BENEFITS (CONTINUED)

The percentage of the premium for which the retirees will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Changes in the Total OPEB Liability reported by the State of New Jersey -

	Total OPEB Liability
Balance as of June 30, 2106 Measurement Date	\$ 57,831,784,184
Changes for the years'	
Service Cost	\$ 2,391,878,884
Interest	1,699,441,736
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions	(7,086,599,129)
Gross Benefit Payments	(1,242,412,566)
Contributions from the Non-employer	N/A
Contributions from the Member	45,748,749
Net Investment Income	N/A
Administrative Expense	N/A
Net Changes	\$ (4,191,942,326)
Balance at 06/30/2017	\$ 53,639,841,858

Changes of assumptions and other inputs reflect a change in the discount rate from 2.85% as of June 30, 2016 to 3.58% as of June 30, 2017.

Sensitivity of the total OPEB liability to changes in the discount rate - The following presents the total nonemployer OPEB liability of the State as of June 30, 2017 for school board retirees, as well as what the State's total OPEB liability for school board would be if it were calculated using a discount rate that is 1-percentage -point lower or 1percentage-point higher than the current discount rate:

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
Total OPEB Liability (School Retirees)	\$ 63,674,362,200	\$ 53,639,841,858	\$ 45,680,364,953

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates - The following presents the total nonemployer OPEB liability of the State as of June 30, 2107, as well as what the State's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	\$ 44,113,584,560	\$ 53,639,841,858	\$ 66,290,599,457

Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

10. POST-RETIREMENT BENEFITS (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended June 30, 2017, the board of education recognized OPEB expense of \$4,672,892 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the school district's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources.

At June 30, 2017, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	<u>06/30/17</u>
Collective deferred outflows of resources	\$ 99,843,255
Collective deferred inflows of resources	6,443,612,287
Collective net OPEB liability (Non-Employer – State of New Jersey)	53,639,841,858
State's portion of the net OPEB liability that was associated with the School District	79,965,632
State's portion of the net OPEB liability that was associated with the School District as a percentage of the collective net OPEB liability	0.15%

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion	\$ 99,843,255	\$ 99,843,255
Changes of assumptions	-	6,343,769,032
Total	\$ 99,843,255	\$ 6,443,612,287

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB will be recognized in OPEB expense as follows:

For the year ended:		
2018	\$	(742,830,097)
2019		(742,830,097)
2020		(742,830,097)
2021		(742,830,097)
2022		(742,830,097)
Therafter		(2,629,618,547)
Total	\$	(6,343,769,032)

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.

**Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2018**

11. ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2018, 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 \$2,360,707, \$1,524,730, and \$4,297. In addition, \$1,181,853 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.

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>
2017-2018	\$ 35,423	\$ -	\$ 1,659	\$ 15,006	\$ 402,790
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

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.

**Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2018**

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, 2018, the liability for compensated absences in the governmental fund was \$1,235,742.

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.

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>
2017-2018	\$ 96,000	\$ 122	\$ 83,020	\$ 197,768	\$ 3,587
2016-2017		104	63,442	121,542	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

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, 2019. The following interfund balances were recorded on the various balance sheets as of June 30, 2018:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 400,758	\$ 157,619
Special Revenue		300,033
Capital Projects	157,619	157,619
Debt Service	157,619	
Proprietary		67,160
Fiduciary		33,565
	<u>\$ 715,996</u>	<u>\$ 715,996</u>

Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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, 2018, 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.

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, 2017, the Borough of Haddonfield had no tax abatements.

19. DEFICIT FUND BALANCES

The District has a deficit unassigned fund balance of \$133,433 in the Capital Projects Fund as of June 30, 2018. This deficit is the result of the District over encumbering the 2016 Bond Referendum.

20. DEFICIT UNRESTRICTED NET POSITION

As of June 30, 2018, a deficit of \$8,791,484 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, 2018	
Fund Balance (Deficit)	
(Exclusive of Capital Projects and Debt Service Funds):	
Fund Balance – Unassigned	\$ 614,268
Liabilities:	
Accrued Interest Payable	(427,987)
Net Pension Differences	(7,742,023)
Compensated Absences	(1,235,742)
Unrestricted Net Position (Deficit)	\$ (8,791,484)

Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

21. 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, 2018 is \$663,937 presented on the budgetary basis of accounting (Exhibit C-1). Additionally, \$428,535 of excess fund balance generated during the 2016-2017 fiscal year has been restricted and designated for utilization in the 2018-2019 budget.

Capital Reserve – As of June 30, 2018, the balance in the capital reserve account is \$3,906,868 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, 2018, the balance in the maintenance reserve account is \$902,875. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

ASSIGNED

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

General Fund:

Other Purposes – At June 30, 2018 the School District has \$324,335 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

Capital Projects Fund:

Other Purposes – At June 30, 2018 the School District has \$10,284,161 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

Debt Service Fund:

Designated for Subsequent Year's Expenditures – The School District has appropriated \$70,133 and included as an anticipated revenue for the fiscal year ending June 30, 2018.

**Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2018**

21. FUND BALANCES (Continued)

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, 2018, \$614,268 of general fund balance was unassigned.

Capital Projects Fund – As of June 30, 2018, the unassigned fund balance of the capital projects fund balance was a deficit \$133,433. (See Note 19)

Debt Service Fund – As of June 30, 2018, \$87,486 of debt service fund balance was unassigned.

22. LITIGATION

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

23. SUBSEQUENT EVENTS

In a letter dated November 15, 2018 the Commissioner of Education approved the District to borrow \$1,700,000 from the Capital Reserve Account for the express purpose of providing the funding to bring the capital projects included in the 2016 referendum to 100% completion.

Required Supplementary Information - Part II

Budgetary Comparison Schedules

HADDONFIELD BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 34,594,360	\$ -	\$ 34,594,360	\$ 34,594,360	\$ -
Tuition - Individuals	233,526	(23,526)	210,000	341,636	131,636
Tuition - Other Leas within State		23,526	23,526	23,526	-
Maintenance reserve interest	-			1,875	1,875
Capital reserve interest	-			13,527	13,527
Unrestricted miscellaneous revenue	116,000		116,000	351,766	235,766
Total local sources	34,943,886		34,943,886	35,326,690	382,804
State sources:					
Extraordinary Aid	176,135		176,135	180,993	4,858
Special Education Aid	802,294	116,311	918,605	918,605	-
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	-
Lead Testing Reimbursement				5,225	5,225
Homeless Tuition				10,293	10,293
On-behalf TPAF pension contributions (non-budgeted)	-			2,360,707	2,360,707
On-behalf TPAF post retirement medical (non-budgeted)	-			1,524,730	1,524,730
On-behalf TPAF LTDI (non-budgeted)	-			4,297	4,297
Reimbursed TPAF social security contributions (non-budgetec	-			1,181,853	1,181,853
Total state sources	1,138,121	116,311	1,254,432	6,346,395	5,091,963
TOTAL REVENUES	36,082,007	116,311	36,198,318	41,673,085	5,474,767
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers					
Kindergarten	265,185	43,110	308,295	274,702	33,593
Grades 1-5	4,552,574	(99,061)	4,453,513	4,216,626	236,887
Grades 6-8	2,679,702	18,020	2,697,722	2,638,843	58,879
Grades 9-12	3,937,707	(51,575)	3,886,132	3,788,907	97,225
Total Instruction	11,435,168	(89,506)	11,345,662	10,919,078	426,584
Regular Programs - Home Instruction:					
Salaries of teachers	64,000	(4,000)	60,000	48,044	11,956
Purchased professional - educ services		8,967	8,967	8,672	295
Total Home Instruction	64,000	4,967	68,967	56,716	12,251
Regular Programs - Undistributed Instruction:					
Other salaries for instruction	184,149	66,498	250,647	245,121	5,526
Purchased professional - educ services	260,000	127,062	387,062	387,019	43
Other purchased services (400-500 series)		28,016	28,016	26,368	1,648
General supplies	416,000	(3,048)	412,952	387,822	25,130
Textbooks	243,661	(128,278)	115,383	84,829	30,554
Other objects	21,000	(4,375)	16,625	3,234	13,391
Total Undistributed Instruction	1,124,810	85,875	1,210,685	1,134,393	76,292
Total - Regular Programs - Instruction	12,623,978	1,336	12,625,314	12,110,187	515,127

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, 2018

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special Educ Instruction: Multiple Disabilities					
Salaries of teachers	\$ 80,873	\$ 19,369	\$ 100,242	\$ 100,242	\$ -
Other Salaries for Instruction	19,653	11,117	30,770	29,493	1,277
Purchased Professional- Educational Services	360,000	(8,125)	351,875	351,875	-
General supplies	14,400	(406)	13,994	13,588	406
Textbooks	2,500	-	2,500	825	1,675
Total Multiple Disabilities	<u>477,426</u>	<u>21,955</u>	<u>499,381</u>	<u>496,023</u>	<u>3,358</u>
Special Educ Instruction: Res. Room/Res. Center					
Salaries of teachers	2,082,398	6,920	2,089,318	2,089,318	-
Other salaries for instruction	305,292	(55,423)	249,869	249,796	73
General supplies	4,000	-	4,000	3,920	80
Textbooks	28,500	(15,260)	13,240	9,981	3,259
Total Resource Room/Resource Center	<u>2,420,190</u>	<u>(63,763)</u>	<u>2,356,427</u>	<u>2,353,015</u>	<u>3,412</u>
Special Educ Instruction: Preschool Disabilities - PT					
Salaries of teachers	265,734	(32,780)	232,954	231,439	1,515
Other salaries for instruction	106,307	(21,014)	85,293	85,293	-
General supplies	3,600	-	3,600	3,292	308
Total Preschool Disabilities - Part-Time	<u>375,641</u>	<u>(53,794)</u>	<u>321,847</u>	<u>320,024</u>	<u>1,823</u>
Special Educ Instruction: Home Instruction					
Purchased professional - educ services	-	8,899	8,899	5,241	3,658
Total Home Instruction	<u>-</u>	<u>8,899</u>	<u>8,899</u>	<u>5,241</u>	<u>3,658</u>
Total Special Education - Instruction	<u>3,273,257</u>	<u>(86,703)</u>	<u>3,186,554</u>	<u>3,174,303</u>	<u>12,251</u>
School-Sponsored Cocurricular Act - Inst.					
Salaries	353,000	(12,342)	340,658	295,009	45,649
Purchased services (300-500)	-	32,150	32,150	29,951	2,199
Supplies and materials	45,000	(9,740)	35,260	20,554	14,706
Other objects	21,652	(12,150)	9,502	-	9,502
Total School-Sponsored Cocurr. Act. - Inst	<u>419,652</u>	<u>(2,082)</u>	<u>417,570</u>	<u>345,514</u>	<u>72,056</u>
School-Sponsored Athletics - Inst.					
Salaries	363,598	42,238	405,836	394,104	11,732
Purchased services (300-500)	110,350	(27,000)	83,350	81,351	1,999
Supplies and materials	65,000	(300)	64,700	54,469	10,231
Other objects	-	300	300	300	-
Total School-Sponsored Athletics - Inst	<u>538,948</u>	<u>15,238</u>	<u>554,186</u>	<u>530,224</u>	<u>23,962</u>
Before/After School Programs - Inst					
Purchased Professional & Technical Services	-	2,550	2,550	2,550	-
Total Before/After School Programs - Inst.	<u>-</u>	<u>2,550</u>	<u>2,550</u>	<u>2,550</u>	<u>-</u>
Summer School - Support Services					
Salaries	-	240	240	-	240
Total Summer School - Support Services	<u>-</u>	<u>240</u>	<u>240</u>	<u>-</u>	<u>240</u>
Other Instructional Programs - Instruction					
Salaries	266,600	(129,081)	137,519	137,519	-
Total Other Instructional Programs - Inst.	<u>266,600</u>	<u>(129,081)</u>	<u>137,519</u>	<u>137,519</u>	<u>-</u>
Undistributed Expenditures - Instruction					
Tuition to other leas w/l state reg	-	13,414	13,414	13,413	1
Tuition to CSSD & reg day schools	97,500	1,788	99,288	99,288	-
Tuition to priv. sch. for the disabled w/l state	273,378	147,836	421,214	391,886	29,328
Tuition to priv. sch. for the disabled and other lea's - out of state	5,200	(5,200)	-	-	-
Tuition - State Facilities	30,000	(30,000)	-	-	-
Tuition - other	57,031	(57,031)	-	-	-
Total Undistributed Expenditures - Instruction	<u>463,109</u>	<u>70,807</u>	<u>533,916</u>	<u>504,587</u>	<u>29,329</u>

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

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HADDONFIELD BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2018

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Attend. and Social Work					
Salaries	\$ 87,069	\$ 7,886	\$ 94,955	\$ 94,955	\$ -
Purchased prof. and technical services	2,000	(2,000)	-	-	-
Total Undistributed Expenditures - Attendance	89,069	5,886	94,955	94,955	-
Undistributed Expenditures - Health Services					
Salaries	276,348	(18,860)	257,488	246,580	10,908
Purchased prof. and technical services	37,000	(29,100)	7,900	7,824	76
Supplies and materials	19,600	(2,358)	17,242	16,453	789
Total Undistributed Expenditures - Health Svcs.	332,948	(50,318)	282,630	270,857	11,773
Undist. Expend. - Speech, OT, PT & Rel. Serv.					
Salaries	662,064	-	662,064	624,759	37,305
Purchased prof. and educational services	113,000	(1,661)	111,339	100,159	11,180
Supplies and materials	5,500	1,661	7,161	7,160	1
Total Undst. Expend. - Speech, OT, PT & Rel. Serv.	780,564	-	780,564	732,078	48,486
Undist. Expend. - Other Supp. Serv. Stud. - Extra. Serv.					
Salaries	141,950	5,241	147,191	135,643	11,548
Purchased prof. and educational services	805,000	(13,241)	791,759	791,759	-
Total Undst. Expend. - Other Supp. Serv. Stud. - Extra. Serv.	946,950	(8,000)	938,950	927,402	11,548
Undist. Expenditures - Guidance					
Salaries of other professional staff	708,020	13,223	721,243	696,789	24,454
Salaries of secretarial and clerical assistants	59,562	-	59,562	52,556	7,006
Supplies and materials	6,000	(4,000)	2,000	1,495	505
Other objects	2,000	(2,000)	-	-	-
Total Undst. Expenditures - Guidance	775,582	7,223	782,805	750,840	31,965
Undist. Expend. - Child Study Teams					
Salaries of other professional staff	826,847	(3,800)	823,047	723,777	99,270
Salaries of secretarial and clerical assistants	105,278	1,673	106,951	106,951	-
Unused Vacation Payment to Terminated/Retired Staff	-	-	-	-	-
Purchased Professional- Educational Services	265,000	(131,475)	133,525	133,484	41
Other Purchased Services (400-500 series)	-	20,367	20,367	19,577	790
Supplies and materials	7,273	-	7,273	7,228	45
Total Undst. Expenditures - Child Study Teams	1,204,398	(113,235)	1,091,163	991,017	100,146
Undist. Expend. - Improvement of Instr. Services					
Salaries of supervisors of instruction	-	123,896	123,896	65,157	58,739
Salaries of other professional staff	-	25,491	25,491	25,296	195
Other purchased services (400-500)	2,600	87,527	90,127	87,383	2,744
Other objects	36,100	(7,200)	28,900	27,542	1,358
Total Undst. Expend. - Improvement of Instr. Services	38,700	229,714	268,414	205,378	63,036
Undist. Expend. - Educ. Media Serv./Sch. Library					
Salaries	335,269	3,182	338,451	332,602	5,849
Salaries of Technology Coordinators	130,711	-	130,711	129,148	1,563
Other purchased services (400-500)	690	(484)	206	-	206
Supplies and materials	47,000	261,862	308,862	308,638	224
Total Undst. Expend. - Educ. Media Serv./Sch. Library	513,670	264,560	778,230	770,388	7,842

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, 2018

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Instructional Staff Training Services					
Other purchased services	\$ 21,000	\$ (5,877)	\$ 15,123	\$ 14,094	\$ 1,029
Total Undst. Expend. - Instr. Staff Training Services	21,000	(5,877)	15,123	14,094	1,029
Undist. Expend. - Supp. Serv. General Admin.					
Salaries	382,621	(869)	381,752	379,884	1,868
Unused Vacation Pay to Terminated/Retired Staff		15,000	15,000	15,000	-
Legal services	153,000	41,965	194,965	194,965	-
Audit fees	32,000	(3,000)	29,000	29,000	-
Architectural/Engineering		12,590	12,590	8,905	3,685
Other purchased professional services	20,000	29,045	49,045	39,545	9,500
Purchased technical services	15,000	(15,000)			-
Communications / telephone	85,000	(2,412)	82,588	80,859	1,729
BOE Other Purchased Services		3,040	3,040	1,500	1,540
Other purchased services (400-500)	46,500	(8,707)	37,793	37,696	97
General Supplies	5,000	9,813	14,813	9,788	5,025
Judgements against the School District		216,101	216,101	211,523	4,578
Miscellaneous expenditures	26,000	(14,628)	11,372	8,746	2,626
Misc expenditures BOE memberships/dues	19,500	(3,606)	15,894	15,894	-
Total Undst. Expend. - Supp. Serv. General Admin.	784,621	279,332	1,063,953	1,033,305	30,648
Undist. Expend. - Supp. Serv. School Admin.					
Salaries of principals/assist. principals	827,599	(11,905)	815,694	808,952	6,742
Salaries of other professional staff	196,983	72,634	269,617	258,974	10,643
Salaries of secretarial and clerical assistants	498,712	(64,103)	434,609	427,530	7,079
Other purchased services	7,000	58,214	65,214	55,638	9,576
Supplies and materials	56,698	8,607	65,305	53,451	11,854
Other objects	18,000	(5,400)	12,600	10,827	1,773
Total Undst. Expend. - Supp. Serv. School Admin.	1,604,992	58,047	1,663,039	1,615,372	47,667
Undist. Expend. - Central Services					
Salaries	608,103	(4,498)	603,605	579,888	23,717
Purchased professional services	47,000	(3,473)	43,527	43,113	414
Purchased technical services	-	35,040	35,040	35,040	-
Misc. Purch. Services (400-500 series)		6,600	6,600	5,801	799
Supplies and materials	5,000	4,861	9,861	9,834	27
Interest on Bond Anticipation Notes	-	-			-
Miscellaneous expenditures	8,000	(3,598)	4,402	4,402	-
Total Undst. Expend. - Central Services	668,103	34,932	703,035	678,078	24,957
Undist. Expend. - Admin. Info. Technology					
Salaries	71,368	32,852	104,220	104,220	-
Purchased technical services		35,887	35,887	20,986	14,901
Other Purch. Services (400-500 series)	-	425	425	340	85
Total Undst. Expend. - Admin. Info. Technology	71,368	69,164	140,532	125,546	14,986
Undist. Expend. - Required Maint. Sch. Facilities					
Salaries	425,185	(9,974)	415,211	413,590	1,621
Cleaning, repair, and maintenance services	205,000	(89,348)	115,652	98,711	16,941
Lead testing and drinking water	8,475	-	8,475		8,475
General supplies	126,212	143,925	270,137	163,318	106,819
Other objects	7,600	(4,852)	2,748	2,748	-
Total Undst. Expend. - Required Maint. Sch. Facilities	772,472	39,751	812,223	678,367	133,856

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

(CONTINUED TO NEXT PAGE)

HADDONFIELD BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2018

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Custodial Services					
Purchased professional & tech. services	\$ 25,000	\$ (19,350)	\$ 5,650	\$ 4,752	\$ 898
Cleaning, repair, and maintenance services	1,300,000	(105,428)	1,194,572	1,174,901	19,671
Rental of land & bldg. oth. than lease purch. agrmt.	145,000	17,304	162,304	162,304	-
Other purchased property services	100,000	41,230	141,230	90,691	50,539
Insurance	170,000	(20,015)	149,985	148,450	1,535
Misc. purchased services		699	699	699	-
General supplies	80,000	141,986	221,986	109,023	112,963
Energy (Natural Gas)	360,000	(310,163)	49,837	40,629	9,208
Energy (Electricity)	300,000	337,282	637,282	593,612	43,670
Energy (Gasoline)	20,000	4,879	24,879	24,879	-
Total Undst. Expend. - Custodial Services	2,500,000	88,424	2,588,424	2,349,940	238,484
Undist. Expend. - Care and Upkeep of Grounds					
Salaries	162,026	3,974	166,000	165,297	703
Cleaning, repair, and maintenance services	9,000	-	9,000	8,179	821
General supplies	65,000	(20,000)	45,000	43,028	1,972
Other Objects	-	-	-	-	-
Total Undst. Expend. - Care and Upkeep of Grounds	236,026	(16,026)	220,000	216,504	3,496
Total Undst. Expend. - Oper. & Maint. of Plant Services	3,508,498	112,149	3,620,647	3,244,811	375,836
Undist. Expend. - Student Trans. Services					
Salaries of Non-Instructional Aides	35,002	-	35,002	28,985	6,017
Salaries for pupil trans (bet home & sch) - regular	28,337	-	28,337	27,828	509
Salaries for pupil trans (bet home & sch) - special	202,185	-	202,185	176,635	25,550
Salaries for pupil trans (other than bet home & sch)	77,000	-	77,000	72,908	4,092
Management Fee - ESC & CTSA Trans. Program		10,000	10,000	6,662	3,338
Other purchased professional and technical services		300	300	300	-
Cleaning, repair, and maintenance services	30,000	35,383	65,383	63,884	1,499
Contr. serv. (other than bet. home & sch.) - vendors	34,000	(9,264)	24,736	22,690	2,046
Contr. serv. (sp ed stds) - ESC's & CTSA's	320,000	(682)	319,318	148,101	171,217
Other objects		1,500	1,500	1,000	500
Total Undst. Expend. - Student Trans. Services	726,524	37,237	763,761	548,993	214,768
Unallocated Benefits - Employee Benefits					
Social security contributions	475,000	(50,478)	424,522	370,570	53,952
Other retirement contributions - PERS	350,000	(10,029)	339,971	306,487	33,484
Other retirement contributions - Regular		25,995	25,995	25,499	496
Workmen's compensation	165,000	21,900	186,900	186,900	-
Health benefits	5,532,138	(837,141)	4,694,997	4,444,981	250,016
Tuition reimbursement	55,000	(16,300)	38,700	29,211	9,489
Other employee benefits	60,000	(30,000)	30,000		30,000
Unused sick pay to term/retiree staff	120,000	20,094	140,094	140,094	-
Total Unallocated Benefits - Employee Benefits	6,757,138	(875,959)	5,881,179	5,503,742	377,437
On-behalf TPAF pension contributions (non-budgeted)	-			2,360,707	(2,360,707)
On-behalf TPAF post retirement medical (non-budgeted)	-			1,524,730	(1,524,730)
On-behalf TPAF LTDI (non-budgeted)	-			4,297	(4,297)
Reimbursed TPAF social security contributions (non-budgeted)	-			1,181,853	(1,181,853)
Total Undistributed Expenditures - TPAF	-	-	-	5,071,587	(5,071,587)
Total Undistributed Expenditures	19,287,234	115,662	19,402,896	23,083,030	(3,680,134)
Total General Current Expense	36,409,669	(82,840)	36,326,829	39,383,327	(3,056,498)

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

(CONTINUED TO NEXT PAGE)

HADDONFIELD BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2018

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CAPITAL OUTLAY					
Equipment:					
Grades 1-5	\$ -	\$ 112,611	\$ 112,611	\$ 112,611	\$ -
Grades 9-12		3,568	3,568	3,568	-
Admin. Info. Technology		27,217	27,217	27,217	-
Required maintenance for school facilities	28,000	(15,003)	12,997	11,938	1,059
Care & upkeep of grounds	18,000	15,003	33,003	33,003	-
School Buses - Regular		55,755	55,755	-	55,755
Total Equipment	46,000	199,151	245,151	188,337	56,814
Facilities Acquisition and Construction Services					
Assessment for Debt Service on SDA Funding	115,381	-	115,381	115,381	-
Total Facilities Acquisition and Construction Services	115,381	-	115,381	115,381	-
Total Capital Outlay	161,381	199,151	360,532	303,718	56,814
SPECIAL SCHOOLS:					
SUMMER SCHOOL:					
Summer School - Instruction:					
Salaries of Teachers	90,000	-	90,000	43,602	46,398
General Supplies	1,100	-	1,100	-	1,100
Total Special Schools	91,100	-	91,100	43,602	47,498
Total Expenditures	36,662,150	116,311	36,778,461	39,730,647	(2,952,186)
Excess (Deficiency) of Revenues Over (Under) Expenditures:	(580,143)	-	(580,143)	1,942,438	2,522,581
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):	(580,143)		(580,143)	1,942,438	2,522,581
Fund Balance, July 1	4,982,151		4,982,151	4,982,151	
Fund Balance, June 30	\$ 4,402,008	\$ -	\$ 4,402,008	\$ 6,924,589	\$ 2,522,581
Recapitulation of Fund Balance					
Restricted Fund Balance:					
Reserved Excess Surplus - Designated for Subsequent Years Expenditures				\$ 428,535	
Reserve for Excess Surplus				663,937	
Reserve for Encumbrances				324,335	
Capital Reserve				3,906,868	
Maintenance Reserve				902,875	
Assigned Fund Balance Designated for Subsequent Year's Expenditures				698,039	
Unassigned Fund Balance				6,924,589	
Reconciliation on Governmental Fund Statements (GAAP): Less: State Aid Payment not Recognized on GAAP Basis				(83,771)	
Fund Balance per Government Fund (GAAP)				\$ 6,840,818	

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, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources	\$ 38,705	\$ -	\$ 38,705	\$ 38,457	\$ (248)
State sources	428,046	-	428,046	384,901	(43,145)
Federal sources	843,466	6,750	850,216	810,573	(39,643)
Total revenues	<u>1,310,217</u>	<u>6,750</u>	<u>1,316,967</u>	<u>1,233,931</u>	<u>(83,036)</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers	102,125	1,509	103,634	102,260	1,374
Purchased professional - educ. services	315,596	-	315,596	272,921	42,675
Purchased professional - tech. services	41,419	-	41,419	41,005	414
Other purchased services		233	233	233	-
Tuition	466,282	-	466,282	448,324	17,958
General supplies	78,841	(929)	77,912	75,523	2,389
Textbooks	23,281	-	23,281	23,243	38
Total instruction	<u>1,027,544</u>	<u>813</u>	<u>1,028,357</u>	<u>963,509</u>	<u>64,848</u>
Support services:					
Salaries	10,000	1,105	11,105	7,545	3,560
Personal services - employee benefits	8,578	3,062	11,640	11,640	-
Purchased professional and technical services	170,112	(1,000)	169,112	156,639	12,473
Purchased professional - educ. services		-	-	-	-
Other purchased services	35,025	-	35,025	33,360	1,665
Supplies and materials	5,958	2,770	8,728	8,287	441
Total support services	<u>229,673</u>	<u>5,937</u>	<u>235,610</u>	<u>217,471</u>	<u>18,139</u>
Facilities acquisition and construction services:					
Instructional equipment	53,000		53,000	52,951	49
Total facilities acq. and const. services	<u>53,000</u>		<u>53,000</u>	<u>52,951</u>	<u>49</u>
Total expenditures	<u>1,310,217</u>	<u>6,750</u>	<u>1,316,967</u>	<u>1,233,931</u>	<u>83,036</u>
Total outflows	<u>1,310,217</u>	<u>6,750</u>	<u>1,316,967</u>	<u>1,233,931</u>	<u>83,036</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**

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 41,673,085	\$ 1,233,931
Difference - budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	72,167	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(83,771)	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 41,661,481	\$ 1,233,931
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 39,730,647	\$ 1,233,931
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	\$ 39,730,647	\$ 1,233,931

Required Supplementary Information - Part III
Schedules Related to Accounting and Reporting
For Pensions and
Other Post Employment Benefits

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

	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.0325130840%	0.0340464726%	0.0324206920%	0.0336319567%	0.0368307263%
District's proportionate share of the net pension liability (asset)	\$ 7,568,526	\$ 10,083,589	\$ 7,277,796	\$ 6,296,822	\$ 7,039,084
District's covered-employee payroll	2,227,451	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	339.78%	442.60%	299.48%	279.88%	316.97%
Plan fiduciary net position as a percentage of the total pension liability	36.78%	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 Five Fiscal Years

	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Contractually required contribution	\$ 312,395	\$ 303,173	\$ 302,464	\$ 278,731	\$ 277,257
Contributions in relation to the contractually required contributions	<u>(312,395)</u>	<u>(303,173)</u>	<u>(302,464)</u>	<u>(278,731)</u>	<u>(277,257)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	2,227,451	2,278,255	2,430,165	2,249,833	2,220,741
Contributions as a percentage of covered-employee payroll	14.02%	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 Five Fiscal Years

	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.1551240827%	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>\$ 104,590,250</u>	<u>\$ 124,115,064</u>	<u>\$ 98,340,169</u>	<u>\$ 82,218,714</u>	<u>\$ 80,239,858</u>
Total	<u><u>\$ 104,590,250</u></u>	<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	15,731,551	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%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	25.41%	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
Required Supplementary Information
Schedule of the State's Proportionate Share of the Net OPEB Liability Associated with the District
and Changes in the Total OPEB Liability and Related Ratios
Public Employee's Retirement System and Teachers' Pension and Annuity Fund
Current Fiscal Year

	<u>June 30,</u> <u>2018</u>
State's proportion of the net OPEB liability (asset) associated with the District	0.15%
District's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the District	\$ 79,965,632
Total proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 79,965,632</u>
Plan fiduciary net position as a percentage of the total OPEB Liability	0.00%
	<u>June 30,</u> <u>2018</u>
Total OPEB Liability	
Service Cost	\$ 3,267,188
Interest	2,531,281
Changes of assumptions and other inputs	(10,484,288)
Member Contributions	68,202
Benefit payments	<u>(1,852,174)</u>
Net Change in total OPEB Liability	\$ (6,469,791)
Total OPEB Liability - beginning	<u>\$ 86,435,423</u>
Total OPEB Liability - ending	<u>\$ 79,965,632</u>
District's covered-employee payroll	17,959,002
Total OPEB Liability as a percentage of covered-employee payroll	445.27%

This schedule does not contain ten years of information as GASB 75 was implemented during the fiscal year ended June 30, 2018.

Haddonfield School District
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2018

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 Pre-retirement Mortality Table for male and female active employees. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 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 beneficiaries of former members 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. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disables Mortality Table (set back 3 years for males and set forward 1 year for females).

3. Other Post-Retirement Plan – Public Employees' Retirement System and Teachers' Pension and Annuity Fund

Changes of benefit term: There were none.

Changes of assumptions: The discount rate changed from 2.85% as of June 30, 2016 to 3.85% as of June 30, 2017.

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, 2018

	Brought Forward (Exh. E-1B)	Brought Forward (Exh. E-1C)	Brought Forward (Exh. E-1D)	Total
REVENUES:				
Local sources	\$ -	\$ -	\$ 38,457	\$ 38,457
State sources	304,946	79,955	-	384,901
Federal sources		803,823	6,750	810,573
Total revenues	<u>\$ 304,946</u>	<u>\$ 883,778</u>	<u>\$ 45,207</u>	<u>\$ 1,233,931</u>
EXPENDITURES:				
<i>Instruction:</i>				
Salaries of Teachers	\$ -	\$ 102,260	\$ -	\$ 102,260
Purchased professional educational services	272,921	-	-	272,921
Purchased professional and technical services	-	41,005	-	41,005
Other purchased services			233	233
Tuition	-	448,324	-	448,324
General supplies	-	36,371	39,152	75,523
Textbooks		23,243	-	23,243
Total instruction	<u>272,921</u>	<u>651,203</u>	<u>39,385</u>	<u>963,509</u>
<i>Support services:</i>				
Salaries		6,440	1,105	7,545
Employee Benefits		8,693	2,947	11,640
Purchased professional and technical services		156,639	-	156,639
Other purchased services	32,025	1,335	-	33,360
General Supplies		6,517	1,770	8,287
Total support services	<u>32,025</u>	<u>179,624</u>	<u>5,822</u>	<u>217,471</u>
<i>Facilities acquisition & construction services</i>				
Instructional equipment		52,951		52,951
Total facilities acquisition & construction services	<u>-</u>	<u>52,951</u>	<u>-</u>	<u>52,951</u>
Total expenditures	<u>\$ 304,946</u>	<u>\$ 883,778</u>	<u>\$ 45,207</u>	<u>\$ 1,233,931</u>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<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, 2018

	Nonpublic Auxiliary Services				Nonpublic Handicapped Services				Carried Forward (Exh. E-1A)
	Compensatory Education	Nonpublic Home Instruction	ESL	Transportation	Corrective Speech	Suppl. Instruction	Exam, & Classification	Nonpublic Security	
REVENUES:									
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	132,959	3,118	1,355	6,099	37,408	40,834	51,148	32,025	304,946
Federal sources									
Total revenues	<u>\$ 132,959</u>	<u>\$ 3,118</u>	<u>\$ 1,355</u>	<u>\$ 6,099</u>	<u>\$ 37,408</u>	<u>\$ 40,834</u>	<u>\$ 51,148</u>	<u>\$ 32,025</u>	<u>\$ 304,946</u>
EXPENDITURES:									
<u>Instruction:</u>									
Salaries of Teachers									-
Purchased professional educational services	132,959	3,118	1,355	6,099	37,408	40,834	51,148		272,921
Purchased professional and technical services									-
Tuition									-
General supplies								-	-
Textbooks									-
Total instruction	<u>132,959</u>	<u>3,118</u>	<u>1,355</u>	<u>6,099</u>	<u>37,408</u>	<u>40,834</u>	<u>51,148</u>	<u>-</u>	<u>272,921</u>
<u>Support services:</u>									
Salaries									
Purchased professional and technical services								32,025	32,025
Other purchased services									
General supplies									
Total support services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,025</u>	<u>32,025</u>
<u>Facilities acquisition & construction services:</u>									
Instructional equipment									
Total facilities acquisition & construction services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 132,959</u>	<u>\$ 3,118</u>	<u>\$ 1,355</u>	<u>\$ 6,099</u>	<u>\$ 37,408</u>	<u>\$ 40,834</u>	<u>\$ 51,148</u>	<u>\$ 32,025</u>	<u>\$ 304,946</u>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<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, 2018

	IDEA		Title I Current Year	Title II - Part A Current Year	Title IV - Part A Current Year	Nonpublic Textbooks	Nonpublic Nursing	Nonpublic Technology	Carried Forward (Exh. E-1A)
	Preschool Current Yr.	Basic Current Yr.							
REVENUES:									
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	23,243	41,005	15,707	79,955
Federal sources	536,410	28,525	165,392	63,496	10,000	-	-	-	803,823
Total revenues	<u>\$ 536,410</u>	<u>\$ 28,525</u>	<u>\$ 165,392</u>	<u>\$ 63,496</u>	<u>\$ 10,000</u>	<u>\$ 23,243</u>	<u>\$ 41,005</u>	<u>\$ 15,707</u>	<u>\$ 883,778</u>
EXPENDITURES:									
<i>Instruction:</i>									
Salaries of teachers			93,626		8,634				102,260
Purchased professional educational services									-
Purchased professional and technical services							41,005		41,005
Other purchased services									
Tuition	448,324								448,324
General supplies		10,881	9,077		706			15,707	36,371
Textbooks						23,243			23,243
	<u>448,324</u>	<u>10,881</u>	<u>102,703</u>	<u>-</u>	<u>9,340</u>	<u>23,243</u>	<u>41,005</u>	<u>15,707</u>	<u>651,203</u>
<i>Support services:</i>									
Salaries					6,440				6,440
Employee benefits			7,268		765				8,693
Purchased professional and technical services	82,655	17,644	2,470	53,870	660				156,639
Other purchased services	1,335								1,335
General supplies	4,096			2,421					6,517
Total support services	<u>88,086</u>	<u>17,644</u>	<u>9,738</u>	<u>63,496</u>	<u>660</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>179,624</u>
<i>Facilities acquisition & construction services</i>									
Instructional equipment			52,951						52,951
Total facilities acquisition & construction services	<u>-</u>	<u>-</u>	<u>52,951</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,951</u>
Total expenditures	<u>\$ 536,410</u>	<u>\$ 28,525</u>	<u>\$ 165,392</u>	<u>\$ 63,496</u>	<u>\$ 10,000</u>	<u>\$ 23,243</u>	<u>\$ 41,005</u>	<u>\$ 15,707</u>	<u>\$ 883,778</u>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<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, 2018

	Haddonfield Education Trust	Middle School PTA	Central PTA	Tatem PTA	Temporary Emergency Impact Aid	Carried Forward (Exh. E-1A)
REVENUES:						
Local Sources	\$ 3,814	\$ 9,993	\$ 13,030	\$ 11,620	\$ -	\$ 38,457
State sources						-
Federal sources					6,750	6,750
Total revenues	<u>\$ 3,814</u>	<u>\$ 9,993</u>	<u>\$ 13,030</u>	<u>\$ 11,620</u>	<u>\$ 6,750</u>	<u>\$ 45,207</u>
EXPENDITURES:						
<i>Instruction:</i>						
Salaries of teachers						-
Purchased professional educational services						-
Purchased professional and technical services						-
Other purchased services					233	233
Tuition						-
General supplies	3,814	9,993	13,030	11,620	695	39,152
Textbooks						-
	<u>3,814</u>	<u>9,993</u>	<u>13,030</u>	<u>11,620</u>	<u>928</u>	<u>39,385</u>
<i>Support services:</i>						
Salaries					1,105	1,105
Employee benefits					2,947	2,947
Purchased professional and technical services						-
Other purchased services						-
General supplies					1,770	1,770
Total support services	-	-	-	-	5,822	5,822
<i>Facilities acquisition & construction services</i>						
Instructional equipment						
Total facilities acquisition & construction services	-	-	-	-	-	-
Total expenditures	<u>\$ 3,814</u>	<u>\$ 9,993</u>	<u>\$ 13,030</u>	<u>\$ 11,620</u>	<u>\$ 6,750</u>	<u>\$ 45,207</u>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2018

Revenues and Other Financing Sources:

Bond Proceeds	\$ -
Interest earned on investments	87,486
Total revenues and other financing sources	<u>87,486</u>

Expenditures and Other Financing (Uses):

Purchased professional services	1,738,325
Construction services	20,153,964
Equipment	
General Supplies	13,481
Other Objects	448,504
Transfer to debt service fund	87,486
Total expenditures and other financing (uses)	<u>22,441,760</u>

Excess (deficiency) or revenues over (under) expenditures (22,354,274)

Fund Balance - July 1, 2017 32,505,002

Fund Balance - June 30, 2018 \$ 10,150,728

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, 2018

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

HADDONFIELD SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Central Elementary Partial Roof Replacement
From Inception and for the Fiscal Year ended June 30, 2018

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

HADDONFIELD SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Various Capital Improvements to School Facilities
From Inception and for the Fiscal Year ended June 30, 2018

	Prior Periods	Current Year	Total	Revised Authorized Costs
Revenues and Other Financing Sources:				
Bond Proceeds	\$ 35,251,000	\$ -	\$ 35,251,000	\$ 35,251,000
Total revenues	35,251,000	-	35,251,000	35,251,000
Expenditures and Other Financing Uses:				
Purchased professional services	2,359,885	1,738,325	4,098,210	4,098,210
Construction services	152,611	20,153,964	20,306,575	20,306,575
Equipment	369,233		369,233	369,233
General Supplies		13,481	13,481	13,481
Other Objects		448,504	448,504	448,504
	2,881,729	22,354,274	25,236,003	25,236,003
Excess (deficiency) or revenues over (under) expenditures	\$ 32,369,271	\$ (22,354,274)	\$ 10,014,997	\$ 10,014,997

Additional project information:

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, 2018

<u>Issue/Project Title</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Transfer to Debt Service Fund</u>	<u>Unexpended Balance</u>
			<u>Prior Years</u>	<u>Current Year</u>		
Haddonfield Memorial High School Partial Roof Replacement	3/11/2011	\$ 276,500	\$ 225,019	\$ -	\$ -	\$ 51,481
Elizabeth Haddon Partial Roof Replacement	7/1/2012	260,750	260,750			
Central Elementary Partial Roof Replacement	7/1/2012	141,250	57,000			84,250
Various Capital Improvements to School Facilities	3/8/2016	<u>35,251,000</u>	<u>2,881,729</u>	<u>22,354,274</u>		<u>10,014,997</u>
Total		<u>\$ 35,929,500</u>	<u>\$ 3,424,498</u>	<u>\$ 22,354,274</u>	<u>\$ -</u>	<u>\$ 10,150,728</u>

Proprietary Funds
Detail Statements

HADDONFIELD SCHOOL DISTRICT
Enterprise Funds
Statement of Net Position
as of June 30, 2018

	Food Service	Community Education	Total
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 134,173	\$ 37,279	\$ 171,452
Accounts receivable:			
State	122		122
Federal	1,156		1,156
Other	1,164		1,164
Inventories	6,964		6,964
Total current assets	143,579	37,279	180,858
Fixed assets:			
Equipment	382,016		382,016
Less Accumulated depreciation	(377,967)		(377,967)
Total fixed assets	4,049	-	4,049
Total assets	\$ 147,628	\$ 37,279	\$ 184,907
LIABILITIES			
Current liabilities:			
Interfund payable	\$ 67,160	\$ -	\$ 67,160
Unearned revenue	39,541		39,541
Total current liabilities	106,701	-	106,701
NET POSITION			
Net investment in capital assets	4,049		4,049
Unrestricted	36,878	37,279	74,157
Total net position	\$ 40,927	\$ 37,279	\$ 78,206

HADDONFIELD SCHOOL DISTRICT
Enterprise Funds
Statement of Revenues, Expenses and Changes in Fund Net Position
for the Fiscal Years ended June 30, 2018

	Food Service	Community Education	Total
OPERATING REVENUES:			
Local sources:			
Daily sales-reimbursable programs:			
School lunch program	\$ 192,010	\$ -	\$ 192,010
Total-daily sales-reimbursable programs	192,010		192,010
Program fees		79,086	79,086
Daily sales non-reimbursable programs	380,940		380,940
Total operating revenue	<u>572,950</u>	<u>79,086</u>	<u>652,036</u>
OPERATING EXPENSES:			
Salaries	223,448	79,455	302,903
Employee benefits	16,716		16,716
Supplies and materials	27,324		27,324
Depreciation	9,415		9,415
Management fee	38,237		38,237
Cost of sales - reimbursable programs	88,568		88,568
Cost of sales - nonreimbursable programs	175,716		175,716
Direct Expenses	20,291	12,994	33,285
Other	2,711		2,711
Total operating expenses	<u>602,426</u>	<u>92,449</u>	<u>694,875</u>
Operating income (loss)	<u>(29,476)</u>	<u>(13,363)</u>	<u>(42,839)</u>
Non-operating revenues:			
State sources:			
State school lunch program	2,272		2,272
Federal sources:			
National school lunch program	21,389		21,389
U.S.D.A. commodities	13,509		13,509
Miscellaneous			-
Interest revenue	470	167	637
Total non-operating revenues	<u>37,640</u>	<u>167</u>	<u>37,807</u>
Net income (loss) before contributions and transfers	<u>8,164</u>	<u>(13,196)</u>	<u>(5,032)</u>
Change in net position	8,164	(13,196)	(5,032)
Net position - July 1	<u>32,763</u>	<u>50,475</u>	<u>83,238</u>
Net position - June 30	<u>\$ 40,927</u>	<u>\$ 37,279</u>	<u>\$ 78,206</u>

HADDONFIELD SCHOOL DISTRICT
Enterprise Funds
Statement of Cash Flows
for the Fiscal Years ended June 30, 2018

	Food Service	Community Education	Total
Cash flows from operating activities:			
Cash receipts from customers	\$ 581,538	\$ 76,773	\$ 658,311
Cash payments to employees for services	(240,164)	(79,455)	(319,619)
Cash payments to suppliers for goods and services	(339,242)	(12,994)	(352,236)
Net cash used by operating activities	<u>2,132</u>	<u>(15,676)</u>	<u>(13,544)</u>
Cash flows from noncapital financing activities:			
Cash received from interfund activity	80,935		80,935
Cash received from state and federal reimbursements	23,745		23,745
Net cash provided by noncapital financing activities	<u>104,680</u>		<u>104,680</u>
Cash flows from capital financing activities:			
Purchases of fixed assets			-
Net cash used by capital financing activities	<u>-</u>		<u>-</u>
Cash flows from investing activities:			
Interest on investments	470	167	637
Net cash provided by investing activities	<u>470</u>	<u>167</u>	<u>637</u>
Net increase (decrease) in cash and cash equivalents	107,282	(15,509)	91,773
Cash and cash equivalents, July 1	<u>26,891</u>	<u>52,788</u>	<u>79,679</u>
Cash and cash equivalents, June 30	<u>\$ 134,173</u>	<u>\$ 37,279</u>	<u>\$ 171,452</u>
Reconciliation of operating income (loss) to net cash provided			
(used) by operating activities:			
Operating income (loss)	\$ (29,476)	\$ (13,363)	\$ (42,839)
Adjustments to reconcile operating income (loss)			
to cash provided (used) by operating activities:			
Depreciation	9,415		9,415
Federal commodities	13,509		13,509
Cancellation of accounts payable/receivable			-
Change in assets and liabilities:			
(Increase)/decrease in inventory	1,275		1,275
(Increase)/decrease in accounts receivable	1,317		1,317
Increase/(decrease) in accounts payable	(1,179)		(1,179)
Increase/(decrease) in unearned revenue	7,271	(2,313)	4,958
Net cash used by operating activities	<u>\$ 2,132</u>	<u>\$ (15,676)</u>	<u>\$ (13,544)</u>

Fiduciary Funds
Detail Statements

HADDONFIELD SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Net Position
June 30, 2018

	Agency Funds		Employee Benefit Trust Funds		Total
	Student Activity	Payroll	Flexible Benefits Program	Unemployment Compensation Insurance Fund	
ASSETS:					
Cash and cash equivalents	\$ 430,955	\$ 265,483	\$ 3,587	\$ 408,881	\$ 1,108,906
Interfund receivable					
Other accounts receivable					
TOTAL ASSETS	\$ 430,955	\$ 265,483	\$ 3,587	\$ 408,881	\$ 1,108,906
LIABILITIES					
LIABILITIES:					
Accounts payable	\$ -	\$ -	\$ -	\$ 6,091	\$ 6,091
Payroll deductions and withholdings		231,918			231,918
Interfund payable		33,565			33,565
Due to student groups	430,955				430,955
Total liabilities	430,955	265,483		6,091	702,529
NET POSITION					
Reserved for unemployment claims				402,790	402,790
Reserve for flex benefits			3,587		3,587
Total net position	\$ -	\$ -	\$ 3,587	\$ 402,790	\$ 406,377

HADDONFIELD SCHOOL DISTRICT
Fiduciary Fund
Combining Statement of Changes in Fiduciary Net Position
for the Fiscal Year Ended June 30, 2018

	<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	\$ 96,000	\$ -	\$ 96,000
Employee contributions	83,020	35,423	118,443
Interest on Investments	122	1,659	1,781
Total Revenues	<u>179,142</u>	<u>37,082</u>	<u>216,224</u>
EXPENDITURES:			
Current Expense:			
Undistributed Expenditures:			
Unemployment claims		15,006	15,006
Flex benefit payments	197,768		197,768
Total Expenditures	<u>197,768</u>	<u>15,006</u>	<u>212,774</u>
Excess (deficiency) of revenues over (under) expenditures)	(18,626)	22,076	3,450
Net Position July 1	<u>22,213</u>	<u>380,714</u>	<u>402,927</u>
Net Position June 30	<u>\$ 3,587</u>	<u>\$ 402,790</u>	<u>\$ 406,377</u>

HADDONFIELD SCHOOL DISTRICT
Student Activity Agency Fund
Schedule of Receipts and Disbursements
for the Fiscal Year ended June 30, 2018

	<u>Balance</u> <u>June 30, 2017</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Accounts</u> <u>Payable</u> <u>June 30, 2018</u>	<u>Balance</u> <u>June 30, 2018</u>
JUNIOR/SENIOR HIGH SCHOOLS:					
Haddonfield:					
Activities	\$ 408,316	\$ 789,849	\$ 767,820	\$ -	\$ 430,345
Athletic	1,295	109,394	110,079		610
Total	<u>\$ 409,611</u>	<u>\$ 899,243</u>	<u>\$ 877,899</u>	<u>\$ -</u>	<u>\$ 430,955</u>

HADDONFIELD SCHOOL DISTRICT
Payroll Agency Fund
 Schedule of Receipts and Disbursements
 for the Fiscal Year ended June 30, 2018

	<u>Balance June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2018</u>
ASSETS:				
Cash and cash equivalents	\$ 344,011	\$ 23,447,712	\$ 23,526,240	\$ 265,483
Total assets	<u>\$ 344,011</u>	<u>\$ 23,447,712</u>	<u>\$ 23,526,240</u>	<u>\$ 265,483</u>
LIABILITIES:				
Payroll deductions and withholdings	\$ 327,602	\$ 10,151,217	\$ 10,246,901	\$ 231,918
Net payroll		13,241,573	13,241,573	
Interfund payable	<u>16,409</u>	<u>54,922</u>	<u>37,766</u>	<u>33,565</u>
Total liabilities	<u>\$ 344,011</u>	<u>\$ 23,447,712</u>	<u>\$ 23,526,240</u>	<u>\$ 265,483</u>

Long-Term Debt Schedules

HADDONFIELD SCHOOL DISTRICT
General Long-Term Debt Account Group
 Statement of Serial Bonds
 June 30, 2018

Issue	Date of Issue	Amount of Issue	Annual Maturities		Rate of Interest	Balance July 1, 2017	Issued	Retired	Balance June 30, 2018
			Date	Amount					
Refunding Bonds	2/1/2012	\$ 8,000,000	02/15/19	\$ 390,000	4.00%	\$ 7,170,000	\$ -	\$ 380,000	\$ 6,790,000
			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	08/01/18	975,000	3.00%	5,070,000		945,000	4,125,000
			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						\$ 12,240,000	\$ -	\$ 1,325,000	\$ 10,915,000

HADDONFIELD SCHOOL DISTRICT
General Long-Term Debt Account Group
Statement of Serial Bonds
June 30, 2018

Issue	Date of Issue	Amount of Issue	Annual Maturities		Rate of Interest	Balance July 1, 2017	Issued	Retired	Balance June 30, 2018
			Date	Amount					
Balance Brought Forward						\$ 12,240,000	\$ -	\$ 1,325,000	\$ 10,915,000
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>\$ 47,491,000</u>	<u>\$ -</u>	<u>\$ 1,325,000</u>	<u>\$ 46,166,000</u>

HADDONFIELD SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 2,367,875	\$ -	\$ 2,367,875	\$ 2,367,875	\$ -
Miscellaneous	-	-	-	-	-
Total revenues - local sources	<u>2,367,875</u>	<u>-</u>	<u>2,367,875</u>	<u>2,367,875</u>	<u>-</u>
State sources:					
Debt service aid type II	386,940	-	386,940	386,940	-
Total revenues - state sources	<u>386,940</u>	<u>-</u>	<u>386,940</u>	<u>386,940</u>	<u>-</u>
Total Revenues	<u>2,754,815</u>	<u>-</u>	<u>2,754,815</u>	<u>2,754,815</u>	<u>-</u>
EXPENDITURES:					
Regular debt service:					
Interest	1,614,749	-	1,614,749	1,614,749	-
Redemption of principal	1,325,000	-	1,325,000	1,325,000	-
Total Expenditures	<u>2,939,749</u>	<u>-</u>	<u>2,939,749</u>	<u>2,939,749</u>	<u>-</u>
Excess (Deficiency) of revenues over (under) expenditures	(184,934)	-	(184,934)	(184,934)	-
Other Financing Sources (Uses):					
Operating transfer in	-	-	-	87,486	87,486
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,486</u>	<u>87,486</u>
Net change in fund balance	(184,934)	-	(184,934)	(97,448)	87,486
Fund Balances, July 1	255,067	-	255,067	255,067	-
Fund Balances, June 30	<u>\$ 70,133</u>	<u>\$ -</u>	<u>\$ 70,133</u>	<u>\$ 157,619</u>	<u>\$ 87,486</u>

Statistical Section

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

Exhibit J-1

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities:										
Net investment in capital assets	\$ 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)	\$ (1,555,726)
Restricted for:										
Capital projects	148,066	224,422	700,923	1,150,903	1,087,116	1,765,034	2,038,646	1,153,874	35,398,343	14,057,596
Debt service	(256,515)	(308,351)	9,162	14,458	13,813	3,987	1,788	185,588	255,067	157,619
Other purposes	531,981	439,470	845,675	1,314,071	1,473,472	1,683,474	1,777,482	1,428,749	1,409,679	2,319,682
Unrestricted	(695,030)	(595,190)	(856,188)	(774,403)	(686,329)	(979,589)	(7,612,744)	(7,492,346)	(8,853,533)	(8,791,484)
Total governmental activities net position	\$ 8,351,977	\$ 8,652,878	\$ 9,771,796	\$ 11,283,261	\$ 11,692,819	\$ 14,387,720	\$ 8,043,591	\$ 7,429,584	\$ 5,402,256	\$ 6,187,687
Business-type activities:										
Net investment in capital assets	\$ 16,792	\$ 6,449	\$ -	\$ -	\$ -	\$ 66,787	\$ 49,012	\$ 31,236	\$ 13,464	\$ 4,049
Unrestricted	85,033	110,867	135,619	125,450	109,723	136,462	143,264	72,580	69,774	74,157
Total business-type activities net position	\$ 101,825	\$ 117,316	\$ 135,619	\$ 125,450	\$ 109,723	\$ 203,249	\$ 192,276	\$ 103,816	\$ 83,238	\$ 78,206
District-wide:										
Net investment in capital assets	\$ 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)	\$ (1,551,677)
Restricted:										
Capital projects	148,066	224,422	700,923	1,150,903	1,087,116	1,765,034	2,038,646	1,153,874	35,398,343	14,057,596
Debt service	(256,515)	(308,351)	9,162	14,458	13,813	3,987	1,788	185,588	255,067	157,619
Other purposes	531,981	439,470	845,675	1,314,071	1,473,472	1,683,474	1,777,482	1,428,749	1,409,679	2,319,682
Unrestricted	(609,997)	(484,323)	(720,569)	(648,953)	(576,606)	(843,127)	(7,469,480)	(7,419,766)	(8,783,759)	(8,717,327)
Total district net position	\$ 8,453,802	\$ 8,770,194	\$ 9,907,415	\$ 11,408,711	\$ 11,802,542	\$ 14,590,969	\$ 8,235,867	\$ 7,533,400	\$ 5,485,494	\$ 6,265,893

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	2018
Expenses:											
Governmental activities:											
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	\$ 13,408,270
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	3,633,508
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	1,015,807
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	504,587
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	4,974,480
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	1,615,372
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	1,935,445
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	5,246,291
Pupil transportation	503,835	451,054	341,765	306,140	533,737	299,965	468,815	544,335	498,304	509,109	548,993
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	23,011,313
Special schools	184,009	210,996	165,035	161,341	108,653	136,209	112,057	141,616	115,363	131,437	43,602
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	1,295,356
Unallocated depreciation	76,661	75,040	50,455	58,682	87,835	30,936	62,112	56,507	56,188	52,726	49,258
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>	<u>57,282,282</u>
Business-type activities:											
Community Education	89,310	77,154	77,217	79,191	81,841	82,722	109,036	91,026	134,587	110,644	92,449
Food service	502,895	539,276	545,408	535,136	554,666	559,954	519,642	522,126	592,657	609,298	602,426
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>	<u>694,875</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>	<u>\$ 57,977,157</u>
Program Revenues:											
Governmental activities:											
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	\$ 19,022,458
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>	<u>19,022,458</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	2018
Business-type activities:											
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	\$ 79,086
Food service	381,675	467,055	494,153	493,216	490,935	464,331	464,667	458,200	489,045	559,154	572,950
Operating grants and contributions	60,065	55,233	64,166	54,378	67,815	66,799	71,159	35,708	34,596	36,199	37,170
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>	<u>689,206</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>	<u>\$ 19,711,664</u>
Net (Expense)/Revenue:											
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)	\$ (38,259,824)
Business-type activities	(66,562)	(20,221)	14,855	16,999	3,104	(17,058)	8,324	(12,884)	(89,614)	(20,917)	(5,669)
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>	<u>\$ (38,265,493)</u>
General Revenues and Other Changes in Net Position:											
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	\$ 34,594,360
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	2,367,875
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	1,263,204
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	365,162
Miscellaneous income	349,962	218,200	370,650	420,891	552,817	359,417	361,473	281,584	498,329	323,597	454,654
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>	<u>39,045,255</u>
Business-type activities:											
Investment earnings	4,094	987	543	1,086	1,300	1,331	649	369	339	339	637
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>	<u>637</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>	<u>\$ 39,045,892</u>
Change in Net Position:											
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)	\$ 785,431
Business-type activities	3,763	(18,544)	15,491	18,303	(10,169)	(15,727)	8,973	(10,973)	(88,460)	(20,578)	(5,032)
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>	<u>\$ 780,399</u>

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

Exhibit J-3

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund:										
Restricted for:										
Capital reserve	\$ 119	\$ 120	\$ 200,121	\$ 900,120	\$ 766,951	\$ 1,444,869	\$ 1,718,481	\$ 1,339,992	\$ 2,893,341	\$ 3,906,868
Maintenance reserve					200,000	200,000	200,000	400,000	401,000	902,875
Excess surplus	334,980	305,829	789,114	634,165	639,307	639,455	515,396	464,848	428,535	663,937
Excess surplus - designated for next year				679,906	634,165	639,307	639,455	515,396	464,848	428,535
Assigned										
Other Purposes										324,335
Reserve for encumbrances						204,712	422,631	48,505	27,572	-
Designated for subsequent year's budget									87,724	-
Unassigned	766,590	693,792	669,318	635,917	593,100	596,116	621,022	650,447	606,964	614,268
Total general fund	<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>	<u>\$ 6,840,818</u>
All Other Governmental Funds										
Reserved:										
Encumbrances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 809	\$ -	\$ -
Other Purposes	-	-	-	-	-	-	-	-	-	10,284,161
Unreserved, reported in:										
Special revenue fund										
Capital projects fund	147,947	224,302	500,802	250,783	320,165	320,165	320,165	(186,927)	32,505,002	(133,433)
Debt service fund	62,215	18,430	9,162	14,458	13,813	3,987	1,788	185,588	255,067	157,619
Total all other governmental funds	<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>	<u>\$ 10,308,347</u>

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

Exhibit J-4

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Tax levy	\$ 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	\$ 36,962,235
Tuition charges	267,028	215,049	220,243	321,758	492,118	526,947	505,276	511,500	290,603	365,162
Miscellaneous	218,200	370,650	420,891	552,817	359,417	361,473	281,584	560,021	334,267	493,111
State sources	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	7,106,632
Federal sources	534,395	609,442	991,587	704,321	604,924	553,116	547,420	775,804	786,794	810,573
Total revenue	<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>	<u>45,737,713</u>
Expenditures										
Instruction										
Regular Instruction	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	12,614,491
Special education instruction	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	3,633,508
Other instruction	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	1,015,807
Support Services:										
Tuition	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	504,587
Student & instruction related services	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	4,974,480
School administrative services	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	1,615,372
General and business admin. services	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	1,836,929
Plant operations and maintenance	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	3,244,811
Pupil transportation	451,054	341,765	306,140	533,737	299,965	468,815	544,335	498,304	509,109	548,993
Employee Benefits	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	10,575,329
Special Schools	210,996	165,035	161,341	108,653	136,209	112,057	141,616	115,363	131,437	43,602
Capital outlay	86,921	72,045	109,119	875,710	1,194,331	557,665	636,172	1,850,701	2,721,357	22,710,943
Debt service:										
Principal	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	1,325,000
Interest and other charges	1,035,727	981,352	888,986	942,747	741,106	700,609	643,923	455,128	478,038	1,614,749
Total expenditures	<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>	<u>66,258,601</u>
Excess (Deficiency) of revenues over (under) expenditures	117,920	(91,947)	926,044	861,883	52,152	881,110	390,327	(1,020,280)	(999,605)	(20,520,888)
Other Financing sources (uses)										
Proceeds from borrowing		22,569	-	8,966,507	-	-	-	-	35,251,000	-
Payment to bond payment agent				(8,881,558)	-	-	-	-	-	-
Cancellation of accounts receivable										
Transfers in	11,603	5,664	169,285	188,004	87,602	1,134	654	184,555	70,133	87,486
Transfers out	(11,603)	(5,664)	(169,285)	(188,004)	(87,602)	(1,134)	(654)	(184,555)	(70,133)	(87,486)
Total other financing sources (uses)	<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>	<u>-</u>
Net change in fund balances	<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>	<u>\$ (20,520,888)</u>
Debt service as a percentage of noncapital expenditures	5.60%	5.44%	5.60%	5.71%	5.19%	5.19%	4.95%	4.49%	4.31%	6.75%

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
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
2018	123,437	365,162	-	-	-	-	-		78,950	252,267	819,816
	<u>\$ 494,775</u>	<u>\$ 3,272,040</u>	<u>\$ 18,487</u>	<u>\$ 620,625</u>	<u>\$ 1,112,696</u>	<u>\$ 267,786</u>	<u>\$ 353,626</u>	<u>\$ 72,937</u>	<u>\$ 245,500</u>	<u>\$ 985,220</u>	<u>\$ 7,443,692</u>

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
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
2018	8,370,100	2,035,179,200			206,476,900		13,906,800	2,263,933,000	5,680,150	2,269,613,150	697,165,900	1.695	2,315,524,757

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
2018	1.563	0.132	1.695	0.470	0.005	0.033	0.860	3.063

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	2018		Taxpayer	2009	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Verizon	\$ 8,791,350	0.39%	Verizon	\$ 6,040,543	0.27%
Centennial Office, LLA	8,300,000	0.37%	One Centennial Square	4,950,000	0.22%
132 Warwick Rd LLC	8,250,000	0.36%	95 Grove Street Partnership	3,832,700	0.17%
Liberty Towers Philly, LP	8,166,800	0.36%	Gerald & Erica Levin	2,876,900	0.13%
95 Grove Street Partnership	7,989,400	0.35%	Park Lane Properties	2,446,000	0.11%
110 Kings Highway East	5,400,000	0.24%	Laurie Industries	2,243,500	0.10%
Park Lane Properties	5,281,000	0.23%	Tommar LLC	1,950,000	0.09%
Laurie Industries (ACME Markets)	4,069,800	0.18%	807 Haddon Properties	1,752,100	0.08%
Tommar LLC	3,750,000	0.17%	Thirt-Five Kings Highway East	1,525,000	0.07%
35 Kings Highway East	3,000,000	0.13%	Chestnut House LLC	1,500,000	0.07%
Total	\$ 62,998,350	2.78%		\$ 29,116,743	1.29%

Source: Municipal Tax Assessor

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

Exhibit J-9

Fiscal Year Ended June 30,	Taxes Levied for the Calendar Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2009	\$29,543,527	\$29,543,527	100.00%	-
2010	30,595,409	30,595,409	100.00%	-
2011	31,122,929	31,122,929	100.00%	-
2012	32,208,436	32,208,436	100.00%	-
2013	32,745,739	32,745,739	100.00%	-
2014	32,650,457	32,650,457	100.00%	-
2015	33,253,751	33,253,751	100.00%	-
2016	33,871,732	33,871,732	100.00%	-
2017	35,497,016	35,497,016	100.00%	-
2018	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 ^a	Per Capita ^b
	General Obligation Bonds	Unfunded Pension Liability	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2009	\$ 22,296,000	\$ -	\$ 24,893	\$ -	\$ -	\$ 22,320,893	4.74%	1,950	
2010	21,296,000	-	21,894	-	-	21,317,894	4.43%	1,841	
2011	20,181,000	-	13,515	-	-	20,194,515	4.01%	1,747	
2012	18,801,000	-	26,058	-	-	18,827,058	3.69%	1,633	
2013	17,591,000	-	17,523	-	-	17,608,523	3.43%	1,535	
2014	16,341,000	-	8,709	-	-	16,349,709	3.10%	1,430	
2015	14,910,000	-	4,570	-	-	14,914,570	2.72%	1,307	
2016	13,530,000	-	-	-	-	13,530,000	2.39%	1,183	
2017	47,491,000	-	-	-	-	47,491,000	c	4,153	
2018	46,166,000	-	-	-	-	46,166,000	c	c	

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

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

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

Exhibit J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2009	\$ 22,296,000	\$ -	\$ 22,296,000	0.98%	1,948
2010	21,296,000	-	21,296,000	0.94%	1,839
2011	20,181,000	-	20,181,000	0.89%	1,745
2012	18,801,000	-	18,801,000	0.83%	1,631
2013	17,591,000	-	17,591,000	0.79%	1,533
2014	16,341,000	-	16,341,000	0.73%	1,429
2015	14,910,000	-	14,910,000	0.67%	1,307
2016	13,530,000	-	13,530,000	0.60%	1,183
2017	47,491,000	-	47,491,000	2.11%	4,153
2018	46,166,000	-	46,166,000	2.03%	c

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

- a** See Exhibit J-6 for property tax data.
- b** Population data can be found in Exhibit J-14.
- c** Not available.

**Haddonfield School District
Ratios of Overlapping Governmental Activities Debt
As of December 31, 2017**

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Borough of Haddonfield	\$ 27,251,365	100.000%	\$ 27,251,365
Camden County General Obligation Debt	113,576,610	6.045%	6,865,706
			<hr/>
Subtotal, overlapping debt			34,117,071
Haddonfield School District Direct Debt			<hr/>
			46,546,000
Total direct and overlapping debt			<hr/> <hr/>
			\$ 80,663,071

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 2018

	Equalized valuation basis	
	2015	\$ 2,229,450,095
	2016	2,260,454,647
	2017	2,289,891,617
	[A]	<u>\$ 6,779,796,359</u>
Average equalized valuation of taxable property	[A/3]	\$ 2,259,932,120
Debt limit (4% of average equalized valuation)	[B]	90,397,285 ^a
Net bonded school debt	[C]	46,166,000
Legal debt margin	[B-C]	<u>\$ 44,231,285</u>

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
	\$ 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	\$ 90,397,285
Total net debt applicable to limit	<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>	<u>46,166,000</u>
Legal debt margin	<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>	<u>\$ 44,231,285</u>
Total net debt applicable to the limit as a percentage of debt limit	26.43%	24.31%	22.57%	20.94%	19.68%	18.70%	17.29%	15.60%	53.65%	51.07%

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

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

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

Exhibit J-14

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2009	11,448	\$ 471,245,472	\$ 41,164	5.7%
2010	11,580	481,276,380	41,561	6.0%
2011	11,562	503,767,902	43,571	5.9%
2012	11,528	509,814,272	44,224	5.9%
2013	11,472	513,417,888	44,754	4.1%
2014	11,432	528,101,240	46,195	3.8%
2015	11,407	549,190,015	48,145	3.5%
2016	11,438	564,945,696	49,392	3.5%
2017	11,435	e	e	2.6%
2018	e	e	e	e

Source:

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

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

Exhibit J-16

<u>Function/Program</u>	<u>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>	<u>2018</u>
Instruction										
Regular	188	172	172	172	170	170	173	169	162	166
Special education	40	34	34	34	43	47	47	32	39	37
Other special education		55	55	55	58	58	58	49	72	12
Vocational										
Other instruction		24	24	26	25	13	13	2		19
Support Services:										
Student & instruction related services	9	40	40	42	12	14	14	21	25	39
School administrative services	15	19	19	16	18	21	21	18	19	21
General and business administrative services	6	6	6	6	6	10	10	19	7	12
Plant operations and maintenance	9	12	12	13	8	8	8	6	9	10
Pupil transportation	4	8	8	8	12	12	12	10	10	5
Business and other support services	3							4	4	5
Special Schools										
Food Service										
Child Care										
Total	<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>	<u>326</u>

Source: District Personnel Records

Haddonfield School District
 Operating Statistics,
 Last Ten Fiscal Years

Exhibit J-17

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2009	2,412	\$ 33,620,970	\$ 13,939	-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%
2018	2,710	40,607,909	14,984.47	2.54%	234	1:16	1:13	1:12	2,714	2,597	0.89%	95.69%

Sources: District records

Note: Enrollment based on annual October district count.

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

Haddonfield School District
 School Building Information
 Last Ten Fiscal Years

Exhibit J-18

District Building	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
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	379	360	348	327	336	361	343	355	374	386
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	426	447	481	511	515	440	458	447	441	426
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	286	314	316	350	363	396	404	409	397	411
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	543	555	555	562	573	596	621	653	652	656
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	776	775	765	753	760	780	783	797	826	835

Number of Schools at June 30, 2018
 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)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total
High School	SP#201155	\$ 313,699	\$ 494,029	\$ 459,096	\$ 445,380	\$ 422,494	\$ 442,142	\$ 344,092	\$ 270,561	\$ 283,102	\$ 312,049	\$ 3,786,644
Middle School	SP#201156	261,417	236,275	205,128	213,008	202,063	211,459	164,566	129,399	135,397	149,241	1,907,953
J. Fithian Tatem Elementary School	SP#201154	156,849	118,137	107,448	106,504	101,031	105,730	82,283	64,699	67,698	74,620	984,999
Elizabeth Haddon Elementary School	SP#201157	156,849	118,137	107,448	106,504	101,031	105,730	82,283	64,700	67,699	74,620	985,001
Central Elementary School	SP#201158	156,849	107,399	97,680	96,822	91,847	96,118	74,803	58,818	61,544	67,837	909,717
Total School Facilities		<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>\$ 678,367</u>	<u>\$ 8,574,314</u>

* 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, 2018**

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

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 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, 2018. 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 and 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, 2018.

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
January 31, 2019

HADDONFIELD SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2018

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, 2017			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years' Balances	June 30, 2018		
						Accounts Receivable	Deferred Revenue	Due to Grantor at						Accounts Receivable	Deferred Revenue	Due to Grantor at
U.S. Department of Education																
<u>Special Revenue Fund:</u>																
<u>Every Student Succeeds Act (ESSA)</u>																
Title I	84.010	S010A170030	ESSA-1900-18	\$ 168,942	7/1/17 - 6/30/18	\$ -	\$ -	\$ -	\$ -	\$ 72,669	\$ (165,392)	\$ -	\$ -	\$ (92,723)	\$ -	\$ -
Title I - PY	84.010	S010A160030	NCLB-1900-17	188,974	7/1/16 - 6/30/17	(10,824)				10,824				-		
Title II - Part A	84.367	S367A170029	ESSA-1900-18	72,059	7/1/17 - 6/30/18					33,062	(63,496)			(30,434)		
Title II - Part A - PY	84.367	S367A160029	NCLB-1900-17	77,021	7/1/16 - 6/30/17	(87)				87				-		
Title IV	84.424	S424A170031	ESSA-1900-18	10,000	7/1/17 - 6/30/18					4,013	(10,000)			(5,987)		
<u>Individuals With Disabilities Act (I.D.E.I.A.)</u>																
Part B - Basic	84.027	H027A170100	IDEA-1900-18	562,403	7/1/17 - 6/30/18					448,594	(536,410)			(87,816)		
Part B - Basic	84.027	H027A160100	IDEA-1900-17	622,325	7/1/16 - 6/30/17	(27,652)				27,652				-		
Part B - Preschool	84.173	H173A170114	IDEA-1900-18	30,062	7/1/17 - 6/30/18					16,713	(28,525)			(11,812)		
Part B - Preschool	84.173	H173A160114	IDEA-1900-17	32,235	7/1/16 - 6/30/17	(5,156)				5,156				-		
<u>Temporary Emergency Impact Aid</u>	84.938C	S938C18005	N/A	6,750	7/1/17 - 6/30/18						(6,750)			(6,750)		
Total Special Revenue Fund						(43,719)	-	-	-	618,770	(810,573)	-	-	(235,522)	-	-
U.S. Department of Agriculture																
<u>Enterprise Fund:</u>																
Food Distribution Program	10.565	181NJ304N1099	N/A	13,509	7/1/17 - 6/30/18					13,509	(13,509)					
National School Lunch Program	10.555	181NJ304N1099	N/A	21,389	7/1/17 - 6/30/18					20,233	(21,389)			(1,156)		
National School Lunch Program	10.555	171NJ304N1099	N/A	19,254	7/1/16 - 6/30/17	(1,253)				1,253				-		
Total Enterprise Fund						(1,253)	-	-	-	34,995	(34,898)	-	-	(1,156)	-	-
Total Federal Awards						\$ (44,972)	\$ -	\$ -	\$ -	\$ 653,765	\$ (845,471)	\$ -	\$ -	\$ (236,678)	\$ -	\$ -

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, 2018

State Grantor / Program Title	Grant or State Project Number	Program Award Amount	Grant Period	June 30, 2017			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years' Balances	June 30, 2018		
				Accounts Receivable	Deferred Revenue	Due to Grantor at						(Accounts Receivable)	Deferred Revenue	Due to Grantor at
State Department of Education														
<u>General Fund:</u>														
Extraordinary Aid	18-495-034-5120-044	\$ 180,993	7/1/17 - 6/30/18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (180,993)	\$ -	\$ -	\$ (180,993)	\$ -	\$ -
Extraordinary Aid	17-495-034-5120-044	223,686	7/1/16 - 6/30/17	(223,686)				223,686						
Special Education Categorical Aid	18-495-034-5120-089	918,605	7/1/17 - 6/30/18					847,240	(918,605)			(71,365)		
Special Education Categorical Aid	17-495-034-5120-089	802,294	7/1/16 - 6/30/17	(60,187)				60,187						
Security Aid	18-495-034-5120-084	41,592	7/1/17 - 6/30/18					38,361	(41,592)			(3,231)		
Security Aid	17-495-034-5120-084	41,592	7/1/16 - 6/30/17	(3,120)				3,120						
Transportation Aid	18-495-034-5120-014	40,814	7/1/17 - 6/30/18					37,643	(40,814)			(3,171)		
Transportation Aid	17-495-034-5120-014	40,814	7/1/16 - 6/30/17	(3,062)				3,062						
Adjustment Aid	18-495-034-5120-085	243	7/1/17 - 6/30/18					224	(243)			(19)		
Adjustment Aid	17-495-034-5120-085	243	7/1/16 - 6/30/17	(18)				18						
Under Adequacy Aid	18-495-034-5120-096	1,828	7/1/17 - 6/30/18					1,686	(1,828)			(142)		
Under Adequacy Aid	17-495-034-5120-096	1,828	7/1/16 - 6/30/17	(137)				137						
PARCC Readiness Aid	18-495-034-5120-098	24,780	7/1/17 - 6/30/18					22,855	(24,780)			(1,925)		
PARCC Readiness Aid	17-495-034-5120-098	24,780	7/1/16 - 6/30/17	(1,859)				1,859						
Per Pupil Growth Aid	18-495-034-5120-097	24,780	7/1/17 - 6/30/18					22,855	(24,780)			(1,925)		
Per Pupil Growth Aid	17-495-034-5120-097	24,780	7/1/16 - 6/30/17	(1,859)				1,859						
Professional Learning Community Aid	18-495-034-5120-001	25,655	7/1/17 - 6/30/18					23,662	(25,655)			(1,993)		
Professional Learning Community Aid	17-495-034-5120-001	25,655	7/1/16 - 6/30/17	(1,925)				1,925						
Homeless Tuition	18-495-034-5120-005	10,293	7/1/17 - 6/30/18						(10,293)			(10,293)		
Reimbursed Lead Testing	18-495-034-5120-104	5,225	7/1/17 - 6/30/18					5,225	(5,225)					
On Behalf TPAF Pension	18-495-034-5094-001	2,360,707	7/1/17 - 6/30/18					2,360,707	(2,360,707)			-		
On Behalf TPAF Post Retirement Medical	18-495-034-5094-002	1,524,730	7/1/17 - 6/30/18					1,524,730	(1,524,730)			-		
On Behalf TPAF LTDI	18-495-034-5094-004	4,297	7/1/17 - 6/30/18					4,297	(4,297)			-		
Reimbursed TPAF Social Security Contributions	18-495-034-5094-003	1,181,853	7/1/17 - 6/30/18					1,177,481	(1,181,853)			(4,372)		
Reimbursed TPAF Social Security Contributions	17-495-034-5094-003	1,157,114	7/1/16 - 6/30/17	(54,207)				54,207				-		
Total General Fund				(350,060)	-	-	-	6,417,026	(6,346,395)	-	-	(279,429)	-	-
<u>Special Revenue Fund</u>														
N.J. Nonpublic Aid:														
Textbook Aid	18-100-034-5120-064	23,281	7/1/17 - 6/30/18					23,281	(23,243)					38
Nursing Aid	18-100-034-5120-070	41,419	7/1/17 - 6/30/18					41,419	(41,005)				376	414
Nursing Aid	17-100-034-5120-070	37,620	7/1/16 - 6/30/17				376							
Technology Aid	18-100-034-5120-373	15,725	7/1/17 - 6/30/18					15,725	(15,707)				5,018	18
Technology Aid	17-100-034-5120-373	10,790	7/1/16 - 6/30/17				5,018							
Security Aid	18-100-034-5120-509	32,025	7/1/17 - 6/30/18					32,025	(32,025)					-
Security Aid	17-100-034-5120-509	20,900	7/1/16 - 6/30/17				820					820		
Auxiliary Services:														
Compensatory Education	18-100-034-5120-067	143,063	7/1/17 - 6/30/18					143,063	(132,959)				15,050	10,104
Compensatory Education	17-100-034-5120-067	139,745	7/1/16 - 6/30/17				15,050							
ESL	18-100-034-5120-067	6,865	7/1/17 - 6/30/18					6,865	(1,355)				6,577	5,510
ESL	17-100-034-5120-067	10,962	7/1/16 - 6/30/17				6,577							
Transportation	18-100-034-5120-068	13,523	7/1/17 - 6/30/18					13,523	(6,099)				7,890	7,424
Transportation	17-100-034-5120-068	13,028	7/1/16 - 6/30/17				7,890							
Home Instruction	18-100-034-5120-067	3,118	7/1/17 - 6/30/18					4,037	(3,118)			(3,118)		
Home Instruction	17-100-034-5120-067	4,037	7/1/16 - 6/30/17	(4,037)										
Handicapped Services:														
Examination & Classification	18-100-034-5120-066	56,791	7/1/17 - 6/30/18					56,791	(51,148)				14,581	5,643
Examination & Classification	17-100-034-5120-066	61,409	7/1/16 - 6/30/17				14,581							
Corrective Speech	18-100-034-5120-066	44,194	7/1/17 - 6/30/18					44,194	(37,408)				13,165	6,786
Corrective Speech	17-100-034-5120-066	49,035	7/1/16 - 6/30/17				13,165							-
Supplemental Instruction	18-100-034-5120-066	48,767	7/1/17 - 6/30/18					48,767	(40,834)				17,028	7,933
Supplemental Instruction	17-100-034-5120-066	51,398	7/1/16 - 6/30/17				17,028							
Total Special Revenue Fund				(4,037)	-	80,505	-	429,690	(384,901)	-	80,505	(3,118)	-	43,870

HADDONFIELD SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2018

State Grantor / Program Title	Grant or State Project Number	Program Award Amount	Grant Period	June 30, 2017			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years' Balances	June 30, 2018		
				Accounts Receivable	Deferred Revenue	Due to Grantor at						(Accounts Receivable)	Deferred Revenue	Due to Grantor at
New Jersey Economic Development Authority														
<u>Capital Projects Fund</u>														
Central Elementary School	SP#1900-060-10-1005	56,500	7/01/12 - 6/30/13	\$ (56,500)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (56,500)	\$ -	\$ -
Memorial High School	SP#1900-050-10-1004	110,600	3/21/11 - 6/30/12	(110,600)								(110,600)		
Elizabeth Haddon School	SP#1900-080-10-1007	84,580	7/01/11 - 6/30/12	(84,580)				84,580						
Total Capital Projects Fund				(251,680)	-	-	-	84,580	-	-	-	(167,100)	-	-
State Department of Education														
<u>Debt Service Fund</u>														
Debt Service Aid Type II	18-495-034-5120-017	386,940	7/1/17 - 6/30/18					386,940	(386,940)					
Total Debt Service Fund Fund				-	-	-	-	386,940	(386,940)	-	-	-	-	-
State Department of Agriculture														
<u>Enterprise Fund:</u>														
State School Lunch Program	18-100-010-3350-023	2,272	7/1/17 - 6/30/18					2,150	(2,272)			(122)		
State School Lunch Program	17-100-010-3350-023	1,713	7/1/16 - 6/30/17	(109)				109						
Total Enterprise Fund				(109)				2,259	(2,272)			(122)		
Total State Financial Assistance				\$ (605,886)	\$ -	\$ 80,505	\$ -	\$ 7,320,495	\$ (7,120,508)	\$ -	\$ 80,505	\$ (449,769)	\$ -	\$ 43,870
Less: State Financial Assistance Not Subject to Major Program Determination														
On-Behalf TPAF Contribution - Pension (Non-Budgeted) (2,360,707)														
On-Behalf TPAF Contribution - Post-Retirement Medical (Non-Budgeted) (1,524,730)														
On-Behalf TPAF Contribution - LTDI (Non-Budgeted) (4,297)														
Total State Financial Assistance Subject to Major Program Determination \$ (3,230,774)														

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, 2018**

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 (\$11,604) 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, 2018
(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:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 6,334,791	\$ 6,334,791
Special Revenue Fund	810,573	384,901	1,195,474
Debt Service Fund		386,940	386,940
Food Service Fund	<u>34,898</u>	<u>2,272</u>	<u>37,170</u>
Total Awards & Financial Assistance	<u>\$ 845,471</u>	<u>\$ 7,108,904</u>	<u>\$ 7,954,375</u>

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, 2018. 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, 2018.

6. MAJOR PROGRAMS

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

**HADDONFIELD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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>H027A170100</u>	<u>IDEA Part B Basic</u>
<u>84.713</u>	<u>H173A170114</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, 2018**

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

State Awards Section

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

Auditee qualified as low-risk auditee? X yes no

Internal Control over major programs:

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

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

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

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

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
<u>18-495-034-5120-089</u>	State Aid Public Cluster: <u>Special Education Categorical Aid</u>
<u>18-495-034-5120-084</u>	<u>Security Aid</u>
<u>18-495-034-5120-085</u>	<u>Adjustment Aid</u>
<u>18-495-034-5120-096</u>	<u>Under Adequacy Aid</u>
<u>18-495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>18-495-034-5120-098</u>	<u>PARCC Readiness</u>
<u>18-495-034-5120-101</u>	<u>Professional Learning Community Aid</u>
<u>18-495-034-5094-003</u>	<u>Reimbursed TPAF Social Security Contributions</u>

**HADDONFIELD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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 #2018-001

Criteria or specific requirement:

N.J.A.C. 6A:26-4.9(a)1 requires no expenditures be made in excess of the voter approved referendum.

Condition:

The 2016 referendum was over-expended as of June 30, 2018.

Context:

Original contracts and change orders exceeded the referendum resulting in a deficit unassigned fund balance in the Capital Projects Fund.

Effect:

The District did not comply with N.J.A.C. 6A:26-4.9(a)1.

Cause:

Unforeseeable events resulted in increased contracts and change orders.

Recommendation:

That no expenditures be made in excess of the voter approved bond referendum.

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, 2018**

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

Finding #2018-002

Criteria or specific requirement:

N.J.S.A. 18A:18A-1 et seq. (Public School Contracts Law) provides guidance to districts regarding purchasing, bids, quotations and state contracts.

Condition:

The District did not comply with bid guidance provided by N.J.S.A. 18A:18A-1 et seq. (Public School Contracts Law).

Context:

One vendor was paid in excess of the bid threshold and there is no evidence that bids were obtained.

Effect:

The District did not comply with N.J.S.A. 18A:18A-1 et seq. (Public School Contracts Law).

Cause:

Unknown.

Recommendation:

That the district comply with bid guidance provided by N.J.S.A. 18A:18A-1 et seq. (Public School Contracts Law).

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, 2018**

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

Finding #2018-003

Criteria or specific requirement:

Good internal control requires 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, 2018**

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

Finding #2018-004

Criteria or specific requirement:

N.J.A.C. 6A:23-16.12 requires all receipts be deposited promptly.

Condition:

Receipts for High School and Middle School Activity Funds did not appear to be deposited promptly.

Context:

The audit testing revealed several receipts for the Middle School and High School Activity Funds were not deposited promptly.

Effect:

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

Cause:

Unknown

Recommendation:

That all student activity fund receipts be deposited promptly.

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, 2018**

**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 2017-001:

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 2017-002:

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

Current Status:

Corrective action has been taken on this finding.

FEDERAL AWARDS

There were no prior year audit findings.

STATE AWARDS

There were no prior year audit findings.