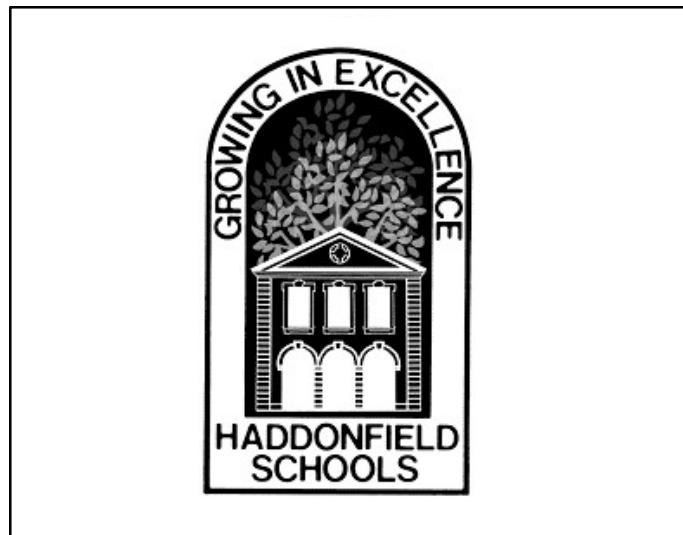


**SCHOOL DISTRICT  
OF**

# **HADDONFIELD**



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

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2019**

**Comprehensive Annual  
Financial Report**

**of the**

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

**For the Fiscal Year Ended June 30, 2019**

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

# HADDONFIELD SCHOOL DISTRICT

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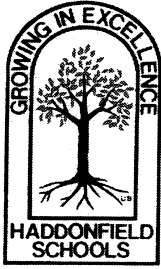
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## **Introductory Section**



## HADDONFIELD BOARD OF EDUCATION

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*Dr. Lawrence Mussoline*  
*Superintendent*

*Charles Klaus*  
*Assistant Superintendent*

*Dr. Brian Falkowski*  
*Interim Business Administrator*

November 8, 2019

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, 2019, 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 2018-2019 fiscal year with an average daily enrollment of 2,739 students, which is an increase of 49 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**

<b><u>FiscalYear</u></b>	<b><u>StudentEnrollment</u></b>	<b><u>Percent Change</u></b>
2018-19	2,759	1.8 %
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 %

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.

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

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

- *South Jersey Magazine*'s September 2017 issue ranked HMHS #1 in SAT scores, percent of students attending a 4-year college, and graduation rate. Haddonfield was also ranked #2 in Student-to-Faculty ratio.
- *US News and World Report* named Haddonfield Memorial High School 15th in State and #275 in the Nation in their 2014 rankings.
- *Philadelphia Magazine* has cited Haddonfield as one of the finest schools in the Philadelphia region on thirteen different occasions.
- The US Department of Education rated us a Blue Ribbon School in 2004.

Student enrollment is currently 2,759 students in total with an additional 15 Special Education students sent on a tuition basis to private and public school special education programs. The total number of enrolled students includes 15 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, 2019.

**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.

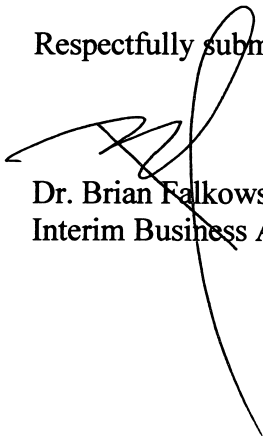
7. **RISK MANAGEMENT**: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

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,



Dr. Brian Falkowski  
Interim Business Administrator/Board Secretary

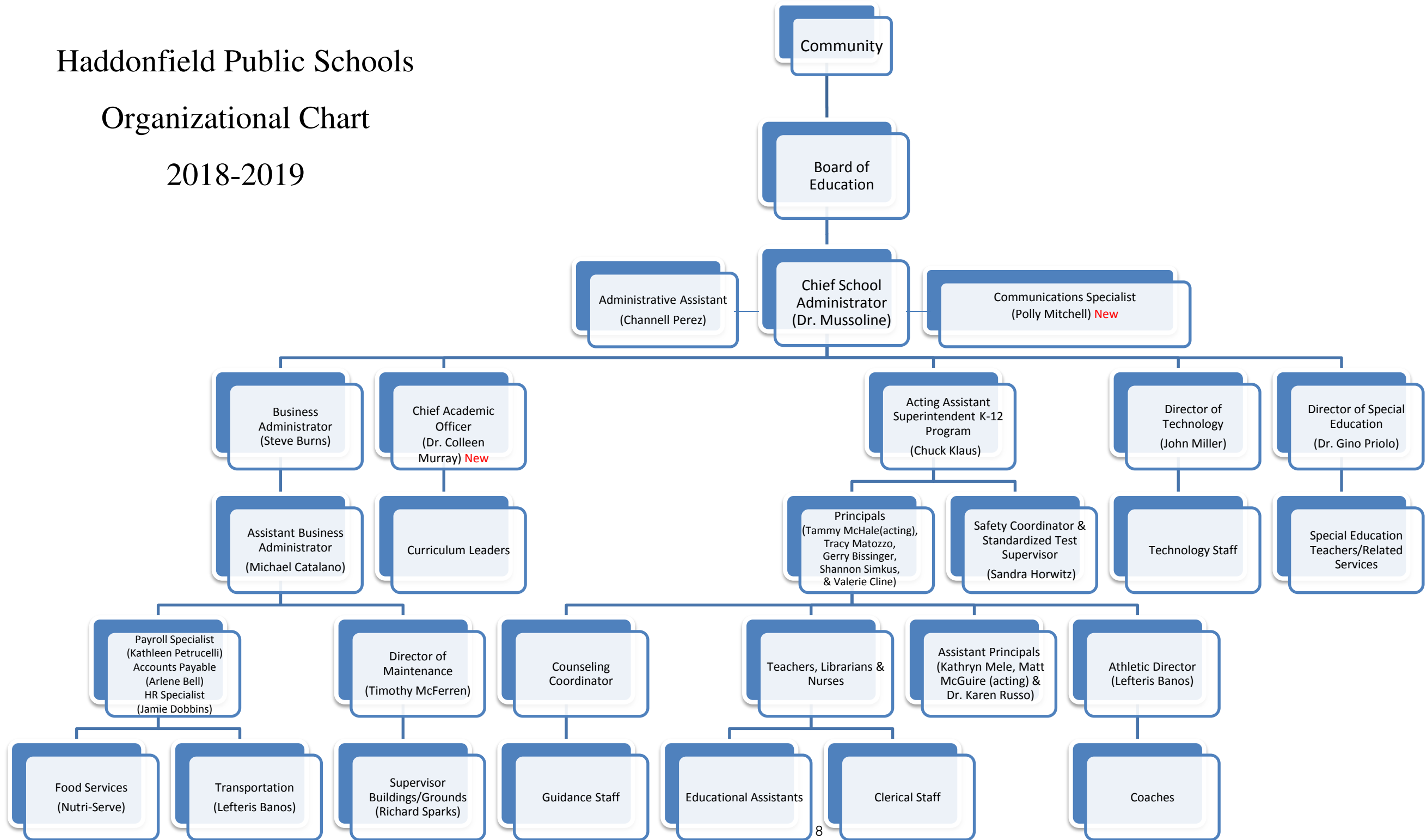


Dr. Lawrence Mussoline  
Superintendent

# Haddonfield Public Schools

## Organizational Chart

2018-2019



**HADDONFIELD BOARD OF EDUCATION  
HADDONFIELD, NEW JERSEY  
ROSTER OF OFFICIALS  
JUNE 30, 2019**

	<u>TERM EXPIRES</u>
Adam Sangillo, President	2021
Maureen Eyles, Vice- President	2020
R. Justin Benford	2021
Susan Kutner	2021
Jaime Grookett	2019
Heather Paoli	2020
Matt Ritter	2019
David Siedell	2019
Thomas Vecchio	2020

**OTHER OFFICIALS**

Dr. Lawrence Mussoline	Superintendent
Charles Klaus	Assistant Superintendent
Stephen Burns	Business Administrator – until May 15, 2019
Dr. Brian Falkowski	Interim Business Administrator - from May 15, 2019
Michael Catalano	Board Secretary
Joseph F. Betley	Solicitor

**HADDONFIELD SCHOOL DISTRICT  
Consultants and Advisors**

**Audit Firm**

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

**Attorney**

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

**Architect**

LAN Associates  
445 Godwin Avenue, Suite 9  
Midland Park, NJ 07432

**Official Depository**

Republic Bank  
30 Kings Highway East  
Haddonfield, NJ 08033

**Financial Section**



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

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New Jersey Society of CPAs

**INDEPENDENT AUDITOR'S REPORT**

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

***Report on the Financial Statements***

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Haddonfield School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2019, 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, 2019, 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 November 8, 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  
November 8, 2019

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

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 American Institute of CPAs  
 New Jersey Society of CPAs

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

**INDEPENDENT AUDITOR'S REPORT**

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial 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, 2019, 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 November 8, 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 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. My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

***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. 2019-001.

***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: 2019-001.

***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  
November 8, 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, 2019**

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, 2019. 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 \$9,166,637 *position*).
- Governmental activities have an unrestricted net position deficit of \$8,463,167. 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 \$2,900,744, or a 46.29% increase from the prior fiscal year-end balance. The majority of this increase is attributable to the decrease in long term debt and depreciation expense.
- Fund balance of the School District's governmental funds decreased by \$10,335,647 resulting in an ending fund balance of \$6,813,518. This decrease is largely due to the results of operations in the capital projects fund.
- Business-type activities have unrestricted net position of \$129,844 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 \$4,035,649 which is the result of a decrease in serial bonds and net pension liability and 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 2020. 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 2020.

The assets of the primary government activities exceeded liabilities by \$9,027,624 with an unrestricted deficit balance of \$8,463,167. The net position of the primary government does not include internal balances.

A net investment of \$11,388,167 in land, improvements, buildings, equipment and vehicles which provide the services to the School District's 2,739 public school students, represents 126.15% of the School District's net position. Net position of \$3,698,157 has been restricted to provide resources for future capital expansion and renovation projects, \$914,883 for maintenance projects, \$1,363,165 has been restricted for budget appropriation and \$126,419 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, 2019 and 2018**

	Governmental Activities		Business-Type Activities		District-Wide	
	2019	2018	2019	2018	2019	2018
<b>Assets:</b>						
Current assets	\$ 7,163,707	\$ 17,449,301	\$ 337,612	\$ 113,698	\$ 7,501,319	\$ 17,562,999
Capital assets	<u>55,192,659</u>	<u>44,828,263</u>	<u>9,169</u>	<u>4,049</u>	<u>55,201,828</u>	<u>44,832,312</u>
Total assets	<u>62,356,366</u>	<u>62,277,564</u>	<u>346,781</u>	<u>117,747</u>	<u>62,703,147</u>	<u>62,395,311</u>
Deferred Outflows of Resources	<u>1,600,064</u>	<u>2,273,915</u>			<u>1,600,064</u>	<u>2,273,915</u>
<b>Liabilities:</b>						
Current Liabilities	3,766,981	2,420,015	207,768	39,541	3,974,749	2,459,556
Noncurrent Liabilities	<u>48,456,354</u>	<u>53,808,760</u>			<u>48,456,354</u>	<u>53,808,760</u>
Total liabilities	<u>52,223,335</u>	<u>56,228,775</u>	<u>207,768</u>	<u>39,541</u>	<u>52,431,103</u>	<u>56,268,316</u>
Deferred Inflows of Resources	<u>2,705,471</u>	<u>2,135,017</u>			<u>2,705,471</u>	<u>2,135,017</u>
Net position	<u>\$ 9,027,624</u>	<u>\$ 6,187,687</u>	<u>\$ 139,013</u>	<u>\$ 78,206</u>	<u>\$ 9,166,637</u>	<u>\$ 6,265,893</u>
Net position consists of:						
Net investment in						
Capital assets	\$ 11,388,167	\$ (1,555,726)	\$ 9,169	\$ 4,049	\$ 11,397,336	\$ (1,551,677)
Restricted net position	6,102,624	16,534,897			6,102,624	16,534,897
Unrestricted net position	<u>(8,463,167)</u>	<u>(8,791,484)</u>	<u>129,844</u>	<u>74,157</u>	<u>(8,333,323)</u>	<u>(8,717,327)</u>
Net position	<u>\$ 9,027,624</u>	<u>\$ 6,187,687</u>	<u>\$ 139,013</u>	<u>\$ 78,206</u>	<u>\$ 9,166,637</u>	<u>\$ 6,265,893</u>

**Haddonfield School District**  
**Comparative Schedule of Changes in Net Position**  
**As of and for the Fiscal Year Ended June 30, 2019 and 2018**

	Governmental Activities		Business-Type Activities		District-Wide	
	2019	2018	2019	2018	2019	2018
<b>Revenues:</b>						
<b>Program Revenues</b>						
Charges for services	\$	\$	\$ 756,109	\$ 652,036	\$ 756,109	\$ 652,036
Operating grants and Contributions	15,486,781	19,022,458	39,930	37,170	15,526,711	19,059,628
<b>General Revenues:</b>						
Property Taxes	38,449,274	36,962,235			38,449,274	36,962,235
Unrestricted State Aid	2,275,309	1,263,204			2,275,309	1,263,204
Tuition	240,194	365,162			240,194	365,162
Other Revenues	360,729	454,654	3,377	637	364,106	455,291
<b>Total Revenues</b>	<b>56,812,287</b>	<b>58,067,713</b>	<b>799,416</b>	<b>689,843</b>	<b>57,611,703</b>	<b>58,757,556</b>
<b>Expenses:</b>						
<b>Governmental Activities:</b>						
Instruction	18,917,764	18,057,585			18,917,764	18,057,585
Tuition	583,585	504,587			583,585	504,587
Related Services	5,248,289	4,974,480			5,248,289	4,974,480
Administrative Services	3,133,162	2,747,193			3,133,162	2,747,193
Central Services	572,706	803,624			572,706	803,624
Operations and Maintenance	4,028,611	5,246,291			4,028,611	5,246,291
Transportation	548,607	548,993			548,607	548,993
Special Schools	65,291	43,602			65,291	43,602
Employee benefits	19,709,942	23,011,313			19,709,942	23,011,313
Interest on long-term Debt	1,107,655	1,295,356			1,107,655	1,295,356
Other	56,738	49,258			56,738	49,258
<b>Business-Type Activities:</b>						
Food Service Operations			652,980	602,426	652,980	602,426
Community Education			85,629	92,449	85,629	92,449
<b>Total Expenses</b>	<b>53,972,350</b>	<b>57,282,282</b>	<b>738,609</b>	<b>694,875</b>	<b>54,710,959</b>	<b>57,977,157</b>
<b>Increase in net position</b>						
Before transfers	2,839,937	785,431	60,807	(5,032)	2,900,744	780,399
Cancelled						
<b>Changes in net position</b>	<b>2,839,937</b>	<b>785,431</b>	<b>60,807</b>	<b>(5,032)</b>	<b>2,900,744</b>	<b>780,399</b>
Net position, July 1,	6,187,687	5,402,256	78,206	83,238	6,265,893	5,485,494
<b>Net position, June 30,</b>	<b>\$ 9,027,624</b>	<b>\$ 6,187,687</b>	<b>\$ 139,013</b>	<b>\$ 78,206</b>	<b>\$ 9,166,637</b>	<b>\$ 6,265,893</b>

## **Governmental Activities**

Governmental activities increased the net position of the School District by \$2,839,937 during the current fiscal year. Key elements of the increase in net position for governmental activities are as follows:

- Decrease of the net pension liability increased the net position of the School District by \$157,437 during the current fiscal year.
- Depreciation expense reduced net position by \$1,134,768
- Repayment of bond principle increased the net position of the School District by \$2,525,000.

## **Business-type Activities**

Business-type activities increased the School District's net position by \$60,807. Key elements of the increase in net position for governmental activities are as follows:

- The Food Service Fund had a net gain of \$34,612 and the Community Education Program had a net gain of \$26,195.

## **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 \$6,813,518, a decrease of \$10,335,647 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 \$710,894, deficit balance of \$484,574 for the Capital Projects Fund, and \$38,933 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 \$4,182,731, 2) as restricted for future maintenance projects of \$914,883, 3) \$763,217 appropriated as a revenue source for the subsequent year's budget, and 4) \$687,434 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 \$318,014 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 \$839,313 while total fund balance (budgetary basis) was \$7,076,190. 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 \$43,262,077. Unreserved fund balance (budgetary basis) represents 1.94% of expenditures while total fund balance (budgetary basis) represents 16.36% 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, 2019, totaled \$55,201,828 (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 \$10,369,516 or a 23.13% increase. The increase is due to construction in progress.

#### Capital Asset (net of accumulated depreciation) June 30, 2019 and 2018

	Governmental Activities		Business-Type Activities		District-Wide	
	2019	2018	2019	2018	2019	2018
Land	\$ 1,898,592	\$ 1,898,592	\$ -	\$ -	\$ 1,898,592	\$ 1,898,592
Construction in Progress	25,142,956	20,615,949			25,142,956	20,615,949
Buildings and Building Improvements	27,631,290	21,982,266			27,631,290	21,982,266
Equipment	519,821	331,456	9,169	4,049	528,990	335,505
<b>Total</b>	<u>\$ 55,192,659</u>	<u>\$ 44,828,263</u>	<u>\$ 9,169</u>	<u>\$ 4,049</u>	<u>\$ 55,201,828</u>	<u>\$ 44,832,312</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, 2019, the School District had \$43,804,492 in serial bonds payable, \$1,187,319 in compensated absences and \$6,160,797 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 \$91,507,705. The available amount as of June 30, 2019 is \$47,866,705.

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 2019-20 fiscal year.

- For the 2019-20 fiscal year the School District will not be receiving an increase in state aid. The local tax levy in the General Fund increased by \$1,287,199 or 3.63%. Salaries continue to increase contractually; however, the District has managed to control costs. The 2019-20 General Fund Budget is \$2,014,556 more than the previous year or a 5.28% increase.
- The tax rate increased from \$1.695 in 2018 to \$1.737 in 2019.

### **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, 2019**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 2,311,699	\$ 382,534	\$ 2,694,233
Receivables, net	612,415	8,351	620,766
Internal balances	65,881	(65,881)	-
Inventory		12,608	12,608
Restricted assets:			
Capital reserve account - cash	3,258,829	-	3,258,829
Maintenance reserve account - cash	914,883		914,883
Capital assets, net (Note 5)	55,192,659	9,169	55,201,828
Total assets	<u>62,356,366</u>	<u>346,781</u>	<u>62,703,147</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred outflows of resources from pensions	1,600,064	-	1,600,064
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:</b>	<u>63,956,430</u>	<u>346,781</u>	<u>64,303,211</u>
<b>LIABILITIES:</b>			
Accounts payable			
Related to pensions	318,382	-	318,382
Other	247,600	166,518	414,118
Payable to state government	51,429	-	51,429
Unearned revenue	51,160	41,250	92,410
Accrued interest	402,156	-	402,156
Noncurrent liabilities:			
Due within one year	2,696,254	-	2,696,254
Due beyond one year	48,456,354	-	48,456,354
Total liabilities	<u>52,223,335</u>	<u>207,768</u>	<u>52,431,103</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred Inflows of resources from pensions	2,705,471	-	2,705,471
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:</b>	<u>54,928,806</u>	<u>207,768</u>	<u>55,136,574</u>
<b>NET POSITION:</b>			
Net investment in capital assets	11,388,167	9,169	11,397,336
Restricted for:			
Debt Service Fund	126,419	-	126,419
Capital Projects	3,698,157	-	3,698,157
Other Purposes	2,278,048	-	2,278,048
Unrestricted	(8,463,167)	129,844	(8,333,323)
Total net position	<u>\$ 9,027,624</u>	<u>\$ 139,013</u>	<u>\$ 9,166,637</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, 2019**

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	\$ 14,202,775	\$ -	\$ 545,099	\$ (13,657,676)	\$ -	\$ (13,657,676)
Special education	3,623,326		477,254	(3,146,072)		(3,146,072)
Other instruction	1,091,663			(1,091,663)		(1,091,663)
Support Services:						
Tuition	583,585			(583,585)		(583,585)
Student & instruction related services	5,248,289		222,420	(5,025,869)		(5,025,869)
General administrative services	1,196,202			(1,196,202)		(1,196,202)
School administrative services	1,936,960			(1,936,960)		(1,936,960)
Central services	572,706			(572,706)		(572,706)
Plant operations and maintenance	4,028,611			(4,028,611)		(4,028,611)
Pupil transportation	548,607			(548,607)		(548,607)
Special schools	65,291			(65,291)		(65,291)
Unallocated employee benefits	19,709,942		14,242,008	(5,467,934)		(5,467,934)
Interest on long-term debt	1,107,655			(1,107,655)		(1,107,655)
Unallocated depreciation and amortization	56,738			(56,738)		(56,738)
Total governmental activities	<u>53,972,350</u>		<u>15,486,781</u>	<u>(38,485,569)</u>		<u>(38,485,569)</u>
Business-type activities:						
Community education	85,629	111,356			25,727	25,727
Food service	652,980	644,753	39,930		31,703	31,703
Total business-type activities	<u>738,609</u>	<u>756,109</u>	<u>39,930</u>		<u>57,430</u>	<u>57,430</u>
Total primary government	<u>\$ 54,710,959</u>	<u>\$ 756,109</u>	<u>\$ 15,526,711</u>	<u>\$ (38,485,569)</u>	<u>\$ 57,430</u>	<u>\$ (38,428,139)</u>
General revenues:						
Taxes:						
Property taxes, levied for general purposes, net				35,450,126	-	35,450,126
Taxes levied for debt service				2,999,148	-	2,999,148
Federal and State aid not restricted				2,275,309	-	2,275,309
Tuition revenue				240,194	-	240,194
Investment earnings				63,969	3,377	67,346
Miscellaneous income				296,760	-	296,760
Total general revenues, special items, extraordinary items and transfers				<u>41,325,506</u>	<u>3,377</u>	<u>41,328,883</u>
Change in Net Position				2,839,937	60,807	2,900,744
Net Position--July 1				6,187,687	78,206	6,265,893
Net Position--June 30				<u>\$ 9,027,624</u>	<u>\$ 139,013</u>	<u>\$ 9,166,637</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, 2019**

<b>ASSETS</b>	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>Assets:</b>					
Cash and cash equivalents	\$ 1,652,794	\$ -	\$ 532,486	\$ 126,419	\$ 2,311,699
Receivables, net	365,541	229,500	-	-	595,041
Interfund receivables, net	1,038,347	-	-	-	1,038,347
Restricted cash and cash equivalents	4,173,712	-	-	-	4,173,712
<b>Total assets</b>	<b><u>\$ 7,230,394</u></b>	<b><u>\$ 229,500</u></b>	<b><u>\$ 532,486</u></b>	<b><u>\$ 126,419</u></b>	<b><u>\$ 8,118,799</u></b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 232,319	\$ 15,281	\$ -	\$ -	\$ 247,600
Interfund payable	1,279	160,655	793,158	-	955,092
Intergovernmental payable:					
State	-	51,429	-	-	51,429
Unearned revenues	49,025	2,135	-	-	51,160
<b>Total liabilities</b>	<b><u>282,623</u></b>	<b><u>229,500</u></b>	<b><u>793,158</u></b>	<b><u>-</u></b>	<b><u>1,305,281</u></b>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Excess surplus	687,434	-	-	-	687,434
Capital reserve account	3,958,829	-	-	-	3,958,829
Maintenance reserve account	914,883	-	-	-	914,883
Excess surplus designated for subsequent year's expenditures	663,937	-	-	-	663,937
<b>Assigned to:</b>					
Other purposes	11,794	-	223,902	-	235,696
Unreserved - designated for subsequent year's expenditures	-	-	-	87,486	87,486
Unassigned	710,894	-	(484,574)	38,933	265,253
<b>Total fund balances</b>	<b><u>6,947,771</u></b>	<b><u>-</u></b>	<b><u>(260,672)</u></b>	<b><u>126,419</u></b>	<b><u>6,813,518</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 7,230,394</u></b>	<b><u>\$ 229,500</u></b>	<b><u>\$ 532,486</u></b>	<b><u>\$ 126,419</u></b>	

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 \$79,360,707 and the accumulated depreciation is \$24,168,048.	55,192,659
Accrued interest is not due and payable in the current period and therefore is not reported as a liability in the funds.	(402,156)
Accounts payable related to the April 1, 2020 required PERS contribution that is not to be liquidated with current financial resources.	(318,382)
The District's proportionate share of net pension assets and liabilities as well as pension-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include:	
Deferred Outflows of resources from Pensions	\$ 1,600,064
Net Pension Liability	(6,160,797)
Deferred Inflows of resources from Pensions	<u>(2,705,471)</u>
	(7,266,204)
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	(43,804,492)
Compensated Absences Payable	<u>(1,187,319)</u>
	(44,991,811)
<b>Net position of governmental activities</b>	<b><u>\$ 9,027,624</u></b>

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, 2019**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 35,450,126	\$ -	\$ -	\$ 2,999,148	\$ 38,449,274
Tuition charges	240,194				240,194
Maintenance reserve interest	12,008				12,008
Capital reserve interest	51,961		-		51,961
Miscellaneous	196,214		38,932		235,146
<b>Total revenues-local sources</b>	<b>35,950,503</b>	<b>-</b>	<b>38,932</b>	<b>2,999,148</b>	<b>38,988,583</b>
Local sources		61,614			61,614
State sources	7,418,527	423,233	(54,574)	643,702	8,430,888
Federal sources		770,509			770,509
<b>Total revenues</b>	<b>43,369,030</b>	<b>1,255,356</b>	<b>(15,642)</b>	<b>3,642,850</b>	<b>48,251,594</b>
<b>EXPENDITURES:</b>					
Current expense:					
Regular instruction	12,911,761	545,099			13,456,860
Special education instruction	3,146,072	477,254			3,623,326
Other instruction	1,091,663				1,091,663
Support services and undistributed costs:					
Tuition	583,585				583,585
Student & instruction related services	5,025,869	222,420			5,248,289
General administrative services	1,196,202				1,196,202
School administrative services	1,823,483				1,823,483
Central services	572,706				572,706
Plant operations and maintenance	3,583,157				3,583,157
Pupil transportation	548,607				548,607
Unallocated employee benefits	11,296,103	10,583			11,306,686
Special schools	65,291				65,291
Capital outlay	417,578		11,356,826		11,774,404
Debt service:					
Principal				2,525,000	2,525,000
Interest and other charges				1,187,982	1,187,982
<b>Total expenditures</b>	<b>42,262,077</b>	<b>1,255,356</b>	<b>11,356,826</b>	<b>3,712,982</b>	<b>58,587,241</b>
Excess (deficiency) of revenues over (under) expenditures	1,106,953	-	(11,372,468)	(70,132)	(10,335,647)
Other Financing Sources (Uses):					
Proceeds of Bonds					-
Operating transfer out	(1,000,000)		(38,932)		(1,038,932)
Operating transfer in			1,000,000	38,932	1,038,932
<b>Total other financing sources (uses)</b>	<b>(1,000,000)</b>	<b>-</b>	<b>961,068</b>	<b>38,932</b>	<b>-</b>
Net change in fund balance	106,953	-	(10,411,400)	(31,200)	(10,335,647)
Fund balances, July 1	6,840,818		10,150,728	157,619	17,149,165
<b>Fund balances, June 30</b>	<b>\$ 6,947,771</b>	<b>\$ -</b>	<b>\$ (260,672)</b>	<b>\$ 126,419</b>	<b>\$ 6,813,518</b>

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

**HADDONFIELD SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**for the Fiscal Year Ended June 30, 2019**

Total net change in fund balances - governmental funds (from B-2) \$ (10,335,647)

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

Capital outlays are reported in the governmental funds as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.

Depreciation expense	\$ (1,134,768)	
Capital outlay	<u>11,499,164</u>	10,364,396

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. 2,525,000

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. 157,437

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. 25,831

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>48,423</u>
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Change in net position of governmental activities \$ 2,839,937

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, 2019**

	<b>Business-type Activities</b>		<b>Total</b>
	<b>Enterprise Funds</b>		
	Food Service Program	Community Education	
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$ 319,060	\$ 63,474	\$ 382,534
Accounts receivable	8,351	-	8,351
Interfund receivable	1,279	-	1,279
Inventories	12,608	-	12,608
Total current assets	341,298	63,474	404,772
Noncurrent assets:			
Equipment	274,303	-	274,303
Less accumulated depreciation	(265,134)	-	(265,134)
Total noncurrent assets	9,169	-	9,169
Total assets	\$ 350,467	\$ 63,474	\$ 413,941
 <b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 166,518	\$ -	\$ 166,518
Interfund payable	67,160	-	67,160
Unearned revenue	41,250	-	41,250
Total liabilities	274,928	-	274,928
 <b>NET POSITION</b>			
Net investment in capital assets related debt	9,169	-	9,169
Unrestricted	66,370	63,474	129,844
Total net position	\$ 75,539	\$ 63,474	\$ 139,013

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, 2019**

	<b>Business-type Activities</b>		<b>Total</b>
	<b>Food Service Program</b>	<b>Community Education</b>	
<b>Operating revenues:</b>			
Charges for services:			
Daily sales-reimbursable programs	\$ 264,052	\$ -	\$ 264,052
Daily sales-non-reimbursable programs	380,701	-	380,701
Program fees	-	111,356	111,356
	<u>644,753</u>	<u>111,356</u>	<u>756,109</u>
Total operating revenue			
	<u>644,753</u>	<u>111,356</u>	<u>756,109</u>
<b>Operating expenses:</b>			
Salaries	234,252	26,000	260,252
Employee benefits	18,948	-	18,948
Purchased professional - educational services	-	48,147	48,147
Supplies and materials	32,926	-	32,926
Depreciation	2,196	-	2,196
Management Fee	40,000	-	40,000
Direct expenses	16,996	11,482	28,478
Cost of sales - reimbursable programs	132,198	-	132,198
Cost of sales - nonreimbursable programs	173,625	-	173,625
Other costs	1,839	-	1,839
	<u>652,980</u>	<u>85,629</u>	<u>738,609</u>
Total operating expenses			
	<u>652,980</u>	<u>85,629</u>	<u>738,609</u>
Operating income (loss)	<u>(8,227)</u>	<u>25,727</u>	<u>17,500</u>
<b>Nonoperating revenues (expenses):</b>			
State sources:			
State school lunch program	2,320	-	2,320
Federal sources:			
National school lunch program	23,495	-	23,495
U.S.D.A. commodities	14,115	-	14,115
Local sources:			
Interest revenue	2,909	468	3,377
	<u>42,839</u>	<u>468</u>	<u>43,307</u>
Total nonoperating revenues (expenses)			
	<u>42,839</u>	<u>468</u>	<u>43,307</u>
Net income (loss) before contributions and transfers	<u>34,612</u>	<u>26,195</u>	<u>60,807</u>
Change in net position	<u>34,612</u>	<u>26,195</u>	<u>60,807</u>
Total net position- July 1	<u>40,927</u>	<u>37,279</u>	<u>78,206</u>
Total net position- June 30	<u>\$ 75,539</u>	<u>\$ 63,474</u>	<u>\$ 139,013</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, 2019**

	<b>Business-type Activities</b>		
	<b>Enterprise Funds</b>		
	<u>Food Service Program</u>	<u>Community Education</u>	<u>Total</u>
<b>Cash flows from operating activities:</b>			
Receipts from customers	\$ 644,721	\$ 111,356	\$ 756,077
Payments to employees	(182,877)	(26,000)	(208,877)
Payments to suppliers	(292,918)	(59,629)	(352,547)
Net cash used for operating activities	<u>168,926</u>	<u>25,727</u>	<u>194,653</u>
<b>Cash flows from noncapital financing activities:</b>			
State sources	1,832	-	1,832
Federal sources	18,536	-	18,536
Net cash provided by non-capital financing activities	<u>20,368</u>	<u>-</u>	<u>20,368</u>
<b>Cash flows from capital activities:</b>			
Purchases of fixed assets	(7,316)	-	(7,316)
	<u>(7,316)</u>	<u>-</u>	<u>(7,316)</u>
<b>Cash flows from investing activities:</b>			
Interest and dividends	2,909	468	3,377
Net cash provided by investing activities	<u>2,909</u>	<u>468</u>	<u>3,377</u>
Net increase in cash and cash equivalents	184,887	26,195	211,082
Balances - beginning of year	134,173	37,279	171,452
Balances - end of year	<u>\$ 319,060</u>	<u>\$ 63,474</u>	<u>\$ 382,534</u>
Reconciliation of operating loss to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (8,227)	\$ 25,727	\$ 17,500
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	2,196	-	2,196
Federal commodities	14,115	-	14,115
(Increase) decrease in inventories	(5,644)	-	(5,644)
(Increase) decrease in accounts receivable	(1,741)	-	(1,741)
Increase (decrease) in accounts payable	166,518	-	166,518
Increase (decrease) in unearned revenue	1,709	-	1,709
Total adjustments	<u>177,153</u>	<u>-</u>	<u>177,153</u>
Net cash provided by (used for) operating activities	<u>\$ 168,926</u>	<u>\$ 25,727</u>	<u>\$ 194,653</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, 2019**

	<u>Flexible Benefits Account</u>	<u>Unemployment Compensation Insurance Trust</u>	<u>Agency Fund</u>
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 49,365	\$ 420,124	\$ 650,487
Total assets	<u>\$ 49,365</u>	<u>\$ 420,124</u>	<u>\$ 650,487</u>
<b>LIABILITIES:</b>			
Accounts payable	\$ -	\$ 3,807	\$ -
Payroll deductions and withholdings	-	-	180,946
Interfund payable	-	-	17,374
Due to student groups	-	-	452,167
Total liabilities	<u>-</u>	<u>3,807</u>	<u>\$ 650,487</u>
<b>NET POSITION:</b>			
Held in trust for flexible benefits	<u>\$ 49,365</u>		
Held in trust for unemployment claims and other purposes		<u>\$ 416,317</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, 2019**

	Flexible Benefits Account	Unemployment Compensation Insurance Trust
ADDITIONS:		
Contributions:		
Board contributions	\$ 113,800	\$ -
Employee contributions	92,070	35,240
Total Contributions	205,870	35,240
Investment earnings:		
Interest	1,046	5,118
Net investment earnings	1,046	5,118
Total additions	206,916	40,358
DEDUCTIONS:		
Unemployment claims	-	26,831
Flex benefit payments	161,138	-
Total deductions	161,138	26,831
Change in net position	45,778	13,527
Net position - July 1	3,587	402,790
Net position - June 30	\$ 49,365	\$ 416,317

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, 2019**

**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, 2019 of 2,739 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, 2019**

**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, 2019**

**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, 2019**

**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, 2019**

**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, 2019 and 2018 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, 2019**

**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, 2019.

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, 2019**

**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, 2019**

**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, 2019.

**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, 2019**

**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 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. The adoption of this Statement will not have any effect on the District’s financial reporting.

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. The adoption of this Statement may have an effect on the District’s financial reporting.

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. The adoption of this Statement will not have any effect on the District’s financial reporting.

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61*. This Statement is designed to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The adoption of this Statement will not have any effect on the District’s financial reporting.

In May 2019, the GASB issued Statement 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation: establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The adoption of this Statement will not have any effect on the District’s financial reporting.

**Haddonfield School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019**

**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 \$8,557,578 as of June 30, 2019, \$268,636 was insured under FDIC and the remaining balance of \$8,288,942 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, 2018 to June 30, 2019 fiscal year is as follows:

Balance – July 1, 2018	\$		3,906,868
Increased by:			
Transfer by Board Resolution	\$	-	
Interest Earned		51,961	51,961
			3,958,829
Decreased by:			
Budgeted Withdrawal		-	
Balance – June 30, 2019	\$	3,958,829	

The June 30, 2019 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, 2019 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, 2019**

**4. ACCOUNTS RECEIVABLES (Continued)**

Accounts receivable at June 30, 2019 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	\$ 344,993	\$ -	\$ 3,372	\$ 488	\$ 348,853
Federal Aid			226,128	4,959	231,087
Other	<u>20,548</u>			<u>2,904</u>	<u>23,452</u>
Total Accounts Receivable	<u>\$ 365,541</u>	<u>\$ -</u>	<u>\$ 229,500</u>	<u>\$ 8,351</u>	<u>\$ 603,392</u>

**5. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2019, was as follows:

	<u>Balance June 30, 2018</u>	<u>Additions/ Adjustments</u>	<u>Disposals</u>	<u>Balance June 30, 2019</u>
<b>Governmental Activities:</b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 1,898,592	\$ -	\$ -	\$ 1,898,592
Construction in progress	<u>20,615,949</u>	<u>4,527,007</u>		<u>25,142,956</u>
Total capital assets, not being depreciated	<u>22,514,541</u>	<u>4,527,007</u>	<u>-</u>	<u>27,041,548</u>
<i>Capital Assets, being depreciated:</i>				
Site Improvements	1,471,115	(13,490)		1,457,625
Building and Building Improvements	39,198,051	6,723,861		45,921,912
Equipment	<u>4,677,836</u>	<u>261,786</u>		<u>4,939,622</u>
Totals at historical cost	<u>45,347,002</u>	<u>6,972,157</u>	<u>-</u>	<u>52,319,159</u>
<i>Less Accumulated Depreciation:</i>				
Site Improvements	(768,070)	(51,719)		(819,789)
Building and Building Improvements	(17,918,830)	(1,009,628)		(18,928,458)
Equipment	<u>(4,346,380)</u>	<u>(73,421)</u>		<u>(4,419,801)</u>
Totals accumulated depreciation	<u>(23,033,280)</u>	<u>(1,134,768)</u>	<u>-</u>	<u>(24,168,048)</u>
Total Capital Assets, being depreciated, net	<u>23,271,451</u>	<u>5,837,389</u>	<u>-</u>	<u>28,151,111</u>
Governmental Activities Capital Assets, Net	<u>\$ 44,828,263</u>	<u>\$ 10,364,396</u>	<u>\$ -</u>	<u>\$ 55,192,659</u>
<b>Business-Type Activities:</b>				
<i>Capital Assets, being depreciated:</i>				
Equipment	\$ 382,016	\$ 6,434	\$ 114,147	\$ 274,303
Less accumulated depreciation	<u>(377,967)</u>	<u>(1,314)</u>	<u>(114,147)</u>	<u>(265,134)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 4,049</u>	<u>\$ (5,120)</u>	<u>\$ -</u>	<u>\$ 9,169</u>

**Haddonfield School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

**5. CAPITAL ASSETS (Continued)**

Depreciation expense in the amount of \$1,134,768 was charged to governmental functions as follows:

Function	Amount
Regular Instruction	\$ 794,338
Plant Operations and Maintenance	170,215
Administration	113,477
Unallocated	56,738
Total depreciation expense	\$ 1,134,768

**6. INVENTORY**

Inventory in the Food Service Fund at June 30, 2019 consisted of the following:

Food	\$	7,509
Supplies		5,099
		\$ 12,608

**7. LONG-TERM OBLIGATIONS**

During the fiscal year ended June 30, 2019, the following changes occurred in long-term obligations:

<u>Governmental Activities:</u>	<u>Principal Outstanding July 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2019</u>	<u>Amounts Due Within One Year</u>
Other Liabilities:					
Compensated Absences	\$ 1,235,742	\$ -	\$ 48,423	\$ 1,187,319	\$ 55,757
Net Pension Liability	7,568,526		1,407,729	6,160,797	
Total	8,804,268		1,456,152	7,348,116	55,757
General Obligation Bonds					
Principal	46,166,000		2,525,000	43,641,000	2,586,000
Unamortized Premiums	217,989		54,497	163,492	54,497
Total	46,383,989	-	2,579,497	43,804,492	2,640,497
Total Governmental Activity	\$ 55,188,257	\$ -	\$ 4,035,649	\$ 51,152,608	\$ 2,696,254

**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. Outstanding bonds issued by the District are as follows:

2012 Refunding Bonds dated February 1, 2012 in the amount of \$6,400,000 due in annual installments through August 15, 2025 bearing an interest rate of 4.00%.

2015 Refunding Bonds dated May 29, 2015 in the amount of \$3,150,000 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 \$34,091,000 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, 2019**

**7. LONG-TERM OBLIGATIONS (Continued)**

Principal and interest due on bonds outstanding are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	2,895,000	810,250	3,705,250
2025-2029	11,765,000	2,906,550	14,671,550
2030-2034	11,240,000	1,690,775	12,930,775
2035-2037	<u>6,960,000</u>	<u>313,200</u>	<u>7,273,200</u>
	<u>\$ 43,641,000</u>	<u>\$ 9,744,579</u>	<u>\$ 53,385,579</u>

As of June 30, 2019, 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, 2019, 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, 2019 was \$201,676. Future minimum lease payments are as follows:

<u>Year Ended</u>	<u>Amount</u>
June 30, 2020	\$ 89,518
June 30, 2021	89,518
June 30, 2022	89,518
June 30, 2023	87,625
June 30, 2024	9,821
June 30, 2025	<u>-</u>
Total future minimum lease payments	<u>\$ 366,000</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, 2019**

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

*Contributions* - The contribution requirements of plan members are determined by N.J.S.A.18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the member contribution rate was 7.50% in State fiscal year 2019. 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.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over the several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, *Accounting and Financial Reporting for Pensions*.

The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2019 because of the 100.00% special funding situation with the State of New Jersey.

**Haddonfield School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019**

**9. PENSION PLANS (Continued)**

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

Based on the most recent TPAF measurement date of June 30, 2018, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2019 was \$2,365,821 and was paid by April 1, 2019. School District employee contributions to the pension plan during the fiscal year ended June 30, 2019 were \$1,303,330.

*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, 2019, 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 \$5,804,321 and revenue of \$5,804,321 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>06/30/18</u>	<u>06/30/17</u>
Collective deferred outflows of resources	\$ 12,473,998,870	\$ 14,160,879,257
Collective deferred inflows of resources	16,180,773,643	11,800,239,661
Collective net pension liability (Nonemployer – State of New Jersey)	63,617,852,031	67,423,605,859
State's portion of the net pension liability that was associated with the School District	99,565,515	104,590,250
State's portion of the net pension liability that was associated with the School District as a percentage of the collective net pension liability	.1565056224%	.1551240827%

*Actuarial assumptions* – The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate:	2.25%
Salary Increases:	
2011-2026	1.55- 4.55%
Thereafter	2.00 – 5.45%
Investment Rate of Return:	7.00%

**Haddonfield School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

**9. PENSION PLANS (Continued)**

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

Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Disability mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

*Long-Term Expected Rate of Return* - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	05.00%	05.51%
Cash Equivalents	05.50%	01.00%
U.S. Treasuries	03.00%	01.87%
Investment Grade Credit	10.00%	03.78%
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 4.86% as of June 30, 2018. 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 3.87% as of June 30, 2018, 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 50% 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 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.

**Haddonfield School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

**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, 2018, 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 4.86%, 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

	<b>1% Decrease (3.25%)</b>	<b>Current Discount Rate (4.25%)</b>	<b>1% Increase (5.25%)</b>
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	117,684,548	99,565,515	84,545,278
	\$ 117,684,548	\$ 99,565,515	\$ 84,545,278

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

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

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

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

The following represents the membership tiers for PERS:

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, 2019**

**9. PENSION PLANS (Continued)**

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

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

*Contributions* - The contribution requirements of plan members are determined by N.J.S.A 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase is being phased-in over seven years beginning on July 1, 2012. The member contribution rate was 7.50% in State fiscal year 2019. 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, 2019 was 13.10% 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, 2018, the School Districts contractually required contribution to the pension plan for the fiscal year ended June 30, 2019 was \$311,232 and was paid by April 1, 2019. School District employee contributions to the pension plan during the fiscal year ended June 30, 2019 were \$188,709.

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>
2019	\$ 38,893	\$ 258,187	\$ 14,152	\$ 1,163	\$ 312,395
2018	39,644	246,874	14,681	1,974	303,173
2017	47,312	240,774	14,378	-	302,464

*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.

**Haddonfield School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

**9. PENSION PLANS (Continued)**

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

At June 30, 2019, the School District reported a liability of \$6,160,797 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. 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, 2019, the School District recognized pension expense of \$153,794. At June 30, 2019, the School District reported a liability of \$6,160,797 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	\$ 117,487	\$ 31,767
Changes of assumptions	1,015,197	1,969,895
Net Difference between projected and actual earnings on pension plan investments		57,789
Changes in proportion	148,998	646,020
District contributions subsequent to the measurement date	318,382	
<b>Total</b>	<b>\$ 1,600,064</b>	<b>\$ 2,705,471</b>

\$318,382 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, 2019, the plan measurement date is June 30, 2019) will be recognized as a reduction of the net liability in the year ended June 30, 2019.

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
2020	\$ (181,003)
2021	(232,927)
2022	(502,591)
2023	(333,334)
2024	(173,934)
<b>Total</b>	<b>\$ (1,423,789)</b>

**Haddonfield School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

**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	-
June 30, 2018	-	5.63
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
June 30, 2018	-	5.63
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	-
June 30, 2018	5.00	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, 2018 and 2017 are as follows:

	<u>6/30/2018</u>	<u>6/30/2017</u>
Collective deferred outflows of resources	\$ 4,684,852,302	\$ 6,424,455,842
Collective deferred inflows of resources	\$ 7,646,736,226	\$ 5,700,625,981
Collective net pension liability	\$ 19,689,501,539	\$ 23,278,401,588
School District's Proportion	.0312897579%	.0325130840%

*Actuarial assumptions* – The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018.

**Haddonfield School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

**9. PENSION PLANS (Continued)**

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

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

- Inflation rate: 2.25%
- Salary Increases:
  - Through 2026: 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 Conduent modified 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. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. 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, 2017 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, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	05.00%	05.51%
Cash Equivalents	05.50%	01.00%
U.S. Treasuries	03.00%	01.87%
Investment Grade Credit	10.00%	03.78%
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>	



**Haddonfield School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019**

**9. PENSION PLANS (Continued)**

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

*Discount rate.* The discount rate used to measure the State's total pension liability was 5.66% as of June 30, 2018. 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 3.87% as of June 30, 2018, 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 50% 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 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046, 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, 2018, calculated using the discount rate of 5.66%, 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 (4.66%) or 1 percentage point higher (6.66%) than the current rate:

	<b>1% Decrease (4.66%)</b>	<b>Current Discount Rate (5.66%)</b>	<b>1% Increase (6.66%)</b>
School District's proportionate share of the net pension liability	\$ 7,746,492	\$ 6,160,797	\$ 4,830,500

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

**Defined Contribution Retirement 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>
2019	\$ 25,585	\$ 25,585
2018	25,692	25,692
2017	24,484	24,484

**Haddonfield School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

**10. OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**Plan Description and Benefits Provided**

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2018, the State paid PRM benefits for 148,401 State and local retirees.

The State funds post-retirement medical benefits on a “pay-as-you-go” basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2018, the State contributed \$1.909 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The increase in the State’s pay-as-you-go contribution between Fiscal Year 2017 and Fiscal Year 2018 is attributed to rising health care costs, an increase in the number of participants qualifying for State-paid PRM benefits at retirement and larger fund balance utilization in Fiscal Year 2017 than in Fiscal Year 2018. The Fiscal Year 2019 Appropriations Act includes \$1.921 billion as the State’s contribution to fund pay-as-you-go PRM costs.

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. As such, the Fiscal Year 2017 total State OPEB liability to provide these benefits has been re-measured to \$97.1 billion, an increase of \$60.6 billion or 166 percent from the previous year’s \$36.5 billion liability booked in accordance with GASB Statement No. 45. For Fiscal Year 2018, the total OPEB liability for the State is \$90.5 billion, a decrease of \$6.6 billion or 7 percent from the remeasured total OPEB liability in Fiscal Year 2017.

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.

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.

**Haddonfield School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019**

**10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)**

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-2006 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-2006 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-2006 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, 2017 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015, July 1, 2011 – June 30, 2014 and July 1, 2010 – June 30, 2013 for TPAF, PFRS, and PERS, respectively.

100% of all retirees who currently have healthcare coverage are assumed to continue with that coverage. 100% of active members are considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

*Health Care Trend Assumptions* - For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. 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, 2018 and 2016 was 3.87%. 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.

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.

**Haddonfield School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

**10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)**

**Changes in the Total Nonemployer OPEB Liability**

The table below summarizes the State's proportionate share of the change in the total nonemployer OPEB liability associated with the School District:

	<u>Total OPEB Liability</u>
Balance as of June 30, 2017	\$ 79,965,632
Changes for the years'	
Service Cost	2,704,882
Interest	2,929,094
Changes of benefit terms	
Differences between expected and actual experience	(9,624,814)
Changes in assumptions	(7,643,971)
Gross Benefit Payments	(1,781,160)
Contributions from the Non-employer	N/A
Contributions from the Member	61,560
Net Investment Income	N/A
Administrative Expense	N/A
Net Changes	<u>\$ (13,354,409)</u>
Balance at 06/30/2018	<u>\$ 66,611,223</u>

**Sensitivity of the total nonemployer OPEB liability to changes in the discount rate** - The following presents the total nonemployer OPEB liability as of June 30, 2018, respectively, associated with the School District, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage -point lower or 1percentage-point higher than the current rate:

	<u>1% Decrease (2.87%)</u>	<u>Discount Rate (3.87%)</u>	<u>1% Increase (4.87%)</u>
State of New Jersey's Proportionate Share of the Total Nonemployer OPEB Liability Associated with the School District	\$ 78,748,025	\$ 66,611,223	\$ 56,963,718

**Sensitivity of the total nonemployer OPEB liability to changes in the healthcare cost trend rate** - The following presents the total nonemployer OPEB liability as of June 30, 2018, associated with the School District, respectively, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage -point lower or 1percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
State of New Jersey's Proportionate Share of the Total Nonemployer OPEB Liability Associated with the School District	\$ 80,588,662	\$ 66,611,223	\$ 54,182,629

**Haddonfield School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019**

**10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:**

For the year ended June 30, 2019, the School District recognized \$2,602,578 in OPEB expense and revenue, in the government-wide financial statements, for the State’s proportionate share of the OPEB Plan’s OPEB Expense, associated with the School District. This expense and revenue was based on the OPEB Plan’s June 30, 2018 measurement date.

In accordance with GASBS No. 75, the School District’s proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources by the School District.

At June 30, 2019, the State’s proportionate share of the total nonemployer OPEB liability’s deferred outflows of resources and deferred inflows of resources, associated with the School District, from the following sources are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and		
actual experiences	\$ -	\$ 6,466,107
Changes of assumptions	-	14,931,246
<b>Total</b>	<b>\$ -</b>	<b>\$ 21,397,353</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to State’s proportionate share of the total nonemployer OPEB Liability, associated with the School District, will be recognized in OPEB expense as follows:

For the year ended:	
2019	\$ (2,636,692)
2020	(2,636,692)
2021	(2,636,692)
2022	(2,636,692)
2023	(2,636,692)
Therafter	(8,213,893)
<b>Total</b>	<b>\$ (21,397,353)</b>

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, 2019**

**11. ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2019, 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 \$3,048,394, \$1,382,747 and \$3,713. In addition, \$1,235,878 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>
2018-2019	\$ 35,240	\$ -	\$ 5,118	\$ 26,831	\$ 416,317
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

**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, 2019**

**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, 2019, the liability for compensated absences in the governmental fund was \$1,187,319.

**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>
2018-2019	\$ 113,800	\$ 1,046	\$ 92,070	\$ 161,138	\$ 49,365
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

**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, 2020. The following interfund balances were recorded on the various balance sheets as of June 30, 2019:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 1,038,347	\$ 1,279
Special Revenue		160,655
Capital Projects		793,158
Debt Service		
Proprietary	1,279	67,160
Fiduciary		17,374
	<u>\$ 1,039,626</u>	<u>\$ 1,039,626</u>

**Haddonfield School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019**

**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, 2019, 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, 2018, the Borough of Haddonfield had no tax abatements.

**19. DEFICIT FUND BALANCE**

The District has a deficit unassigned fund balance in the Capital Projects Fund as of June 30, 2019. This deficit is the result of the overexpenditure of the 2016 Bond Referendum. In accordance with a directive from the Commissioner of Education, the District transferred \$1,000,000 from General Fund current year operations to reduce the deficit to \$484,574. The remaining deficit balance will be eliminated in subsequent years as per the State approved corrective action plan.

**20. DEFICIT UNRESTRICTED NET POSITION**

As of June 30, 2019, a deficit of \$8,463,167 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, 2019	
Fund Balance (Deficit)	
(Exclusive of Capital Projects and Debt Service Funds):	
Fund Balance – Unassigned	\$ 710,894
Liabilities:	
Accrued Interest Payable	(402,156)
Net Pension Differences	(7,584,586)
Compensated Absences	(1,187,319)
Unrestricted Net Position (Deficit)	<u>\$ (8,463,167)</u>



**Haddonfield School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

**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, 2019 is \$687,434 presented on the budgetary basis of accounting (Exhibit C-1). Additionally, \$663,937 of excess fund balance generated during the 2017-2018 fiscal year has been restricted and designated for utilization in the 2019-2020 budget.

**Capital Reserve** – As of June 30, 2019, the balance in the capital reserve account is \$3,958,829 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, 2019, the balance in the maintenance reserve account is \$914,883. 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, 2019 the School District has \$11,794 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, 2019 the School District has \$223,902 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 \$87,486 and included as an anticipated revenue for the fiscal year ending June 30, 2019.

**Haddonfield School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

**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, 2019, \$710,894 of general fund balance was unassigned.

**Capital Projects Fund** – As of June 30, 2019, the unassigned fund balance of the capital projects fund balance was a deficit \$484,574. (See Note 19)

**Debt Service Fund** – As of June 30, 2019, \$38,933 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.

Required Supplementary Information - Part II

Budgetary Comparison Schedules

**HADDONFIELD BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 35,450,126	\$ -	\$ 35,450,126	\$ 35,450,126	\$ -
Tuition - Individuals	131,290	(48,000)	83,290	215,753	132,463
Tuition - Other Leas within State	23,526	-	23,526	24,441	915
Maintenance reserve interest	1,000	-	1,000	12,008	11,008
Capital reserve interest	4,000	-	4,000	51,961	47,961
Unrestricted miscellaneous revenue	111,000	48,000	159,000	196,214	37,214
<b>Total local sources</b>	<b>35,720,942</b>	<b>-</b>	<b>35,720,942</b>	<b>35,950,503</b>	<b>229,561</b>
State sources:					
Extraordinary Aid	176,135	-	176,135	283,621	107,486
Special Education Aid	918,605	203,818	1,122,423	1,122,423	-
Security Aid	86,557	114,300	200,857	200,857	-
Adjustment Aid	1,992	(104)	1,888	1,888	-
Transportation Aid	183,654	-	183,654	183,654	-
On-behalf TPAF pension contributions (non-budgeted)	-	-	-	3,048,394	3,048,394
On-behalf TPAF post retirement medical (non-budgeted)	-	-	-	1,382,747	1,382,747
On-behalf TPAF LTDI (non-budgeted)	-	-	-	3,713	3,713
Reimbursed TPAF social security contributions (non-budgetec)	-	-	-	1,235,878	1,235,878
<b>Total state sources</b>	<b>1,366,943</b>	<b>318,014</b>	<b>1,684,957</b>	<b>7,463,175</b>	<b>5,778,218</b>
<b>TOTAL REVENUES</b>	<b>37,087,885</b>	<b>318,014</b>	<b>37,405,899</b>	<b>43,413,678</b>	<b>6,007,779</b>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE:</b>					
Regular Programs - Instruction:					
Salaries of teachers					
Kindergarten	275,712	2,989	278,701	278,221	480
Grades 1-5	4,354,685	28,947	4,383,632	4,383,632	-
Grades 6-8	2,705,275	(15,529)	2,689,746	2,689,746	-
Grades 9-12	3,911,303	114,218	4,025,521	4,025,521	-
<b>Total Instruction</b>	<b>11,246,975</b>	<b>130,625</b>	<b>11,377,600</b>	<b>11,377,120</b>	<b>480</b>
Regular Programs - Home Instruction:					
Salaries of teachers	-	67,861	67,861	67,861	-
Purchased professional - educ services	8,000	(2,129)	5,871	5,871	-
<b>Total Home Instruction</b>	<b>8,000</b>	<b>65,732</b>	<b>73,732</b>	<b>73,732</b>	<b>-</b>
Regular Programs - Undistributed Instruction:					
Other salaries for instruction	207,530	28,249	235,779	235,779	-
Purchased professional - educ services	300,000	87,096	387,096	387,096	-
Other purchased services (400-500 series)	31,500	(10,036)	21,464	21,464	-
General supplies	629,762	32,746	662,508	662,502	6
Textbooks	169,115	(37,184)	131,931	131,931	-
Other objects	16,210	5,927	22,137	22,137	-
<b>Total Undistributed Instruction</b>	<b>1,354,117</b>	<b>106,798</b>	<b>1,460,915</b>	<b>1,460,909</b>	<b>6</b>
<b>Total - Regular Programs - Instruction</b>	<b>12,609,092</b>	<b>303,155</b>	<b>12,912,247</b>	<b>12,911,761</b>	<b>486</b>

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

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**HADDONFIELD BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2019**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special Educ Instruction: Multiple Disabilities					
Salaries of teachers	\$ 112,301	\$ -	\$ 112,301	\$ 110,951	\$ 1,350
Other Salaries for Instruction	48,677	-	48,677	39,558	9,119
Purchased Professional- Educational Services	322,000	(42,647)	279,353	279,353	-
General supplies	8,000	34	8,034	8,034	-
Textbooks	1,000	-	1,000	371	629
<u>Total Multiple Disabilities</u>	<u>491,978</u>	<u>(42,613)</u>	<u>449,365</u>	<u>438,267</u>	<u>11,098</u>
Special Educ Instruction: Res. Room/Res. Center					
Salaries of teachers	2,260,506	(212,187)	2,048,319	2,048,319	-
Other salaries for instruction	353,023	(6,577)	346,446	259,328	87,118
Purchased Professional- Educational Services		5,000	5,000	3,900	1,100
General supplies	8,000	366	8,366	8,297	69
Textbooks	7,500	(520)	6,980	6,097	883
<u>Total Resource Room/Resource Center</u>	<u>2,629,029</u>	<u>(213,918)</u>	<u>2,415,111</u>	<u>2,325,941</u>	<u>89,170</u>
Special Educ Instruction: - Autism					
Purchased professional - educ services	5,000	(4,880)	120	120	-
<u>Total Autism</u>	<u>5,000</u>	<u>(4,880)</u>	<u>120</u>	<u>120</u>	<u>-</u>
Special Educ Instruction: Preschool Disabilities - PT					
Salaries of teachers	241,125	-	241,125	234,547	6,578
Other salaries for instruction	113,217	(12,788)	100,429	85,899	14,530
Purchased professional - educ services		3,036	3,036	2,982	54
General supplies	3,100	-	3,100	1,894	1,206
<u>Total Preschool Disabilities - Part-Time</u>	<u>357,442</u>	<u>(9,752)</u>	<u>347,690</u>	<u>325,322</u>	<u>22,368</u>
Special Educ Instruction: Home Instruction					
Purchased professional - educ services	10,000	86,053	96,053	56,422	39,631
<u>Total Home Instruction</u>	<u>10,000</u>	<u>86,053</u>	<u>96,053</u>	<u>56,422</u>	<u>39,631</u>
<u>Total Special Education - Instruction</u>	<u>3,493,449</u>	<u>(185,110)</u>	<u>3,308,339</u>	<u>3,146,072</u>	<u>162,267</u>
School-Sponsored Cocurricular Act - Inst.					
Salaries	374,384	(46,126)	328,258	328,258	-
Purchased services (300-500)		10,491	10,491	10,491	-
Supplies and materials	41,533	(19,790)	21,743	21,743	-
<u>Total School-Sponsored Cocurr. Act. - Inst</u>	<u>415,917</u>	<u>(55,425)</u>	<u>360,492</u>	<u>360,492</u>	<u>-</u>
School-Sponsored Athletics - Inst.					
Salaries	387,248	60,617	447,865	447,865	-
Purchased services (300-500)	103,825	(1,507)	102,318	99,213	3,105
Supplies and materials	95,000	(15,213)	79,787	72,676	7,111
Other objects	600	-	600	600	600
<u>Total School-Sponsored Athletics - Inst</u>	<u>586,673</u>	<u>43,897</u>	<u>630,570</u>	<u>619,754</u>	<u>10,816</u>
Other Instructional Programs - Instruction					
Salaries	122,000	-	122,000	111,417	10,583
<u>Total Other Instructional Programs - Inst.</u>	<u>122,000</u>	<u>-</u>	<u>122,000</u>	<u>111,417</u>	<u>10,583</u>
Undistributed Expenditures - Instruction					
Tuition to other leas w/i state reg	15,000	-	15,000	14,196	804
Tuition to County Vocational School District		3,265	3,265	3,265	-
Tuition to CSSD & reg day schools	86,000	(10,151)	75,849	54,834	21,015
Tuition to priv. sch. for the disabled w/i state	595,515	(175,797)	419,718	398,161	21,557
Tuition to priv. sch. for the disabled and other lea's - out of state	-	99,017	99,017	99,017	-
Tuition - State Facilities	-	14,112	14,112	14,112	-
<u>Total Undistributed Expenditures - Instruction</u>	<u>696,515</u>	<u>(69,554)</u>	<u>626,961</u>	<u>583,585</u>	<u>43,376</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, 2019**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Attend. and Social Work					
Salaries	\$ 90,583	\$ 12,565	\$ 103,148	\$ 103,148	\$ -
Purchased prof. and technical services	2,000	(148)	1,852	-	1,852
Total Undistributed Expenditures - Attendance	92,583	12,417	105,000	103,148	1,852
Undistributed Expenditures - Health Services					
Salaries	248,280	7,260	255,540	255,540	-
Purchased prof. and technical services	19,800	(7,484)	12,316	5,118	7,198
Supplies and materials	21,250	(1,282)	19,968	16,645	3,323
Total Undistributed Expenditures - Health Svcs.	289,330	(1,506)	287,824	277,303	10,521
Undist. Expend. - Speech, OT, PT & Rel. Serv.					
Salaries	643,554	(6,351)	637,203	637,203	-
Purchased prof. and educational services	91,500	(17,380)	74,120	74,120	-
Supplies and materials	5,500	-	5,500	5,196	304
Total Undst. Expend. - Speech, OT, PT & Rel. Serv.	740,554	(23,731)	716,823	716,519	304
Undist. Expend. - Other Supp. Serv. Stud. - Extra. Serv.					
Salaries	58,287	85,920	144,207	122,098	22,109
Purchased prof. and educational services	968,000	248,084	1,216,084	1,216,084	-
Total Undst. Expend. - Other Supp. Serv. Stud. - Extra. Serv.	1,026,287	334,004	1,360,291	1,338,182	22,109
Undist. Expenditures - Guidance					
Salaries of other professional staff	735,918	(2,131)	733,787	713,339	20,448
Salaries of secretarial and clerical assistants	54,994	(7,481)	47,513	47,513	-
Supplies and materials	6,000	1,608	7,608	7,608	-
Other objects	-	-	-	-	-
Total Undst. Expenditures - Guidance	796,912	(8,004)	788,908	768,460	20,448
Undist. Expend. - Child Study Teams					
Salaries of other professional staff	749,424	(18,115)	731,309	731,309	-
Salaries of secretarial and clerical assistants	109,510	(1,400)	108,110	108,014	96
Unused Vacation Payment to Terminated/Retired Staff	-	-	-	-	-
Purchased Professional- Educational Services	100,000	(377)	99,623	97,819	1,804
Misc Purchased Services	500	(500)	-	-	-
Other Purchased Services (400-500 series)	20,000	-	20,000	18,348	1,652
Supplies and materials	11,000	(1,000)	10,000	7,993	2,007
Other Objects	-	1,000	1,000	895	105
Total Undst. Expenditures - Child Study Teams	990,434	(20,392)	970,042	964,378	5,664
Undist. Expend. - Improvement of Instr. Services					
Salaries of supervisors of instruction	238,733	(98,164)	140,569	90,000	50,569
Salaries of other professional staff	118,105	(14,200)	103,905	103,905	-
Purchased Professional- Educational Services	22,000	38,309	60,309	51,142	9,167
Other purchased services (400-500)	73,800	23,173	96,973	96,400	573
Other objects	22,000	(15,188)	6,812	6,748	64
Total Undst. Expend. - Improvement of Instr. Services	474,638	(66,070)	408,568	244,290	164,278
Undist. Expend. - Educ. Media Serv./Sch. Library					
Salaries	416,960	(10,401)	406,559	406,262	297
Salaries of Technology Coordinators	135,948	(2,926)	133,022	133,022	-
Other purchased services (400-500)	690	1,679	2,369	2,104	265
Supplies and materials	59,630	(5,057)	54,573	47,359	7,214
Other objects	-	190	190	190	-
Total Undst. Expend. - Educ. Media Serv./Sch. Library	613,228	(16,515)	596,713	588,937	7,776

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, 2019**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Instructional Staff Training Services					
Other purchased services	\$ 4,000	\$ 21,336	\$ 25,336	\$ 24,652	\$ 684
Total Undst. Expend. - Instr. Staff Training Services	4,000	21,336	25,336	24,652	684
Undist. Expend. - Supp. Serv. General Admin.					
Salaries	395,243	74,000	469,243	468,380	863
Unused Vacation Pay to Terminated/Retired Staff		-			-
Legal services	168,000	50,145	218,145	217,657	488
Audit fees	30,000	(500)	29,500	29,500	-
Architectural/Engineering	13,135	62,096	75,231	74,852	379
Other purchased professional services	49,500	(2,809)	46,691	46,391	300
Purchased technical services	5,000	(5,000)			-
Communications / telephone	95,730	(10,281)	85,449	85,099	350
BOE Other Purchased Services	1,000	999	1,999	1,988	11
Other purchased services (400-500)	29,300	12,610	41,910	41,910	-
General Supplies	9,303	876	10,179	7,787	2,392
BOE In-House Training/Meeting Supplies		106	106	106	-
Judgements against the School District	174,008	21,793	195,801	195,169	632
Miscellaneous expenditures	6,700	4,769	11,469	11,469	-
Misc expenditures BOE memberships/dues	16,500	(606)	15,894	15,894	-
Total Undst. Expend. - Supp. Serv. General Admin.	993,419	208,198	1,201,617	1,196,202	5,415
Undist. Expend. - Supp. Serv. School Admin.					
Salaries of principals/assist. principals	821,329	122,222	943,551	930,659	12,892
Salaries of other professional staff	200,345	-	200,345	198,650	1,695
Salaries of secretarial and clerical assistants	495,474	(14,817)	480,657	443,829	36,828
Other purchased services	220,000	(55,918)	164,082	160,628	3,454
Supplies and materials	71,675	13,680	85,355	80,972	4,383
Other objects	16,849	(6,172)	10,677	8,745	1,932
Total Undst. Expend. - Supp. Serv. School Admin.	1,825,672	58,995	1,884,667	1,823,483	61,184
Undist. Expend. - Central Services					
Salaries	478,123	-	478,123	465,702	12,421
Purchased professional services	52,500	10,000	62,500	50,812	11,688
Purchased technical services	35,000	-	35,000	16,358	18,642
Misc. Purch. Services (400-500 series)	5,500	(1,000)	4,500	2,334	2,166
Supplies and materials	10,500	-	10,500	8,293	2,207
Miscellaneous expenditures	5,200	(58)	5,142	3,896	1,246
Total Undst. Expend. - Central Services	586,823	8,942	595,765	547,395	48,370
Undist. Expend. - Admin. Info. Technology					
Purchased technical services	14,500	1,710	16,210	16,210	-
Other Purch. Services (400-500 series)	700	-	700	544	156
Supplies and materials	10,300	(1,652)	8,648	8,557	91
Total Undst. Expend. - Admin. Info. Technology	25,500	58	25,558	25,311	247
Undist. Expend. - Required Maint. Sch. Facilities					
Salaries	498,164	(47,207)	450,957	442,098	8,859
Cleaning, repair, and maintenance services	313,644	(38,699)	274,945	228,705	46,240
Lead testing and drinking water	8,500	(6,000)	2,500	2,366	134
General supplies	226,574	3,174	229,748	220,749	8,999
Other objects	4,900	(3,830)	1,070	1,070	-
Total Undst. Expend. - Required Maint. Sch. Facilities	1,051,782	(92,562)	959,220	894,988	64,232

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, 2019**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Custodial Services					
Purchased professional & tech. services	\$ 13,250	\$ (150)	\$ 13,100	\$ 10,627	\$ 2,473
Cleaning, repair, and maintenance services	1,218,503	(15,000)	1,203,503	1,201,602	1,901
Other purchased property services	135,000	1,360	136,360	115,822	20,538
Insurance	175,000	(18,000)	157,000	150,662	6,338
Misc. purchased services	300	2,125	2,425	1,675	750
General supplies	217,963	(28,710)	189,253	187,384	1,869
Energy (Natural Gas)	100,000	134,039	234,039	201,092	32,947
Energy (Electricity)	425,000	183,183	608,183	560,646	47,537
Energy (Gasoline)	28,000	(1,617)	26,383	22,556	3,827
<b>Total Undst. Expend. - Custodial Services</b>	<b>2,313,016</b>	<b>257,230</b>	<b>2,570,246</b>	<b>2,452,066</b>	<b>118,180</b>
Undist. Expend. - Care and Upkeep of Grounds					
Salaries	168,539	22,617	191,156	191,156	-
Cleaning, repair, and maintenance services	9,000	-	9,000	7,075	1,925
General supplies	65,000	(17,340)	47,660	45,274	2,386
<b>Total Undst. Expend. - Care and Upkeep of Grounds</b>	<b>242,539</b>	<b>5,277</b>	<b>247,816</b>	<b>243,505</b>	<b>4,311</b>
Undist. Expend. - Security					
Salaries		36,000	36,000	18,886	17,114
Cleaning, repair, and maintenance services		7,683	7,683	7,683	-
General supplies		4,787	4,787	4,787	-
<b>Total Undst. Expend. - Security</b>	<b>-</b>	<b>48,470</b>	<b>48,470</b>	<b>31,356</b>	<b>17,114</b>
<b>Total Undst. Expend. - Oper. &amp; Maint. of Plant Services</b>	<b>3,607,337</b>	<b>218,415</b>	<b>3,825,752</b>	<b>3,621,915</b>	<b>203,837</b>
Undist. Expend. - Student Trans. Services					
Salaries of Non-Instructional Aides	37,275	-	37,275	32,845	4,430
Salaries for pupil trans (bet home & sch) - regular	27,782	250	28,032	28,032	-
Salaries for pupil trans (bet home & sch) - special	207,223	(250)	206,973	159,282	47,691
Salaries for pupil trans (other than bet home & sch)	85,384	-	85,384	75,096	10,288
Management Fee - ESC & CTSA Trans. Program	12,000	-	12,000	9,307	2,693
Other purchased professional and technical services	500	1,500	2,000	1,204	796
Cleaning, repair, and maintenance services	60,000	(1,500)	58,500	36,433	22,067
Contr. serv. (other than bet. home & sch.) - vendors	25,800	-	25,800	7,177	18,623
Contr. serv. (sp ed stds) - ESC's & CTSA's	300,000	(168)	299,832	199,095	100,737
General Supplies		168	168	136	32
Other objects	2,000	-	2,000		2,000
<b>Total Undst. Expend. - Student Trans. Services</b>	<b>757,964</b>	<b>-</b>	<b>757,964</b>	<b>548,607</b>	<b>209,357</b>
Unallocated Benefits - Employee Benefits					
Social security contributions	475,000	(8,500)	466,500	379,549	86,951
TPAF/PERS - Special Assessments		1,500	1,500		1,500
Other retirement contributions - PERS	351,500	(1,518)	349,982	312,395	37,587
Other retirement contributions - Regular	18,000	17,018	35,018	35,018	-
Workmen's compensation	215,000	(6,000)	209,000	189,685	19,315
Health benefits	5,220,092	(463,360)	4,756,732	4,371,169	385,563
Tuition reimbursement	50,000	-	50,000	34,075	15,925
Other employee benefits	265,000	(105,511)	159,489	144,835	14,654
Unused sick pay to term/retiree staff	100,000	70,000	170,000	158,645	11,355
<b>Total Unallocated Benefits - Employee Benefits</b>	<b>6,694,592</b>	<b>(496,371)</b>	<b>6,198,221</b>	<b>5,625,371</b>	<b>572,850</b>
On-behalf TPAF pension contributions (non-budgeted)	-			3,048,394	(3,048,394)
On-behalf TPAF post retirement medical (non-budgeted)	-			1,382,747	(1,382,747)
On-behalf TPAF LTDI (non-budgeted)	-			3,713	(3,713)
Reimbursed TPAF social security contributions (non-budgeted)	-			1,235,878	(1,235,878)
<b>Total Undistributed Expenditures - TPAF</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,670,732</b>	<b>(5,670,732)</b>
<b>Total Undistributed Expenditures</b>	<b>20,215,788</b>	<b>160,222</b>	<b>20,376,010</b>	<b>24,668,470</b>	<b>(4,292,460)</b>
<b>Total General Current Expense</b>	<b>37,442,919</b>	<b>266,739</b>	<b>37,709,658</b>	<b>41,817,966</b>	<b>(4,108,308)</b>

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

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**HADDONFIELD BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2019**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CAPITAL OUTLAY</b>					
Equipment:					
Admin. Info. Technology	\$ 126,700	\$ 10,664	\$ 137,364	\$ 137,364	\$ -
Required maintenance for school facilities	-	10,750	10,750	10,750	-
Custodial Services	-	7,470	7,470	7,470	-
Care & upkeep of grounds	45,000	7,100	52,100	52,100	-
School Buses - Regular	55,755	-	55,755	55,755	-
Total Equipment	<u>227,455</u>	<u>35,984</u>	<u>263,439</u>	<u>263,439</u>	<u>-</u>
Facilities Acquisition and Construction Services					
Assessment for Debt Service on SDA Funding	115,381	-	115,381	115,381	-
Total Facilities Acquisition and Construction Services	<u>115,381</u>	<u>-</u>	<u>115,381</u>	<u>115,381</u>	<u>-</u>
Total Capital Outlay	<u>342,836</u>	<u>35,984</u>	<u>378,820</u>	<u>378,820</u>	<u>-</u>
<b>SPECIAL SCHOOLS:</b>					
<b>SUMMER SCHOOL:</b>					
Summer School - Instruction:					
Salaries of Teachers	50,000	15,291	65,291	65,291	-
Total Special Schools	<u>50,000</u>	<u>15,291</u>	<u>65,291</u>	<u>65,291</u>	<u>-</u>
Total Expenditures	<u>37,835,755</u>	<u>318,014</u>	<u>38,153,769</u>	<u>42,262,077</u>	<u>(4,108,308)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures:	<u>(747,870)</u>	<u>-</u>	<u>(747,870)</u>	<u>1,151,601</u>	<u>1,899,471</u>
Other Financing Sources (Uses):					
Operating transfer out				(1,000,000)	(1,000,000)
Total Other Financing Sources				<u>(1,000,000)</u>	<u>(1,000,000)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	<u>(747,870)</u>		<u>(747,870)</u>	<u>151,601</u>	<u>899,471</u>
Fund Balance, July 1	<u>6,924,589</u>		<u>6,924,589</u>	<u>6,924,589</u>	
Fund Balance, June 30	<u>\$ 6,176,719</u>	<u>\$ -</u>	<u>\$ 6,176,719</u>	<u>\$ 7,076,190</u>	<u>\$ 899,471</u>
Recapitulation of Fund Balance					
Restricted Fund Balance:					
Reserved Excess Surplus - Designated for Subsequent Years Expenditures				\$ 663,937	
Reserve for Excess Surplus				687,434	
Reserve for Encumbrances				11,794	
Capital Reserve				3,958,829	
Maintenance Reserve				914,883	
Unassigned Fund Balance				<u>839,313</u>	
				7,076,190	
Reconciliation on Governmental Fund Statements (GAAP):					
Less: State Aid Payment not Recognized on GAAP Basis				<u>(128,419)</u>	
Fund Balance per Government Fund (GAAP)				<u>\$ 6,947,771</u>	

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, 2019**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local sources	\$ -	\$ 63,749	\$ 63,749	\$ 61,614	\$ (2,135)
State sources	-	474,663	474,663	423,233	(51,430)
Federal sources	668,438	140,930	809,368	770,509	(38,859)
Total revenues	<u>668,438</u>	<u>679,342</u>	<u>1,347,780</u>	<u>1,255,356</u>	<u>(92,424)</u>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of teachers	125,181	6,797	131,978	131,976	2
Purchased professional - educ. services		326,490	326,490	276,582	49,908
Purchased professional - tech. services		42,777	42,777	42,349	428
Other purchased services		-			-
Tuition	483,141	(2,561)	480,580	461,299	19,281
General supplies	34,829	55,033	89,862	86,923	2,939
Textbooks		23,442	23,442	23,224	218
Total instruction	<u>643,151</u>	<u>451,978</u>	<u>1,095,129</u>	<u>1,022,353</u>	<u>72,776</u>
Support services:					
Salaries		18,360	18,360	18,360	-
Personal services - employee benefits		10,583	10,583	10,583	-
Purchased professional and technical services	25,287	118,276	143,563	124,827	18,736
Purchased professional - educ. services		10,000	10,000	10,000	-
Other purchased services		66,150	66,150	65,311	839
Supplies and materials		3,995	3,995	3,922	73
Total support services	<u>25,287</u>	<u>227,364</u>	<u>252,651</u>	<u>233,003</u>	<u>19,648</u>
Facilities acquisition and construction services:					
Instructional equipment					-
Total facilities acq. and const. services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>668,438</u>	<u>679,342</u>	<u>1,347,780</u>	<u>1,255,356</u>	<u>92,424</u>
Total outflows	<u>668,438</u>	<u>679,342</u>	<u>1,347,780</u>	<u>1,255,356</u>	<u>92,424</u>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 43,413,678	\$ 1,255,356
Difference - budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	83,771	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(128,419)</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 43,369,030</u>	<u>\$ 1,255,356</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 42,262,077	\$ 1,255,356
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 42,262,077</u>	<u>\$ 1,255,356</u>

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 Six Fiscal Years**

	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.0312897579%	0.0325130840%	0.0340464726%	0.0324206920%	0.0336319567%	0.0368307263%
District's proportionate share of the net pension liability (asset)	\$ 6,160,797	\$ 7,568,526	\$ 10,083,589	\$ 7,277,796	\$ 6,296,822	\$ 7,039,084
District's covered-employee payroll	\$ 2,430,050	\$ 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	253.53%	339.78%	442.60%	299.48%	279.88%	316.97%
Plan fiduciary net position as a percentage of the total pension liability	40.95%	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 Six Fiscal Years**

	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Contractually required contribution	\$ 318,382	\$ 311,232	\$ 301,199	\$ 302,464	\$ 278,731	\$ 277,257
Contributions in relation to the contractually required contributions	<u>(318,382)</u>	<u>(311,232)</u>	<u>(301,199)</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>	<u>\$ -</u>
District's covered-employee payroll	\$ 2,430,050	\$ 2,227,451	\$ 2,278,255	\$ 2,430,165	\$ 2,249,833	\$ 2,220,741
Contributions as a percentage of covered-employee payroll	13.10%	13.97%	13.22%	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 Six Fiscal Years**

	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.1565056224%	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>99,565,515</u>	<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>
<b>Total</b>	<b><u>\$ 99,565,515</u></b>	<b><u>\$ 104,590,250</u></b>	<b><u>\$ 124,115,064</u></b>	<b><u>\$ 98,340,169</u></b>	<b><u>\$ 82,218,714</u></b>	<b><u>\$ 80,239,858</u></b>
District's covered-employee payroll	\$ 17,086,197	\$ 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%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	26.49%	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**  
**Last Two Fiscal Years**

	June 30, 2019	June 30, 2018
State's proportion of the net OPEB liability (asset) associated with the District	0.14%	0.15%
District's proportionate share of the net OPEB liability	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the District	<u>66,611,223</u>	<u>79,965,632</u>
Total proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 66,611,223</u>	<u>\$ 79,965,632</u>
Plan fiduciary net position as a percentage of the total OPEB Liability	0.00%	0.00%
	June 30, 2019	June 30, 2018
<b>Total OPEB Liability</b>		
Service Cost	\$ 2,704,882	\$ 3,267,188
Interest	2,929,094	2,531,281
Difference between expected and actual experiences	(9,624,814)	
Changes of assumptions	(7,643,971)	(10,484,288)
Member Contributions	61,560	68,202
Benefit payments	<u>(1,781,160)</u>	<u>(1,852,174)</u>
<b>Net Change in total OPEB Liability</b>	(13,354,409)	(6,469,791)
<b>Total OPEB Liability - beginning</b>	<u>79,965,632</u>	<u>86,435,423</u>
<b>Total OPEB Liability - ending</b>	<u>\$ 66,611,223</u>	<u>\$ 79,965,632</u>
District's covered-employee payroll	\$ 19,516,247	\$ 17,959,002
Total OPEB Liability as a percentage of covered-employee payroll	341.31%	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**  
**Pension Schedules**  
**For the Fiscal Year Ended June 30, 2019**

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

*Changes of benefit term:* There were none.

*Changes of assumptions:* For 2018, the discount rate changed to 4.86% and the long-term rate of return remained at 7.00%. For 2017, the discount rate changed to 4.25% and the long-term rate of return changed to 7.00%. For 2016, the discount rate changed to 3.22% and the long-term rate of return changed to 7.65% from 7.90%. Also, for 2016, demographic assumptions were revised to reflect those recommended on the basis of the July 1, 2012 – June 30, 2015 experience study. For 2015, the discount rate changed to 4.13%. For 2013, the discount rate was 4.68%

**2. Public Employees' Retirement System (PERS)**

*Changes of benefit term:* There were none.

*Changes of assumptions:* For 2018, the discount rate changed to 5.66% and the long-term rate of return remained at 7.00%. For 2017, the discount rate changed to 5.00% and the long-term rate of return changed to 7.00%. For 2016, the discount rate changed to 3.98% and the long-term rate of return changed to 7.65% from 7.90%. Also, for 2016, demographic assumptions were revised in accordance with the results of the July 1, 2011 – June 30, 2014 experience study and the mortality improvement scale incorporated the plan actuary's modified MP-2014 projection scale. Further salary increases were assumed to increase between 1.65% and 4.15% (based on age) through year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 4.90% and the social security wage base was set at \$118,500 for 2015, increasing 4.00% per annum, compounded annually and the 401(1)(17) pay limit was set at \$265,000 for 2015, increasing 3.00% per annum, compounded annually. For 2014, the discount rate was 5.39%

**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:* In 2018 the discount rate changed to 3.87% from 3.85% as of June 30, 2017. In 2018, there were changes in the census, claims and premiums experience and a decrease in the assumed health care cost trend and excise tax assumptions. The discount rate was 2.85% as of June 30, 2016.

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, 2019

	Brought Forward (Exh. E-1B)	Brought Forward (Exh. E-1C)	Brought Forward (Exh. E-1D)	Total
<b>REVENUES:</b>				
Local sources	\$ -	\$ -	\$ 61,614	\$ 61,614
State sources	341,893	81,340	-	423,233
Federal sources	-	770,509	-	770,509
<b>Total revenues</b>	<b>\$ 341,893</b>	<b>\$ 851,849</b>	<b>\$ 61,614</b>	<b>\$ 1,255,356</b>
<b>EXPENDITURES:</b>				
<i>Instruction:</i>				
Salaries of Teachers	\$ -	\$ 119,976	\$ 12,000	\$ 131,976
Purchased professional educational services	276,582	-	-	276,582
Purchased professional and technical services	-	42,349	-	42,349
Tuition	-	461,299	-	461,299
General supplies	-	47,309	39,614	86,923
Textbooks	-	23,224	-	23,224
<b>Total instruction</b>	<b>276,582</b>	<b>694,157</b>	<b>51,614</b>	<b>1,022,353</b>
<i>Support services:</i>				
Salaries	-	18,360	-	18,360
Employee Benefits	-	10,583	-	10,583
Purchased professional educational services	-	-	10,000	10,000
Purchased professional and technical services	-	124,827	-	124,827
Other purchased services	65,311	-	-	65,311
General Supplies	-	3,922	-	3,922
<b>Total support services</b>	<b>65,311</b>	<b>157,692</b>	<b>10,000</b>	<b>233,003</b>
<i>Facilities acquisition &amp; construction services</i>				
Instructional equipment	-	-	-	-
<b>Total facilities acquisition &amp; construction services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenditures</b>	<b>341,893</b>	<b>851,849</b>	<b>61,614</b>	<b>1,255,356</b>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	\$ -	\$ -	\$ -	\$ -

**HADDONFIELD SCHOOL DISTRICT**  
**Special Revenue Fund**  
 Combining Statement of Revenues and Expenditures  
 Budgetary Basis  
 for the Fiscal Year ended June 30, 2019

	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	
<b>REVENUES:</b>									
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	129,269	3,372	3,451	6,585	36,516	45,512	51,877	65,311	341,893
Federal sources									-
<b>Total revenues</b>	<u>\$ 129,269</u>	<u>\$ 3,372</u>	<u>\$ 3,451</u>	<u>\$ 6,585</u>	<u>\$ 36,516</u>	<u>\$ 45,512</u>	<u>\$ 51,877</u>	<u>\$ 65,311</u>	<u>\$ 341,893</u>
<b>EXPENDITURES:</b>									
<u>Instruction:</u>									
Salaries of Teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Purchased professional educational services	129,269	3,372	3,451	6,585	36,516	45,512	51,877	-	276,582
Purchased professional and technical services									-
Tuition									-
General supplies								-	-
Textbooks									-
<b>Total instruction</b>	<u>129,269</u>	<u>3,372</u>	<u>3,451</u>	<u>6,585</u>	<u>36,516</u>	<u>45,512</u>	<u>51,877</u>	<u>-</u>	<u>276,582</u>
<u>Support services:</u>									
Salaries									-
Purchased professional and technical services									-
Other purchased services								65,311	65,311
General supplies									-
<b>Total support services</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,311</u>	<u>65,311</u>
<u>Facilities acquisition &amp; construction services:</u>									
Instructional equipment									-
<b>Total facilities acquisition &amp; construction services</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>129,269</u>	<u>3,372</u>	<u>3,451</u>	<u>6,585</u>	<u>36,516</u>	<u>45,512</u>	<u>51,877</u>	<u>65,311</u>	<u>341,893</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, 2019

	<b>IDEA</b>		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)
	Basic Current Yr.	Preschool Current Yr.							
<b>REVENUES:</b>									
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	23,224	42,349	15,767	81,340
Federal sources	557,378	23,892	144,269	36,965	8,005	-	-	-	770,509
<b>Total revenues</b>	<b>\$ 557,378</b>	<b>\$ 23,892</b>	<b>\$ 144,269</b>	<b>\$ 36,965</b>	<b>\$ 8,005</b>	<b>\$ 23,224</b>	<b>\$ 42,349</b>	<b>\$ 15,767</b>	<b>\$ 851,849</b>
<b>EXPENDITURES:</b>									
<i>Instruction:</i>									
Salaries of teachers	\$ -	\$ -	\$ 116,636	\$ -	\$ 3,340	\$ -	\$ -	\$ -	\$ 119,976
Purchased professional educational services	-	-	-	-	-	-	42,349	-	-
Purchased professional and technical services	-	-	-	-	-	-	-	-	42,349
Other purchased services	-	-	-	-	-	-	-	-	-
Tuition	461,299	-	-	-	-	-	-	-	461,299
General supplies	-	15,955	13,990	-	1,597	-	-	15,767	47,309
Textbooks	-	-	-	-	-	23,224	-	-	23,224
	461,299	15,955	130,626	-	4,937	23,224	42,349	15,767	694,157
<i>Support services:</i>									
Salaries	-	-	-	18,360	-	-	-	-	18,360
Employee benefits	-	-	8,923	1,405	255	-	-	-	10,583
Purchased professional and technical services	92,157	7,937	4,720	17,200	2,813	-	-	-	124,827
Other purchased services	-	-	-	-	-	-	-	-	-
General supplies	3,922	-	-	-	-	-	-	-	3,922
<b>Total support services</b>	<b>96,079</b>	<b>7,937</b>	<b>13,643</b>	<b>36,965</b>	<b>3,068</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>157,692</b>
<i>Facilities acquisition &amp; construction services</i>									
Instructional equipment	-	-	-	-	-	-	-	-	-
<b>Total facilities acquisition &amp; construction services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenditures</b>	<b>557,378</b>	<b>23,892</b>	<b>144,269</b>	<b>36,965</b>	<b>8,005</b>	<b>23,224</b>	<b>42,349</b>	<b>15,767</b>	<b>851,849</b>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**HADDONFIELD SCHOOL DISTRICT**  
**Special Revenue Fund**  
Combining Statement of Revenues and Expenditures  
Budgetary Basis  
for the Fiscal Year ended June 30, 2019

	HET High School	HET Central	HET Haddon	HET Tatem	Diversity Grant	PTA Haddon	PTA Tatem	HE H Am. Heart	Milk It Tech	Carried Forward (Exh. E-1A)
<b>REVENUES:</b>										
Local Sources	\$ 11,058	\$ 270	\$ 9,476	\$ 270	\$ 10,000	\$ 25,618	\$ 3,773	\$ 663	\$ 486	\$ 61,614
State sources										-
Federal sources										-
Total revenues	<u>\$ 11,058</u>	<u>\$ 270</u>	<u>\$ 9,476</u>	<u>\$ 270</u>	<u>\$ 10,000</u>	<u>\$ 25,618</u>	<u>\$ 3,773</u>	<u>\$ 663</u>	<u>\$ 486</u>	<u>\$ 61,614</u>
<b>EXPENDITURES:</b>										
<u>Instruction:</u>										
Salaries of teachers	\$ 6,000	\$ -	\$ -	\$ -	\$ -	\$ 6,000	\$ -	\$ -	\$ -	\$ 12,000
Purchased professional educational services										-
Purchased professional and technical services										-
Other purchased services										-
Tuition										-
General supplies	5,058	270	9,476	270		19,618	3,773	663	486	39,614
Textbooks										-
	<u>11,058</u>	<u>270</u>	<u>9,476</u>	<u>270</u>	<u>-</u>	<u>25,618</u>	<u>3,773</u>	<u>663</u>	<u>486</u>	<u>51,614</u>
<u>Support services:</u>										
Salaries										-
Employee benefits										-
Purchased professional educational services					10,000					10,000
Purchased professional and technical services										-
Other purchased services										-
General supplies										-
Total support services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
<u>Facilities acquisition &amp; 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>	<u>-</u>
Total expenditures	<u>11,058</u>	<u>270</u>	<u>9,476</u>	<u>270</u>	<u>10,000</u>	<u>25,618</u>	<u>3,773</u>	<u>663</u>	<u>486</u>	<u>61,614</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>	<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, 2019**

**Revenues and Other Financing Sources:**

Bond Proceeds	\$	-
SDA Grant		(54,574)
Transfer from General Fund		1,000,000
Interest earned on investments		38,932
Total revenues and other financing sources		984,358

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

Purchased professional services		471,769
Construction services		10,656,119
Equipment		
General Supplies		114,504
Other Objects		114,434
Transfer to debt service fund		38,932
Total expenditures and other financing (uses)		11,395,758

Excess (deficiency) or revenues over (under) expenditures		(10,411,400)
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Fund Balance - July 1, 2018		10,150,728
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Fund Balance - June 30, 2019	\$	(260,672)
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**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, 2019**

	Prior Periods	Current Year	Total	Revised Authorized Costs
<b>Revenues and Other Financing Sources:</b>				
State sources - SCC Grant	\$ 110,600	\$ (17,837)	\$ 92,763	\$ 92,763
Transfer from capital outlay	165,900		165,900	165,900
Total revenues	276,500	(17,837)	258,663	258,663
<b>Expenditures and Other Financing Uses:</b>				
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	\$ (17,837)	\$ 33,644	\$ 33,644

**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, 2019**

	Prior Periods	Current Year	Total	Revised Authorized Costs
<b>Revenues and Other Financing Sources:</b>				
State sources - SCC Grant	\$ 56,500	\$ (36,737)	\$ 19,763	\$ 19,763
Transfer from capital outlay	84,750		84,750	84,750
Total revenues	141,250	(36,737)	104,513	104,513
<b>Expenditures and Other Financing Uses:</b>				
Purchased professional services				
Construction services	57,000		57,000	57,000
	57,000		57,000	57,000
Excess (deficiency) or revenues over (under) expenditures	\$ 84,250	\$ (36,737)	\$ 47,513	\$ 47,513
<b>Additional project information:</b>				
Project Number	1900-060-10-1005			
Grant Date	07/15/13			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 141,250			
Additional Authorized Cost				
Revised Authorized Cost	\$ 141,250			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	0.00%			
Original target completion date	06/30/13			
Revised target completion date	06/30/13			

**HADDONFIELD SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Statement of Project Revenues, Expenditures, Project Balance,**  
**and Project Status - Budgetary Basis**  
**Various Capital Improvements to School Facilities**  
**From Inception and for the Fiscal Year ended June 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
<b>Revenues and Other Financing Sources:</b>				
Bond Proceeds	\$ 35,251,000	\$ -	\$ 35,251,000	\$ 35,251,000
Transfer from General Fund		1,000,000	1,000,000	1,000,000
Total revenues	<u>35,251,000</u>	<u>1,000,000</u>	<u>36,251,000</u>	<u>36,251,000</u>
<b>Expenditures and Other Financing Uses:</b>				
Purchased professional services	4,098,210	471,769	4,569,979	4,569,979
Construction services	20,306,575	10,656,119	30,962,694	30,962,694
Equipment	369,233		369,233	369,233
General Supplies	13,481	114,504	127,985	127,985
Other Objects	448,504	114,434	562,938	562,938
	<u>25,236,003</u>	<u>11,356,826</u>	<u>36,592,829</u>	<u>36,592,829</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 10,014,997</u>	<u>\$ (10,356,826)</u>	<u>\$ (341,829)</u>	<u>\$ (341,829)</u>
<b>Additional project information:</b>				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	03/08/16			
Bonds Authorized	\$ 35,251,000			
Bonds Issued	\$ 35,251,000			
Original Authorized Cost	\$ 35,251,000			
Additional Authorized Cost				
Revised Authorized Cost	\$ 35,251,000			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	0.00%			
Original target completion date	06/30/19			
Revised target completion date	N/A			

**HADDONFIELD SCHOOL DISTRICT**  
**Capital Projects Fund**  
 Summary Statement of Project Expenditures  
 Year Ended June 30, 2019

Issue/Project Title	Original Date	Appropriations	Expenditures to Date		Transfer from General Fund	Cancelled	Unexpended Balance
			Prior Years	Current Year			
Haddonfield Memorial High School Partial Roof Replacement	3/11/2011	\$ 276,500	\$ 225,019	\$ -	\$ -	\$ 17,837	\$ 33,644
Elizabeth Haddon Partial Roof Replacement	7/1/2012	260,750	260,750				
Central Elementary Partial Roof Replacement	7/1/2012	141,250	57,000			36,737	47,513
Various Capital Improvements to School Facilities	3/8/2016	<u>35,251,000</u>	<u>25,236,003</u>	<u>11,356,826</u>	<u>1,000,000</u>		<u>(341,829)</u>
Total		<u>\$ 35,929,500</u>	<u>\$ 25,778,772</u>	<u>\$ 11,356,826</u>	<u>\$ 1,000,000</u>	<u>\$ 54,574</u>	<u>\$ (260,672)</u>

Proprietary Funds  
Detail Statements

**HADDONFIELD SCHOOL DISTRICT**  
**Enterprise Funds**  
Statement of Net Position  
as of June 30, 2019

	Food Service	Community Education	Total
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$ 319,060	\$ 63,474	\$ 382,534
Accounts receivable:			
State	488	-	488
Federal	4,959	-	4,959
Other	2,904	-	2,904
Interfund receivable	1,279	-	1,279
Inventories	12,608	-	12,608
Total current assets	<u>341,298</u>	<u>63,474</u>	<u>404,772</u>
Fixed assets:			
Equipment	274,303	-	274,303
Less Accumulated depreciation	<u>(265,134)</u>	<u>-</u>	<u>(265,134)</u>
Total fixed assets	<u>9,169</u>	<u>-</u>	<u>9,169</u>
Total assets	<u>\$ 350,467</u>	<u>\$ 63,474</u>	<u>\$ 413,941</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 166,518	\$ -	\$ 166,518
Interfund payable	67,160	-	67,160
Unearned revenue	41,250	-	41,250
Total current liabilities	<u>274,928</u>	<u>-</u>	<u>274,928</u>
<b>NET POSITION</b>			
Net investment in capital assets	9,169	-	9,169
Unrestricted	<u>66,370</u>	<u>63,474</u>	<u>129,844</u>
Total net position	<u>\$ 75,539</u>	<u>\$ 63,474</u>	<u>\$ 139,013</u>



**HADDONFIELD SCHOOL DISTRICT**  
**Enterprise Funds**  
Statement of Revenues, Expenses and Changes in Fund Net Position  
for the Fiscal Years ended June 30, 2019

	Food Service	Community Education	Total
<b>OPERATING REVENUES:</b>			
Local sources:			
Daily sales-reimbursable programs:			
School lunch program	\$ 264,052	\$ -	\$ 264,052
Total-daily sales-reimbursable programs	264,052	-	264,052
Program fees	-	111,356	111,356
Daily sales non-reimbursable programs	380,701	-	380,701
Total operating revenue	644,753	111,356	756,109
<b>OPERATING EXPENSES:</b>			
Salaries	234,252	26,000	260,252
Employee benefits	18,948	-	18,948
Purchased professional - educational services	-	48,147	48,147
Supplies and materials	32,926	-	32,926
Depreciation	2,196	-	2,196
Management fee	40,000	-	40,000
Cost of sales - reimbursable programs	132,198	-	132,198
Cost of sales - nonreimbursable programs	173,625	-	173,625
Direct Expenses	16,996	11,482	28,478
Other	1,839	-	1,839
Total operating expenses	652,980	85,629	738,609
Operating income (loss)	(8,227)	25,727	17,500
Non-operating revenues:			
State sources:			
State school lunch program	2,320	-	2,320
Federal sources:			
National school lunch program	23,495	-	23,495
U.S.D.A. commodities	14,115	-	14,115
Interest revenue	2,909	468	3,377
Total non-operating revenues	42,839	468	43,307
Net income (loss) before contributions and transfers	34,612	26,195	60,807
Change in net position	34,612	26,195	60,807
Net position - July 1	40,927	37,279	78,206
Net position - June 30	\$ 75,539	\$ 63,474	\$ 139,013

**HADDONFIELD SCHOOL DISTRICT**  
**Enterprise Funds**  
Statement of Cash Flows  
for the Fiscal Years ended June 30, 2019

	Food Service	Community Education	Total
Cash flows from operating activities:			
Cash receipts from customers	\$ 644,721	\$ 111,356	\$ 756,077
Cash payments to employees for services	(182,877)	(26,000)	(208,877)
Cash payments to suppliers for goods and services	(292,918)	(59,629)	(352,547)
Net cash used by operating activities	168,926	25,727	194,653
Cash flows from noncapital financing activities:			
Cash received from interfund activity	-	-	-
Cash received from state and federal reimbursements	20,368	-	20,368
Net cash provided by noncapital financing activities	20,368	-	20,368
Cash flows from capital financing activities:			
Purchases of fixed assets	(7,316)	-	(7,316)
Net cash used by capital financing activities	(7,316)	-	(7,316)
Cash flows from investing activities:			
Interest on investments	2,909	468	3,377
Net cash provided by investing activities	2,909	468	3,377
Net increase (decrease) in cash and cash equivalents	184,887	26,195	211,082
Cash and cash equivalents, July 1	134,173	37,279	171,452
Cash and cash equivalents, June 30	\$ 319,060	\$ 63,474	\$ 382,534
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (8,227)	\$ 25,727	\$ 17,500
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:			
Depreciation	2,196	-	2,196
Federal commodities	14,115	-	14,115
Change in assets and liabilities:			
(Increase)/decrease in inventory	(5,644)	-	(5,644)
(Increase)/decrease in accounts receivable	(1,741)	-	(1,741)
Increase/(decrease) in accounts payable	166,518	-	166,518
Increase/(decrease) in unearned revenue	1,709	-	1,709
Net cash used by operating activities	\$ 168,926	\$ 25,727	\$ 194,653

Fiduciary Funds  
Detail Statements

**HADDONFIELD SCHOOL DISTRICT**  
**Fiduciary Funds**  
 Combining Statement of Net Position  
 June 30, 2019

	Agency Funds		Employee Benefit Trust Funds		Total
	Student Activity	Payroll	Flexible Benefits Program	Unemployment Compensation Insurance Fund	
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 452,167	\$ 198,320	\$ 49,365	\$ 420,124	\$ 1,119,976
<b>TOTAL ASSETS</b>	<u>\$ 452,167</u>	<u>\$ 198,320</u>	<u>\$ 49,365</u>	<u>\$ 420,124</u>	<u>\$ 1,119,976</u>
<b>LIABILITIES</b>					
<b>LIABILITIES:</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ 3,807	\$ 3,807
Payroll deductions and withholdings	-	180,946	-	-	180,946
Interfund payable	-	17,374	-	-	17,374
Due to student groups	452,167	-	-	-	452,167
<b>Total liabilities</b>	<u>452,167</u>	<u>198,320</u>	<u>-</u>	<u>3,807</u>	<u>654,294</u>
<b>NET POSITION</b>					
Reserved for unemployment claims			-	416,317	416,317
Reserve for flex benefits			49,365	-	49,365
<b>Total net position</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,365</u>	<u>\$ 416,317</u>	<u>\$ 465,682</u>

**HADDONFIELD SCHOOL DISTRICT**  
**Fiduciary Fund**  
Combining Statement of Changes in Fiduciary Net Position  
for the Fiscal Year Ended June 30, 2019

	Employee Benefit Trust Funds		Total
	Flexible Benefits Program	Unemployment Compensation Insurance Fund	
<b>REVENUES:</b>			
Local sources:			
Board contributions	\$ 113,800	\$ -	\$ 113,800
Employee contributions	92,070	35,240	127,310
Interest on Investments	1,046	5,118	6,164
Total Revenues	<u>206,916</u>	<u>40,358</u>	<u>247,274</u>
<b>EXPENDITURES:</b>			
Current Expense:			
Undistributed Expenditures:			
Unemployment claims	-	26,831	26,831
Flex benefit payments	161,138	-	161,138
Total Expenditures	<u>161,138</u>	<u>26,831</u>	<u>187,969</u>
Excess (deficiency) of revenues over (under) expenditures	45,778	13,527	59,305
Net Position July 1	<u>3,587</u>	<u>402,790</u>	<u>406,377</u>
Net Position June 30	<u>\$ 49,365</u>	<u>\$ 416,317</u>	<u>\$ 465,682</u>

**HADDONFIELD SCHOOL DISTRICT**  
**Student Activity Agency Fund**  
 Schedule of Receipts and Disbursements  
 for the Fiscal Year ended June 30, 2019

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	<u>Balance</u> <u>June 30, 2018</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Accounts</u> <u>Payable</u> <u>June 30, 2019</u>	<u>Balance</u> <u>June 30, 2019</u>
<b>JUNIOR/SENIOR HIGH SCHOOLS:</b>					
Haddonfield:					
Activities	\$ 430,345	\$ 898,419	\$ 877,930	\$ -	\$ 450,834
Athletic	<u>610</u>	<u>111,054</u>	<u>110,331</u>	<u>-</u>	<u>1,333</u>
Total	<u>\$ 430,955</u>	<u>\$ 1,009,473</u>	<u>\$ 988,261</u>	<u>\$ -</u>	<u>\$ 452,167</u>

**HADDONFIELD SCHOOL DISTRICT**  
**Payroll Agency Fund**  
Schedule of Receipts and Disbursements  
for the Fiscal Year ended June 30, 2019

	<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2019</u>
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 265,483	\$ 24,298,472	\$ 24,365,635	\$ 198,320
Total assets	<u>\$ 265,483</u>	<u>\$ 24,298,472</u>	<u>\$ 24,365,635</u>	<u>\$ 198,320</u>
<b>LIABILITIES:</b>				
Payroll deductions and withholdings	\$ 231,918	\$ 10,388,403	\$ 10,439,375	\$ 180,946
Net payroll	-	13,904,445	13,904,445	-
Interfund payable	<u>33,565</u>	<u>5,624</u>	<u>21,815</u>	<u>17,374</u>
Total liabilities	<u>\$ 265,483</u>	<u>\$ 24,298,472</u>	<u>\$ 24,365,635</u>	<u>\$ 198,320</u>

## Long-Term Debt Schedules



**HADDONFIELD SCHOOL DISTRICT**  
**General Long-Term Debt Account Group**  
Statement of Serial Bonds  
June 30, 2019

Issue	Date of Issue	Amount of Issue	Annual Maturities		Rate of Interest	Balance July 1, 2018	Issued	Retired	Balance June 30, 2019
			Date	Amount					
Refunding Bonds	2/1/2012	\$ 8,000,000	02/15/20	\$ 415,000	4.00%	\$ 6,790,000	\$ -	\$ 390,000	\$ 6,400,000
			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	08/01/19	1,005,000	3.25%	4,125,000		975,000	3,150,000
			08/01/20	1,045,000	3.50%				
			08/01/21	1,100,000	4.00%				
Balance Forward						\$ 10,915,000	\$ -	\$ 1,365,000	\$ 9,550,000

**HADDONFIELD SCHOOL DISTRICT**  
**General Long-Term Debt Account Group**  
Statement of Serial Bonds  
June 30, 2019

Issue	Date of Issue	Amount of Issue	Annual Maturities		Rate of Interest	Balance July 1, 2018	Issued	Retired	Balance June 30, 2019
			Date	Amount					
Balance Brought Forward						\$ 10,915,000	\$ -	\$ 1,365,000	\$ 9,550,000
School Bonds	9/14/2016	\$ 35,251,000	09/01/19	\$ 1,166,000	2.000%	35,251,000		1,160,000	34,091,000
			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>\$ 46,166,000</u>	<u>\$ -</u>	<u>\$ 2,525,000</u>	<u>\$ 43,641,000</u>

**HADDONFIELD SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**Fiscal Year Ended June 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 2,999,148	\$ -	\$ 2,999,148	\$ 2,999,148	\$ -
Miscellaneous	-	-	-	-	-
Total revenues - local sources	<u>2,999,148</u>	<u>-</u>	<u>2,999,148</u>	<u>2,999,148</u>	<u>-</u>
State sources:					
Debt service aid type II	643,702	-	643,702	643,702	-
Total revenues - state sources	<u>643,702</u>	<u>-</u>	<u>643,702</u>	<u>643,702</u>	<u>-</u>
Total Revenues	<u>3,642,850</u>	<u>-</u>	<u>3,642,850</u>	<u>3,642,850</u>	<u>-</u>
<b>EXPENDITURES:</b>					
Regular debt service:					
Interest	1,187,983	-	1,187,983	1,187,982	1
Redemption of principal	2,525,000	-	2,525,000	2,525,000	-
Total Expenditures	<u>3,712,983</u>	<u>-</u>	<u>3,712,983</u>	<u>3,712,982</u>	<u>1</u>
Excess (Deficiency) of revenues over (under) expenditures	(70,133)	-	(70,133)	(70,132)	1
Other Financing Sources (Uses):					
Operating transfer in	-	-	-	38,932	38,932
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,932</u>	<u>38,932</u>
Net change in fund balance	(70,133)	-	(70,133)	(31,200)	38,933
Fund Balances, July 1	157,619	-	157,619	157,619	-
Fund Balances, June 30	<u>\$ 87,486</u>	<u>\$ -</u>	<u>\$ 87,486</u>	<u>\$ 126,419</u>	<u>\$ 38,933</u>

**Statistical Section**

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

**Exhibit J-1**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Governmental activities:</b>										
Net investment in capital assets	\$ 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)	\$ 11,388,167
Restricted for:	-	-	-	-	-	-	-	-	-	-
Capital projects	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	3,698,157
Debt service	(308,351)	9,162	14,458	13,813	3,987	1,788	185,588	255,067	157,619	126,419
Other purposes	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	2,278,048
Unrestricted	(595,190)	(856,188)	(774,403)	(686,329)	(979,589)	(7,612,744)	(7,492,346)	(8,853,533)	(8,791,484)	(8,463,167)
<b>Total governmental activities net position</b>	<b>\$ 8,652,878</b>	<b>\$ 9,771,796</b>	<b>\$ 11,283,261</b>	<b>\$ 11,692,819</b>	<b>\$ 14,387,720</b>	<b>\$ 8,043,591</b>	<b>\$ 7,429,584</b>	<b>\$ 5,402,256</b>	<b>\$ 6,187,687</b>	<b>\$ 9,027,624</b>
<b>Business-type activities:</b>										
Net investment in capital assets	\$ 6,449	\$ -	\$ -	\$ -	\$ 66,787	\$ 49,012	\$ 31,236	\$ 13,464	\$ 4,049	\$ 9,169
Unrestricted	110,867	135,619	125,450	109,723	136,462	143,264	72,580	69,774	74,157	129,844
<b>Total business-type activities net position</b>	<b>\$ 117,316</b>	<b>\$ 135,619</b>	<b>\$ 125,450</b>	<b>\$ 109,723</b>	<b>\$ 203,249</b>	<b>\$ 192,276</b>	<b>\$ 103,816</b>	<b>\$ 83,238</b>	<b>\$ 78,206</b>	<b>\$ 139,013</b>
<b>District-wide:</b>										
Net investment in capital assets	\$ 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)	\$ 11,397,336
Restricted:										
Capital projects	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	3,698,157
Debt service	(308,351)	9,162	14,458	13,813	3,987	1,788	185,588	255,067	157,619	126,419
Other purposes	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	2,278,048
Unrestricted	(484,323)	(720,569)	(648,953)	(576,606)	(843,127)	(7,469,480)	(7,419,766)	(8,783,759)	(8,717,327)	(8,333,323)
<b>Total district net position</b>	<b>\$ 8,770,194</b>	<b>\$ 9,907,415</b>	<b>\$ 11,408,711</b>	<b>\$ 11,802,542</b>	<b>\$ 14,590,969</b>	<b>\$ 8,235,867</b>	<b>\$ 7,533,400</b>	<b>\$ 5,485,494</b>	<b>\$ 6,265,893</b>	<b>\$ 9,166,637</b>

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

**Exhibit J-2**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses:</b>											
Governmental activities:											
Instruction:											
Regular	\$ 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	\$ 14,202,775
Special education	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	3,623,326
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	1,091,663
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	583,585
Student & instruction related services	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	5,248,289
School administrative services	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	1,936,960
General and business administrative services	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	1,768,908
Plant operations and maintenance	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	4,028,611
Pupil transportation	451,054	341,765	306,140	533,737	299,965	468,815	544,335	498,304	509,109	548,993	548,607
Unallocated employee benefits	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	19,709,942
Special schools	210,996	165,035	161,341	108,653	136,209	112,057	141,616	115,363	131,437	43,602	65,291
Charter schools											
Interest on long-term debt	1,022,744	989,475	862,025	834,991	741,106	701,745	732,852	459,660	925,848	1,295,356	1,107,655
Unallocated depreciation	75,040	50,455	58,682	87,835	30,936	62,112	56,507	56,188	52,726	49,258	56,738
Total governmental activities expenses	<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>	<u>\$ 53,972,350</u>
Business-type activities:											
Community Education	77,154	77,217	79,191	81,841	82,722	109,036	91,026	134,587	110,644	92,449	85,629
Food service	539,276	545,408	535,136	554,666	559,954	519,642	522,126	592,657	609,298	602,426	652,980
Total business-type activities expense	<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>	<u>738,609</u>
Total district expenses	<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>	<u>\$ 54,710,959</u>
<b>Program Revenues:</b>											
Governmental activities:											
Operating grants and contributions	\$ 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	\$ 15,486,781
Total governmental activities program revenues	<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>	<u>15,486,781</u>

(Continued)

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

**Exhibit J-2**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Business-type activities:</b>											
Charges for services:											
Community Education	\$ 73,921	\$ 79,161	\$ 83,732	\$ 80,861	\$ 94,488	\$ 101,176	\$ 106,360	\$ 113,989	\$ 103,672	\$ 79,086	\$ 111,356
Food service	467,055	494,153	493,216	490,935	464,331	464,667	458,200	489,045	559,154	572,950	644,753
Operating grants and contributions	55,233	64,166	54,378	67,815	66,799	71,159	35,708	34,596	36,199	37,170	39,930
Capital grants and contributions											
Total business type activities program revenues	<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>	<u>796,039</u>
Total district program revenues	<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>	<u>\$ 16,282,820</u>
<b>Net (Expense)/Revenue:</b>											
Governmental activities	\$ (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)	\$ (38,485,569)
Business-type activities	(20,221)	14,855	16,999	3,104	(17,058)	8,324	(12,884)	(89,614)	(20,917)	(5,669)	57,430
Total district-wide net expense	<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>	<u>\$ (38,428,139)</u>
<b>General Revenues and Other Changes in Net Position:</b>											
Governmental activities:											
Property taxes levied for general purposes, net	\$ 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	\$ 35,450,126
Taxes levied for debt service	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	2,999,148
Unrestricted grants and contributions	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	2,275,309
State aid restricted for capital projects											
Tuition	267,028	215,049	220,243	321,758	492,118	526,947	505,276	511,500	290,603	365,162	240,194
Miscellaneous income	218,200	370,650	420,891	552,817	359,417	361,473	281,584	498,329	323,597	454,654	360,729
Transfers											
Total governmental activities	<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>	<u>41,325,506</u>
Business-type activities:											
Investment earnings	987	543	1,086	1,300	1,331	649	369	339	339	637	3,377
Miscellaneous income	690	93	218	3,245			1,542	815	-	-	-
Cancellation of accounts receivable				(17,818)							
Transfers											
Total business-type activities	<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>	<u>3,377</u>
Total district-wide	<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>	<u>\$ 41,328,883</u>
<b>Change in Net Position:</b>											
Governmental activities	\$ 358,449	\$ 300,901	\$ 1,118,918	\$ 1,511,465	\$ 630,860	\$ 601,319	\$ 417,443	\$ (614,007)	\$ (2,027,328)	\$ 785,431	\$ 2,839,937
Business-type activities	(18,544)	15,491	18,303	(10,169)	(15,727)	8,973	(10,973)	(88,460)	(20,578)	(5,032)	60,807
Total district-wide	<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>	<u>\$ 2,900,744</u>

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

**Exhibit J-3**

	<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>	<u>2019</u>
General Fund:										
Restricted for:										
Capital reserve	\$ 120	\$ 200,121	\$ 900,120	\$ 766,951	\$ 1,444,869	\$ 1,718,481	\$ 1,339,992	\$ 2,893,341	\$ 3,906,868	\$ 3,958,829
Maintenance reserve	-	-	-	200,000	200,000	200,000	400,000	401,000	902,875	914,883
Excess surplus	305,829	789,114	634,165	639,307	639,455	515,396	464,848	428,535	663,937	687,434
Excess surplus - designated for next year	-	-	679,906	634,165	639,307	639,455	515,396	464,848	428,535	663,937
Assigned										
Other Purposes	-	-	-	-	-	-	-	-	324,335	11,794
Reserve for encumbrances	-	-	-	-	204,712	422,631	48,505	27,572	-	-
Designated for subsequent year's budget	-	-	-	-	-	-	-	87,724	-	-
Unassigned	<u>693,792</u>	<u>669,318</u>	<u>635,917</u>	<u>593,100</u>	<u>596,116</u>	<u>621,022</u>	<u>650,447</u>	<u>606,964</u>	<u>614,268</u>	<u>710,894</u>
Total general fund	<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>	<u>\$ 6,947,771</u>
All Other Governmental Funds										
Reserved:										
Encumbrances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 809	\$ -	\$ -	\$ -
Other Purposes	-	-	-	-	-	-	-	-	10,284,161	223,902
Unreserved, reported in:										
Special revenue fund	-	-	-	-	-	-	-	-	-	-
Capital projects fund	224,302	500,802	250,783	320,165	320,165	320,165	(186,927)	32,505,002	(133,433)	(484,574)
Debt service fund	18,430	9,162	14,458	13,813	3,987	1,788	185,588	255,067	157,619	126,419
Total all other governmental funds	<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>	<u>\$ (134,253)</u>

Source: District records



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

**Exhibit J-4**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Tax levy	\$ 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	\$ 38,449,274
Tuition charges	215,049	220,243	321,758	492,118	526,947	505,276	511,500	290,603	365,162	240,194
Miscellaneous	370,650	420,891	552,817	359,417	361,473	281,584	560,021	334,267	493,111	360,729
State sources	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	8,430,888
Federal sources	609,442	991,587	704,321	604,924	553,116	547,420	775,804	786,794	810,573	770,509
Total revenue	<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>	<u>48,251,594</u>
<b>Expenditures</b>										
Instruction										
Regular Instruction	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	13,456,860
Special education instruction	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	3,623,326
Other instruction	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	1,091,663
Support Services:										
Tuition	1,336,186	783,100	1,098,794	1,300,539	1,147,065	1,363,042	1,025,530	670,140	504,587	583,585
Student & instruction related services	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	5,248,289
School administrative services	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	1,823,483
General and business admin.services	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	1,768,908
Plant operations and maintenance	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	3,583,157
Pupil transportation	341,765	306,140	533,737	299,965	468,815	544,335	498,304	509,109	548,993	548,607
Employee Benefits	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	11,306,686
Special Schools	165,035	161,341	108,653	136,209	112,057	141,616	115,363	131,437	43,602	65,291
Capital outlay	72,045	109,119	875,710	1,194,331	557,665	636,172	1,850,701	2,721,357	22,710,943	11,774,403
Debt service:										
Principal	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	2,525,000
Interest and other charges	981,352	888,986	942,747	741,106	700,609	643,923	455,128	478,038	1,614,749	1,187,983
Total expenditures	<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>	<u>58,587,241</u>
Excess (Deficiency) of revenues over (under) expenditures	(91,947)	926,044	861,883	52,152	881,110	390,327	(1,020,280)	(999,605)	(20,520,888)	(10,335,647)
<b>Other Financing sources (uses)</b>										
Proceeds from borrowing	22,569	-	8,966,507	-	-	-	-	35,251,000	-	-
Payment to bond payment agent			(8,881,558)	-	-	-	-	-	-	-
Cancellation of accounts receivable										
Transfers in	5,664	169,285	188,004	87,602	1,134	654	184,555	70,133	87,486	1,038,932
Transfers out	(5,664)	(169,285)	(188,004)	(87,602)	(1,134)	(654)	(184,555)	(70,133)	(87,486)	(1,038,932)
Total other financing sources (uses)	<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>	<u>-</u>
Net change in fund balances	<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>	<u>\$(10,335,647)</u>
Debt service as a percentage of noncapital expenditures	5.44%	5.60%	5.71%	5.19%	5.19%	4.95%	4.49%	4.31%	6.75%	7.93%

**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
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
2019	110,743	240,194	7,201	-	43,729	6,655	-	-	20,000	71,855	500,377
	<u>\$ 545,704</u>	<u>\$ 3,245,206</u>	<u>\$ 8,795</u>	<u>\$ 564,100</u>	<u>\$ 1,114,590</u>	<u>\$ 264,721</u>	<u>\$ 343,811</u>	<u>\$ 72,937</u>	<u>\$ 265,500</u>	<u>\$ 1,045,080</u>	<u>\$ 7,470,444</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
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
2019	8,123,100	2,052,646,600			206,145,700		13,906,800	2,280,822,200	5,752,562	2,286,574,762	248,557,200	1.737	2,339,384,928

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	
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
2019	1.607	0.130	1.737	0.490	0.005	0.034	0.834	3.100

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	2019		Taxpayer	2010	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Centennial Office, LLA	\$ 8,300,000	0.37%	Verizon	\$ 12,461,583	0.55%
132 Warwick Rd LLC	8,250,000	0.36%	One Centennial Square	9,550,000	0.42%
Verizon	5,752,562	0.25%	95 Grove Street Partnership	7,989,400	0.35%
Tommar, LLC	3,750,000	0.17%	Gerald & Erica Levin	5,590,000	0.25%
110 Kings Highway East	3,625,500	0.16%	110 Kings Highway East	4,843,000	0.21%
ACME	3,220,000	0.14%	Tommar LLC	4,150,000	0.18%
35 Kings Highway East, LP	3,000,000	0.13%	807 Haddon Properties	3,530,000	0.16%
Haddon Medical, LLC	2,900,000	0.13%	Laurie Industries (ACME Markets)	3,220,000	0.14%
Park Lane Properties	2,740,000	0.12%	Thirt-Five Kings Highway East	3,000,000	0.13%
Individual #1	2,700,000	0.12%	Thirty Washington LLC	2,870,000	0.13%
<b>Total</b>	<b>\$ 44,238,062</b>	<b>1.95%</b>		<b>\$ 57,203,983</b>	<b>2.52%</b>

**Source:** Municipal Tax Assessor

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

**Exhibit J-9**

Fiscal Year Ended June 30,	Taxes Levied for the Calendar Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
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%	-
2019	38,449,274	38,449,274	100.00%	-

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

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

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

**Exhibit J-10**

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>b</sup>
	General Obligation Bonds	Unfunded Pension Liability	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2010	\$ 21,296,000	\$ -	\$ 21,894	\$ -	\$ -	\$ 21,317,894	4.39%	\$ 1,837	
2011	20,181,000	-	13,515	-	-	20,194,515	3.99%	1,744	
2012	18,801,000	-	26,058	-	-	18,827,058	3.67%	1,633	
2013	17,591,000	-	17,523	-	-	17,608,523	3.41%	1,537	
2014	16,341,000	-	8,709	-	-	16,349,709	3.07%	1,434	
2015	14,910,000	-	4,570	-	-	14,914,570	2.70%	1,312	
2016	13,530,000	-	-	-	-	13,530,000	2.39%	1,189	
2017	47,491,000	-	-	-	-	47,491,000	8.06%	4,181	
2018	46,166,000	-	-	-	-	46,166,000	c	4,069	
2019	43,641,000	-	-	-	-	43,641,000	c	c	

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

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

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

**Exhibit J-11**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2010	\$ 21,296,000	\$ -	\$ 21,296,000	0.94%	\$ 1,835
2011	20,181,000	-	20,181,000	0.89%	1,743
2012	18,801,000	-	18,801,000	0.83%	1,631
2013	17,591,000	-	17,591,000	0.79%	1,535
2014	16,341,000	-	16,341,000	0.73%	1,433
2015	14,910,000	-	14,910,000	0.67%	1,312
2016	13,530,000	-	13,530,000	0.60%	1,189
2017	47,491,000	-	47,491,000	2.11%	4,181
2018	46,166,000	-	46,166,000	2.03%	4,069
2019	43,641,000	-	43,641,000	1.91%	<b>c</b>

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

**a** See Exhibit J-6 for property tax data.

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

**c** Not available.



**Haddonfield School District  
Ratios of Overlapping Governmental Activities Debt  
As of December 31, 2018**

**Exhibit J-12**

<u><b>Governmental Unit</b></u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Borough of Haddonfield	\$ 27,941,368	100.000%	\$ 27,941,368
Camden County General Obligation Debt	402,702,498	6.075%	24,464,177
			<hr/>
Subtotal, overlapping debt			52,405,545
<b>Haddonfield School District Direct Debt</b>			<hr/> <b>44,031,000</b>
<b>Total direct and overlapping debt</b>			<hr/> <b>\$ 96,436,545</b> <hr/>

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

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

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

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

**Exhibit J-13**

**Legal Debt Margin Calculation for Fiscal Year 2019**

	Equalized valuation basis	
	2016	\$ 2,260,454,647
	2017	2,289,891,617
	2018	2,312,731,638
	<b>[A]</b>	<u>\$ 6,863,077,902</u>
Average equalized valuation of taxable property	<b>[A/3]</b>	\$ 2,287,692,634
Debt limit (4% of average equalized valuation)	<b>[B]</b>	91,507,705 <sup>a</sup>
Net bonded school debt	<b>[C]</b>	43,641,000
Legal debt margin	<b>[B-C]</b>	<u>\$ 47,866,705</u>

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
	\$ 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	\$ 91,507,705
Total net debt applicable to limit	<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>	<u>43,641,000</u>
Legal debt margin	<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>	<u>\$ 47,866,705</u>
Total net debt applicable to the limit as a percentage of debt limit	24.31%	22.57%	20.94%	19.68%	18.70%	17.29%	15.60%	53.65%	51.07%	47.69%

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

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

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

**Exhibit J-14**

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income <sup>b</sup></u>	<u>Per Capita Personal Income <sup>c</sup></u>	<u>Unemployment Rate <sup>d</sup></u>
2010	11,605	\$ 485,483,570	\$ 41,834	6.0%
2011	11,578	506,549,078	43,751	5.9%
2012	11,529	513,040,500	44,500	5.9%
2013	11,459	516,571,720	45,080	4.1%
2014	11,404	532,167,660	46,665	3.8%
2015	11,364	552,733,596	48,639	3.5%
2016	11,380	567,133,680	49,836	3.5%
2017	11,360	589,334,080	51,878	2.6%
2018	11,345	e	e	2.5%
2019	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>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>	<u>2019</u>
Instruction										
Regular	172	172	172	170	170	173	169	162	166	169
Special education	34	34	34	43	47	47	32	39	37	38
Other special education	55	55	55	58	58	58	49	72	12	12
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	24	24	26	25	13	13	2	-	19	19
Support Services:										
Student & instruction related services	40	40	42	12	14	14	21	25	39	41
School administrative services	19	19	16	18	21	21	18	19	21	22
General and business administrative services	6	6	6	6	10	10	19	7	12	12
Plant operations and maintenance	12	12	13	8	8	8	6	9	10	10
Pupil transportation	8	8	8	12	12	12	10	10	5	4
Business and other support services	-	-	-	-	-	-	4	4	5	5
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-
Child Care	-	-	-	-	-	-	-	-	-	-
Total	<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>	<u>332</u>

Source: District Personnel Records

Haddonfield School District  
 Operating Statistics,  
 Last Ten Fiscal Years

Exhibit J-17

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
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%
2019	2,759	43,099,855	15,621.55	4.25%	238	1:16	1:13	1:12	2,739	2,634	0.92%	96.17%

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**

<b>District Building</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
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	360	348	327	336	361	343	355	374	386	354
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	447	481	511	515	440	458	447	441	426	409
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	314	316	350	363	396	404	409	397	411	400
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	555	555	562	573	596	621	653	652	656	634
Memorial High School (1926)										
Square Feet	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000
Capacity (students)	975	975	975	975	975	975	975	975	975	975
Enrollment	775	765	753	760	780	783	797	826	835	837

Number of Schools at June 30, 2019  
 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)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total
High School	SP#201155	\$ 494,029	\$ 459,096	\$ 445,380	\$ 422,494	\$ 442,142	\$ 344,092	\$ 270,561	\$ 283,102	\$ 312,049	\$ 411,694	\$ 3,884,639
Middle School	SP#201156	236,275	205,128	213,008	202,063	211,459	164,566	129,399	135,397	149,241	196,898	1,843,434
J. Fithian Tatem Elementary School	SP#201154	118,137	107,448	106,504	101,031	105,730	82,283	64,699	67,698	74,620	98,449	926,599
Elizabeth Haddon Elementary School	SP#201157	118,137	107,448	106,504	101,031	105,730	82,283	64,700	67,699	74,620	98,448	926,600
Central Elementary School	SP#201158	107,399	97,680	96,822	91,847	96,118	74,803	58,818	61,544	67,837	89,499	842,367
Total School Facilities		<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>\$ 894,988</u>	<u>\$ 8,423,639</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, 2019**

**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	250,000	
Pollution Legal Liability	3,000,000		25,000
Cyber Liability	1,000,000	10,000	
Boiler and Machinery	125,000,000		1,000
Violent Malicious Acts	1,000,000		15,000
Disaster Management Services	2,000,000		15,000
Terrorism and Sabotage	50,000,000		25,000
Commercial and Umbrella	50,000,000		
Student Accident (2)	1,000,000		
Surety Bonds (3)			
Board Secretary/Business Administrator	100,000		
Board Secretary/Assistant Business Administrator	100,000		

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

Source: District records



**Single Audit Section**

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

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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, 2019. 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, 2019.

### 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  
November 8, 2019

HADDONFIELD SCHOOL DISTRICT  
Schedule of Expenditures of Federal Awards  
for the Fiscal Year ended June 30, 2019

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, 2018			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years' Balances	June 30, 2019		
						Accounts Receivable	Deferred Revenue	Due to Grantor at						Accounts Receivable	Deferred Revenue	Due to Grantor at
<b>U.S. Department of Education</b>																
<u>Special Revenue Fund:</u>																
<u>Every Student Succeeds Act (ESSA)</u>																
Title I	84.010	S010A180030	ESSA-1900-19	\$ 151,925	7/1/18 - 6/30/19	\$ -	\$ -	\$ -	\$ -	\$ 74,462	\$ (144,269)	\$ -	\$ -	\$ (69,807)	\$ -	\$ -
Title I - PY	84.010	S010A170030	ESSA-1900-18	168,942	7/1/17 - 6/30/18	(92,723)				92,723				-		
Title II - Part A	84.367	S367A180029	ESSA-1900-18	39,810	7/1/18 - 6/30/19					23,160	(36,965)			(13,805)		
Title II - Part A - PY	84.367	S367A170029	ESSA-1900-18	72,059	7/1/17 - 6/30/18	(30,434)				30,434				-		
Title IV	84.424	S424A180031	ESSA-1900-19	10,000	7/1/18 - 6/30/19					5,008	(8,005)			(2,997)		
Title IV	84.424	S424A170031	ESSA-1900-18	10,000	7/1/17 - 6/30/18	(5,987)				5,987				-		
<u>Individuals With Disabilities Act (I.D.E.I.A.)</u>																
Part B - Basic	84.027	H027A180100	IDEA-1900-19	579,767	7/1/18 - 6/30/19					424,558	(557,378)			(132,820)		
Part B - Basic	84.027	H027A170100	IDEA-1900-18	562,403	7/1/17 - 6/30/18	(87,816)				87,816				-		
Part B - Preschool	84.173	H173A180114	IDEA-1900-19	27,866	7/1/18 - 6/30/19					17,193	(23,892)			(6,699)		
Part B - Preschool	84.173	H173A170114	IDEA-1900-18	30,062	7/1/17 - 6/30/18	(11,812)				11,812				-		
<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						(235,522)	-	-	-	779,903	(770,509)	-	-	(226,128)	-	-
<b>U.S. Department of Agriculture</b>																
<u>Enterprise Fund:</u>																
Food Distribution Program	10.565	191NJ304N1099	N/A	14,115	7/1/18 - 6/30/19					14,115	(14,115)					
National School Lunch Program	10.555	191NJ304N1099	N/A	23,495	7/1/18 - 6/30/19					18,536	(23,495)			(4,959)		
National School Lunch Program	10.555	181NJ304N1099	N/A	21,389	7/1/17 - 6/30/18	(1,156)				1,156				-		
Total Enterprise Fund						(1,156)	-	-	-	33,807	(37,610)	-	-	(4,959)	-	-
Total Federal Awards						\$ (236,678)	\$ -	\$ -	\$ -	\$ 813,710	\$ (808,119)	\$ -	\$ -	\$ (231,087)	\$ -	\$ -

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, 2019

State Grantor / Program Title	Grant or State Project Number	Program Award Amount	Grant Period	June 30, 2018			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years' Balances	June 30, 2019		
				Accounts Receivable	Deferred Revenue	Due to Grantor at						(Accounts Receivable)	Deferred Revenue	Due to Grantor at
<b>State Department of Education</b>														
<b>General Fund:</b>														
Extraordinary Aid	19-495-034-5120-044	\$ 180,993	7/1/18 - 6/30/19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (283,621)	\$ -	\$ -	\$ (283,621)	\$ -	\$ -
Extraordinary Aid	18-495-034-5120-044	180,993	7/1/17 - 6/30/18	(180,993)				180,993						
Special Education Categorical Aid	19-495-034-5120-089	1,122,423	7/1/18 - 6/30/19					1,026,891	(1,122,423)			(95,532)		
Special Education Categorical Aid	18-495-034-5120-089	918,605	7/1/17 - 6/30/18	(71,365)				71,365						
Security Aid	19-495-034-5120-084	200,857	7/1/18 - 6/30/19					183,762	(200,857)			(17,095)		
Security Aid	18-495-034-5120-084	41,592	7/1/17 - 6/30/18	(3,231)				3,231						
Transportation Aid	19-495-034-5120-014	183,654	7/1/18 - 6/30/19					168,023	(183,654)			(15,631)		
Transportation Aid	18-495-034-5120-014	40,814	7/1/17 - 6/30/18	(3,171)				3,171						
Adjustment Aid	19-495-034-5120-085	1,888	7/1/18 - 6/30/19					1,727	(1,888)			(161)		
Adjustment Aid	18-495-034-5120-085	243	7/1/17 - 6/30/18	(19)				19						
Under Adequacy Aid	18-495-034-5120-096	1,828	7/1/17 - 6/30/18	(142)				142						
PARCC Readiness Aid	18-495-034-5120-098	24,780	7/1/17 - 6/30/18	(1,925)				1,925						
Per Pupil Growth Aid	18-495-034-5120-097	24,780	7/1/17 - 6/30/18	(1,925)				1,925						
Professional Learning Community Aid	18-495-034-5120-001	25,655	7/1/17 - 6/30/18	(1,993)				1,993						
Homeless Tuition	18-495-034-5120-005	10,293	7/1/17 - 6/30/18	(10,293)				10,293						
On Behalf TPAF Pension	19-495-034-5094-001	3,048,394	7/1/18 - 6/30/19					3,048,394	(3,048,394)			-		
On Behalf TPAF Post Retirement Medical	19-495-034-5094-002	1,382,747	7/1/18 - 6/30/19					1,382,747	(1,382,747)			-		
On Behalf TPAF LTDI	19-495-034-5094-004	33,713	7/1/18 - 6/30/19					3,713	(3,713)			-		
Reimbursed TPAF Social Security Contributions	19-495-034-5094-003	1,235,878	7/1/18 - 6/30/19					1,174,506	(1,235,878)			(61,372)		
Reimbursed TPAF Social Security Contributions	18-495-034-5094-003	1,181,853	7/1/17 - 6/30/18	(4,372)				4,372				-		
<b>Total General Fund</b>				<b>(279,429)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,269,192</b>	<b>(7,463,175)</b>	<b>-</b>	<b>-</b>	<b>(473,412)</b>	<b>-</b>	<b>-</b>
<b>Special Revenue Fund</b>														
<b>N.J. Nonpublic Aid:</b>														
Textbook Aid	19-100-034-5120-064	23,442	7/1/18 - 6/30/19					23,442	(23,224)					218
Textbook Aid	18-100-034-5120-064	23,281	7/1/17 - 6/30/18				38				38			-
Nursing Aid	19-100-034-5120-070	42,777	7/1/18 - 6/30/19					42,777	(42,349)				414	428
Nursing Aid	18-100-034-5120-070	41,419	7/1/17 - 6/30/18				414				414			
Technology Aid	19-100-034-5120-373	15,804	7/1/18 - 6/30/19					15,804	(15,767)				18	37
Technology Aid	18-100-034-5120-373	15,725	7/1/17 - 6/30/18				18				18			
Security Aid	19-100-034-5120-509	66,150	7/1/18 - 6/30/19					66,150	(65,311)					839
<b>Auxiliary Services:</b>														
Compensatory Education	19-100-034-5120-067	137,056	7/1/18 - 6/30/19					137,056	(129,269)			10,104		7,787
Compensatory Education	18-100-034-5120-067	143,063	7/1/17 - 6/30/18				10,104							
ESL	19-100-034-5120-067	5,867	7/1/18 - 6/30/19					5,867	(3,451)				5,510	2,416
ESL	18-100-034-5120-067	6,865	7/1/17 - 6/30/18				5,510							
Transportation	19-100-034-5120-068	13,561	7/1/18 - 6/30/19					13,561	(6,585)				7,424	6,976
Transportation	18-100-034-5120-068	13,523	7/1/17 - 6/30/18				7,424							
Home Instruction	19-100-034-5120-067	3,372	7/1/18 - 6/30/19						(3,372)			(3,372)		
Home Instruction	18-100-034-5120-067	3,118	7/1/17 - 6/30/18	(3,118)				3,118						
<b>Handicapped Services:</b>														
Examination & Classification	19-100-034-5120-066	67,348	7/1/18 - 6/30/19					67,348	(51,877)					15,471
Examination & Classification	18-100-034-5120-066	56,791	7/1/17 - 6/30/18				5,643				5,643			
Corrective Speech	19-100-034-5120-066	46,872	7/1/18 - 6/30/19					46,872	(36,516)					10,356
Corrective Speech	18-100-034-5120-066	44,194	7/1/17 - 6/30/18				6,786				6,786			-
Supplemental Instruction	19-100-034-5120-066	52,414	7/1/18 - 6/30/19					52,414	(45,512)					6,902
Supplemental Instruction	18-100-034-5120-066	48,767	7/1/17 - 6/30/18				7,933				7,933			
<b>Total Special Revenue Fund</b>				<b>(3,118)</b>	<b>-</b>	<b>43,870</b>	<b>-</b>	<b>474,409</b>	<b>(423,233)</b>	<b>-</b>	<b>43,870</b>	<b>(3,372)</b>	<b>-</b>	<b>51,430</b>

(Continued)

**HADDONFIELD SCHOOL DISTRICT**  
**Schedule of Expenditures of State Financial Assistance**  
**for the Fiscal Year ended June 30, 2019**

State Grantor / Program Title	Grant or State Project Number	Program Award Amount	Grant Period	June 30, 2018			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years' Balances	June 30, 2019		
				Accounts Receivable	Deferred Revenue	Due to Grantor at						(Accounts Receivable)	Deferred Revenue	Due to Grantor at
<b>New Jersey Economic Development Authority</b>														
<u>Capital Projects Fund</u>														
Central Elementary School	SP#1900-060-10-1005	\$ 56,500	7/01/12 - 6/30/13	\$ (56,500)	\$ -	\$ -	\$ -	\$ 19,763	\$ 36,737	\$ -	\$ -	\$ -	\$ -	\$ -
Memorial High School	SP#1900-050-10-1004	110,600	3/21/11 - 6/30/12	(110,600)	-	-	-	92,763	17,837	-	-	-	-	-
Total Capital Projects Fund				(167,100)	-	-	-	112,526	54,574	-	-	-	-	-
<b>State Department of Education</b>														
<u>Debt Service Fund</u>														
Debt Service Aid Type II	19-495-034-5120-017	643,702	7/1/18 - 6/30/19	-	-	-	-	643,702	(643,702)	-	-	-	-	-
Total Debt Service Fund Fund				-	-	-	-	643,702	(643,702)	-	-	-	-	-
<b>State Department of Agriculture</b>														
<u>Enterprise Fund:</u>														
State School Lunch Program	19-100-010-3350-023	2,321	7/1/18 - 6/30/19	(122)	-	-	-	1,831	(2,320)	-	-	(489)	-	-
State School Lunch Program	18-100-010-3350-023	2,272	7/1/17 - 6/30/18	-	-	-	-	122	-	-	-	-	-	-
Total Enterprise Fund				(122)	-	-	-	1,953	(2,320)	-	-	(489)	-	-
Total State Financial Assistance				\$ (449,769)	\$ -	\$ 43,870	\$ -	\$ 8,501,782	\$ (8,477,856)	\$ -	\$ 43,870	\$ (477,273)	\$ -	\$ 51,430
Less: State Financial Assistance Not Subject to Major Program Determination														
On-Behalf TPAF Contribution - Pension (Non-Budgeted) (3,048,394)														
On-Behalf TPAF Contribution - Post-Retirement Medical (Non-Budgeted) (1,382,747)														
On-Behalf TPAF Contribution - LTDI (Non-Budgeted) (3,713)														
Total State Financial Assistance Subject to Major Program Determination <u>\$ (4,043,002)</u>														

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, 2019**

**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 Districts 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 (\$44,648) 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, 2019**  
**(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>
<b>General Fund</b>	\$ -	\$ 7,418,527	\$ 7,418,527
<b>Special Revenue Fund</b>	770,509	423,233	1,193,742
<b>Capital Projects Fund</b>		(54,574)	(54,574)
<b>Debt Service Fund</b>		643,702	643,702
<b>Food Service Fund</b>	<u>37,610</u>	<u>2,320</u>	<u>39,930</u>
<b>Total Awards &amp; Financial Assistance</b>	<u>\$ 808,119</u>	<u>\$ 8,433,208</u>	<u>\$ 9,241,327</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, 2019. 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, 2019.

**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, 2019

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>H027A180100</u>	<u>IDEA Part B Basic</u>
<u>84.173</u>	<u>H173A180114</u>	<u>IDEA Part B Preschool</u>
<u>          </u>	<u>          </u>	<u>          </u>
<u>          </u>	<u>          </u>	<u>          </u>
<u>          </u>	<u>          </u>	<u>          </u>
<u>          </u>	<u>          </u>	<u>          </u>
<u>          </u>	<u>          </u>	<u>          </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, 2019

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>19-495-034-5120-089</u>	<b>State Aid Public Cluster:</b> <u>Special Education Categorical Aid</u>
<u>19-495-034-5120-084</u>	<u>Security Aid</u>
<u>19-495-034-5120-085</u>	<u>Adjustment Aid</u>
<u>19-495-034-5120-096</u>	<u>Under Adequacy Aid</u>
<u>18-495-034-5094-003</u>	<u>Reimbursed TPAF Social Security Contributions</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

**HADDONFIELD SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**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 #2019-001**

**Criteria or specific requirement:**

Good internal control requires supporting documentation for cash all receipts.

**Condition:**

Community Education/Adult School cash receipts supporting documentation was not maintained.

**Context:**

Community Education/Adult School receipts tested did not have supporting documentation.

**Effect:**

The risk of misappropriation of funds is increased.

**Cause:**

Unknown.

**Recommendation:**

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

**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, 2019**

**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 #2018-001:**

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

**Current Status:**

Corrective action is being taken on this finding.

**Finding #2018-002:**

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

**Current Status:**

Corrective action has been taken on this finding.

**Finding #2018-003:**

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

**Current Status:**

Approvals for payment of instructors has been corrected. Corrective action has not been taken on cash receipts supporting documentation.

**Finding #2018-004:**

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

**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.