

**SCHOOL DISTRICT
OF**

HADDONFIELD



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

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2020**

**Comprehensive Annual
Financial Report**

of the

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

For the Fiscal Year Ended June 30, 2020

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

HADDONFIELD SCHOOL DISTRICT

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Introductory Section



HADDONFIELD BOARD OF EDUCATION

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Charles Klaus
Superintendent

Dr. Gino Priolo
Assistant Superintendent

Michael Catalano
*Business Administrator/
Board Secretary*

December 18, 2020

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, 2020, 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, Intervention Services, Character Education, Social/Emotional Learning, and Special Education Programs for students with disabilities. The District completed the 2019-2020 fiscal year with an average daily enrollment of 2,739 students, which is a decrease of 20 students from the previous year's enrollment.

Annual Financial Report

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

Average Daily Enrollment

<u>FiscalYear</u>	<u>StudentEnrollment</u>	<u>Percent Change</u>
2019-20	2,739	-0.7 %
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 %

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 homeowners. 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).

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 serve grades preschool 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.

- 97.6% percentage of Haddonfield Memorial High School Class of 2020 took SATs.
- Class of 2020 had a mean score of 1209 – Math 609, EWR-600
- Class of 2020 had 96% graduating seniors continue their education in college
- Class of 2020 attending four year college or university 93.8%

Recognition has come regularly to HMHS to its stellar academic achievement

- Niche.com ranked HMHS #9 in the state and #87 in the nation
- HMHS ranked #232 for STEM schools Nationally.
- In 2018 *US News and World Report* ranked Haddonfield Memorial High School 25th in the state and 597th in the nation
- *New Jersey Magazine* ranked HMHS as 6th in the state
- *South Jersey Magazine's* September 2016 issue ranked HMHS #1 in SAT scores, percent of students attending a 4-year college and graduation rate. HMHS was also ranked #2 in student-to-faculty ratio
- *Philadelphia Magazine* has cited HMHS as one of the finest schools in the Philadelphia Region on multiple occasions
- The *Courier Post* consistently ranks HMHS first overall in all of South Jersey in their annual Top 20 Varsity Sport Rankings
- 17-time winner of the ShopRite Cup, awarded to the school having the highest overall achievement among all Group II athletic programs in New Jersey. HMHS has won every year since the inception of the award
- Winner of the Colonial Conference All-Sports Award, given to the one school in the conference with the best win-loss record each year for all sports. HMHS has won this award every year since its inception 40 years ago.

- The HMHS Athletic Program was ranked #8 in the 2018-2019 MaxPreps Cup National rankings. HMHS was also ranked #8 during the 2017-2018 school year. HMHS was the only high school in New Jersey in the top 10.
- NPFH 2019 and 2020, Peer Bias Leaders implement equity and social justice lessons to full student body. These lessons address implicit bias, equity and stress the power of student voice.

Student enrollment is currently 2,637 students in total with an additional 17 Special Education students sent on a tuition basis to private and public school special education programs. The total number of enrolled students includes 11 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.

Innovative Instructional Practices

Haddonfield School District is committed to bringing our curriculum and instruction ahead of where our students will need to be when they graduate - with proactive and grass-roots collaboration that takes advantage of the constituency to which we belong - a constituency that is rich in intellectualism and cutting edge skills. We created a teacher leadership program that boasts representation from every grade level and subject area. This team works with the full administrative team to clarify needs and goals, such as to vet resources and information to help align our Math curriculum with the NJSLA's, in response to dropping scores. After creating strategic goals in 2019, a team of teachers, students, and administrators, created action steps to update our teaching and learning. For instance, our teachers pivoted to remote and hybrid learning with remarkable smoothness under the circumstances because every teacher became versed in Learning Management Systems we adopted (Google Classroom and Canvas) and they support communication with class websites. Teachers were trained in supporting Gifted and Talented students to support our emergent G/T curriculum. We adjusted our calendar to support regular data-analysis of district benchmarks to help teachers connect instruction more closely to learner's needs. After creating a curriculum review cycle, two committees were formed to modernize our Math and Social Studies curriculums. These committees are inclusive of teachers, parents, and administrators, from every school level as well as a team of high school student representatives. The committees are conducting action research, student and teacher focus groups and surveys, aspirational school visits, credentialed expert interviews, and expert coaching. The district is introducing Project Based Learning with teachers this year and will embark to examine our assessment practices, under the umbrella of our soon to be created "profile of a learner."

Cultural Responsiveness

The Haddonfield School District's goal is to adopt culturally responsive and sustaining practices throughout the district that are equitable, inclusive, radically transformative and deviate from western perspectives. The District has made a commitment to engage in work that will inspire learners to advance their understanding of our interconnectedness in order to engage meaningfully and respectfully with people of diverse identities, experiences, and points of view.

As a result of the District's work on cultural responsiveness an equity council was established in October 2020 composed of district administrators, teachers, parents, and board members. The members of the equity council meet once a month for two hours with our Partnerships for Educational Equity & Research (PEER) Facilitator Dr. Shelley Zion of Rowan University. Working with PEER, the equity council will participate in the design and delivery of professional development as well as establish a community base to help build and promote a culturally sustaining, trauma informed, restorative, student centered, equitable education environment that connects with and support all community members, families, and students.

Social Emotional Learning

Developing social and emotional learning in our staff and students remains a priority for the Haddonfield School District. In 2018, RULER (Recognizing, Understanding, Labeling, Expressing, and Regulating) was selected at the evidence based SEL framework to guide the district's effort. In October of 2019, district representatives were trained in the RULER framework at Yale University, and then developed the district's vision for program implementation, which include an initial focus on the development of emotional intelligence in district staff. A district leadership team provided SEL overviews over 3 sessions for all district faculty and staff. A 3-member RULER Implementation teams were assembled for each of the district's 5 schools. These teams completed a 6-week online training course on the RULER Framework. This established the required school-based training teams to turn-key RULER training to the faculty and staff in each of our schools.

Each school-based RULER Implementation Team provided 2 faculty/staff professional development sessions on two of the four RULER Tools of Emotional Intelligence, and district staff completed 4-hours on online RULER training in the fall of 2020. The RULER curriculum was formally introduced to students in February 2021.

A partnership with Temple University's Child and Adolescent Anxiety Disorders Clinic (CAAD) was established to provide a variety of mental health services to the district, including staff consultation, direct student services, and workshops for parents.

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, 2020.

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,

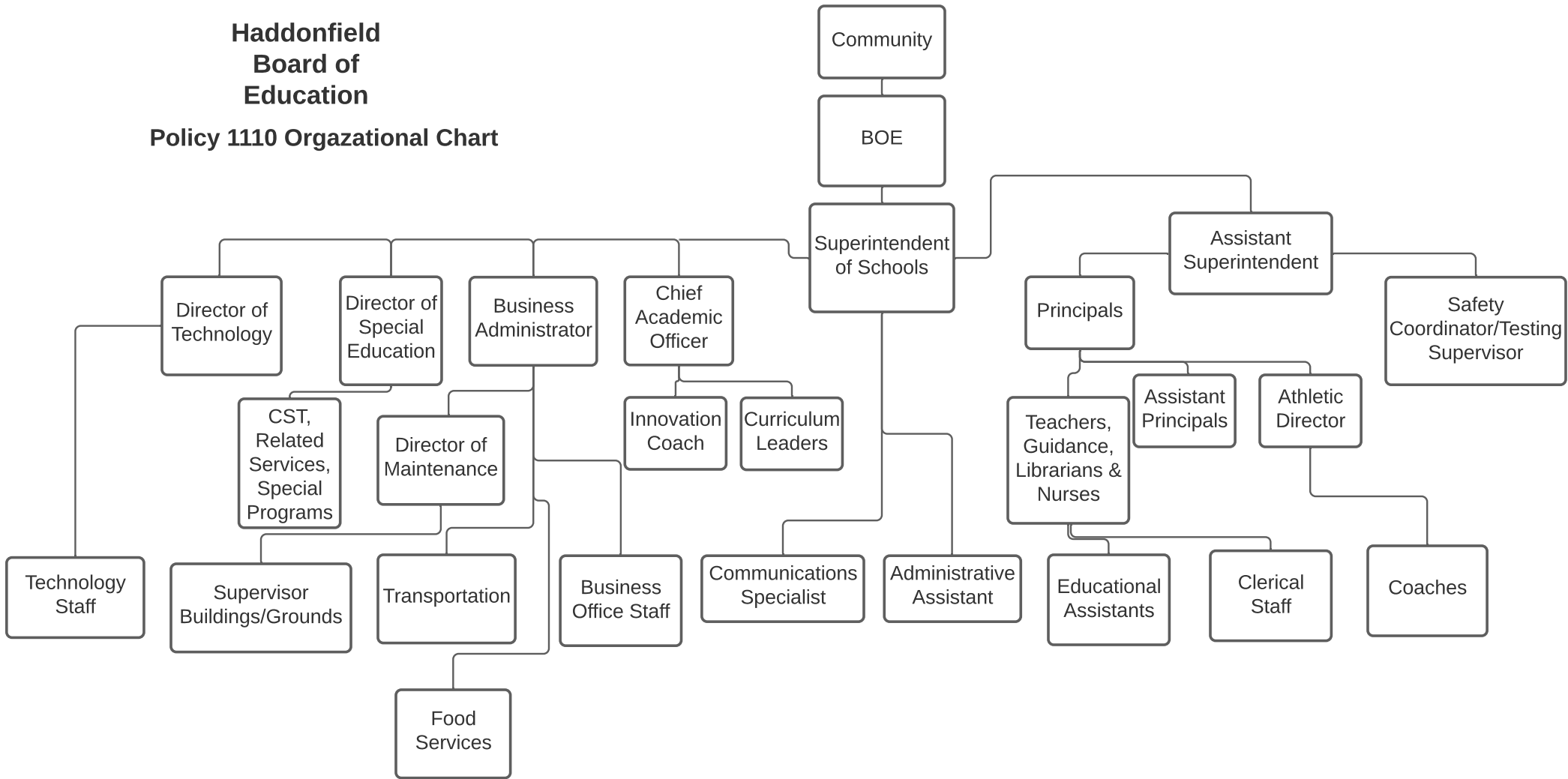

Charles Klaus
Superintendent


Dr. Gino Priolo
Assistant Superintendent


Michael Catalano
Business Administrator/Board Secretary

**Haddonfield
Board of
Education**

Policy 1110 Orgazational Chart



**HADDONFIELD BOARD OF EDUCATION
HADDONFIELD, NEW JERSEY
ROSTER OF OFFICIALS
JUNE 30, 2020**

	<u>TERM EXPIRES</u>
Adam Sangillo, President	2021
David Siedell, Vice President	2022
R. Justin Benford	2021
Jaime Grookett	2022
Lynn Hoag	2020
Linda Hochgertel	2022
Susan Kutner	2021
Heather Paoli	2020
Thomas Vecchio	2020

OTHER OFFICIALS

Dr. Lawrence Mussoline	Superintendent
Charles Klaus	Assistant Superintendent
Dr. Brian Falkowski	Interim Business Administrator
Michael Catalano	Board Secretary/Assistant Business Administrator
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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Marlton, New Jersey 08053
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-Member of-
American Institute of CPAs
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, 2020, 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, 2020, 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, and statistical section 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 December 18, 2020 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
December 18, 2020

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, 2020**

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, 2020. 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 \$11,832,581 (*net position*).
- Governmental activities have an unrestricted net position deficit of \$8,328,141. 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 \$2,665,944, or a 29.08% 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 increased by \$1,446,515 resulting in an ending fund balance of \$8,260,033. This increase is largely due to the results of operations in the general fund.
- Business-type activities have unrestricted net position of \$30,852 which may be used to meet the School District's ongoing obligations of the food service operations.
- The School District's long-term obligations decreased by \$2,867,095 which is the result of a decrease in serial bonds and net pension liability and an increase in compensated absences.

Overview of the Basic Financial Statements

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

District-wide Financial Statements

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

The *statement of net position* presents information about all of the School District's assets and liabilities. The difference between the assets and liabilities is reported as net position. Over time, changes in net

position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

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

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

Fund Financial Statements

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

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

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

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

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

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

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

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

Notes to the Basic Financial Statements

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

Other Information

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

District-wide Financial Analysis

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

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

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2021. 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 2021.

The assets of the primary government activities exceeded liabilities by \$11,779,884 with an unrestricted deficit balance of \$8,328,141. The net position of the primary government does not include internal balances.

A net investment of \$12,553,282 in land, improvements, buildings, equipment and vehicles which provide the services to the School District's 2,703 public school students, represents 106.57% of the School District's net position. Net position of \$4,073,391 has been restricted to provide resources for future capital expansion and renovation projects, \$1,770,282 for maintenance projects, \$1,672,137 has been restricted for budget appropriation and \$38,933 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, 2020 and 2019**

	Governmental Activities		Business-Type Activities		District-Wide	
	2020	2019	2020	2019	2020	2019
Assets:						
Current assets	\$ 8,630,016	\$ 7,163,707	\$ 98,753	\$ 337,612	\$ 8,728,769	\$ 7,501,319
Capital assets	<u>53,717,277</u>	<u>55,192,659</u>	<u>21,845</u>	<u>9,169</u>	<u>53,739,122</u>	<u>55,201,828</u>
Total assets	<u>62,347,293</u>	<u>62,356,366</u>	<u>120,598</u>	<u>346,781</u>	<u>62,467,891</u>	<u>62,703,147</u>
Deferred Outflows of Resources	<u>1,399,144</u>	<u>1,600,064</u>			<u>1,399,144</u>	<u>1,600,064</u>
Liabilities:						
Current Liabilities	3,880,166	3,766,981	67,901	207,768	3,948,067	3,974,749
Noncurrent Liabilities	<u>45,529,667</u>	<u>48,456,354</u>			<u>45,529,667</u>	<u>48,456,354</u>
Total liabilities	<u>49,409,833</u>	<u>52,223,335</u>	<u>67,901</u>	<u>207,768</u>	<u>49,477,734</u>	<u>52,431,103</u>
Deferred Inflows of Resources	<u>2,556,720</u>	<u>2,705,471</u>			<u>2,556,720</u>	<u>2,705,471</u>
Net position	<u>\$ 11,779,884</u>	<u>\$ 9,027,624</u>	<u>\$ 52,697</u>	<u>\$ 139,013</u>	<u>\$ 11,832,581</u>	<u>\$ 9,166,637</u>
Net position consists of:						
Net investment in						
Capital assets	\$ 12,553,282	\$ 11,388,167	\$ 21,845	\$ 9,169	\$ 12,575,127	\$ 11,397,336
Restricted net position	7,554,743	6,102,624			7,554,743	6,102,624
Unrestricted net position	<u>(8,328,141)</u>	<u>(8,463,167)</u>	<u>30,852</u>	<u>129,844</u>	<u>(8,297,289)</u>	<u>(8,333,323)</u>
Net position	<u>\$ 11,779,884</u>	<u>\$ 9,027,624</u>	<u>\$ 52,697</u>	<u>\$ 139,013</u>	<u>\$ 11,832,581</u>	<u>\$ 9,166,637</u>

Haddonfield School District
Comparative Schedule of Changes in Net Position
As of and for the Fiscal Year Ended June 30, 2020 and 2019

	Governmental Activities		Business-Type Activities		District-Wide	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues						
Charges for services	\$	\$	\$ 480,083	\$ 756,109	\$ 480,083	\$ 756,109
Operating grants and Contributions	13,879,016	15,486,781	42,035	39,930	13,921,051	15,526,711
General Revenues:						
Property Taxes	39,716,004	38,449,274			39,716,004	38,449,274
Unrestricted State Aid	2,583,813	2,275,309			2,583,813	2,275,309
Tuition	274,835	240,194			274,835	240,194
Other Revenues	320,135	360,729	2,202	3,377	322,337	364,106
Total Revenues	56,773,803	56,812,287	524,320	799,416	57,298,123	57,611,703
Expenses:						
Governmental Activities:						
Instruction	20,025,385	18,917,764			20,025,385	18,917,764
Tuition	590,303	583,585			590,303	583,585
Related Services	5,245,822	5,248,289			5,245,822	5,248,289
Administrative Services	3,094,071	3,133,162			3,094,071	3,133,162
Central Services	573,893	572,706			573,893	572,706
Operations and Maintenance	4,501,881	4,028,611			4,501,881	4,028,611
Transportation	454,038	548,607			454,038	548,607
Special Schools	-	65,291			-	65,291
Employee benefits	18,411,161	19,709,942			18,411,161	19,709,942
Interest on long-term Debt	1,036,062	1,107,655			1,036,062	1,107,655
Other	88,927	56,738			88,927	56,738
Business-Type Activities:						
Food Service Operations			547,162	652,980	547,162	652,980
Community Education			-	85,629	-	85,629
Total Expenses	54,021,543	53,972,350	547,162	738,609	54,568,705	54,710,959
Increase in net position						
Before transfers	2,752,260	2,839,937	(22,842)	60,807	2,729,418	2,900,744
Operating transfer out			(63,474)		(63,474)	
Changes in net position	2,752,260	2,839,937	(86,316)	60,807	2,665,944	2,900,744
Net position, July 1,	9,027,624	6,187,687	139,013	78,206	9,166,637	6,265,893
Net position, June 30,	\$ 11,779,884	\$ 9,027,624	\$ 52,697	\$ 139,013	\$ 11,832,581	\$ 9,166,637

Governmental Activities

Governmental activities increased the net position of the School District by \$2,752,260 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 \$289,828 during the current fiscal year.
- Depreciation expense reduced net position by \$1,778,533
- Repayment of bond principle increased the net position of the School District by \$2,586,000.

Business-type Activities

Business-type activities decreased the School District's net position by \$86,316. Key elements of the increase in net position for governmental activities are as follows:

- The Food Service Fund had a net loss of \$22,842 and the Community Education Program was separated from the District with a transfer out of \$63,474.

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 \$8,260,033, an increase of \$1,446,515 in comparison with the prior year. This increase is primarily attributable to the results of operations in the general fund and capital projects fund.

The unassigned fund balance for the School District at the end of the fiscal year includes a combination of unassigned fund balance for the General Fund of \$705,290. 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 \$4,073,391, 2) as restricted for future maintenance projects of \$1,770,282, 3) \$1,119,157 appropriated as a revenue source for the subsequent year's budget, and 4) \$591,913 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

At the end of the current fiscal year, unreserved fund balance (budgetary basis) of the general fund was \$852,042 while total fund balance (budgetary basis) was \$8,367,852. 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 \$42,916,125. Unreserved fund balance (budgetary basis) represents 1.99% of expenditures while total fund balance (budgetary basis) represents 19.50% 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, 2020, totaled \$53,739,122 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, and equipment. The net decrease in the District's investment in capital assets for the current fiscal year was \$1,462,706 or a 2.65% decrease. The decrease is due to depreciation.

Capital Asset (net of accumulated depreciation) June 30, 2020 and 2019

	Governmental Activities		Business-Type Activities		District-Wide	
	2020	2019	2020	2019	2020	2019
Land	\$ 1,898,592	\$ 1,898,592	\$ -	\$ -	\$ 1,898,592	\$ 1,898,592
Construction in Progress	-	25,142,956			-	25,142,956
Buildings and Building Improvements	51,341,507	27,631,290			51,341,507	27,631,290
Equipment	477,178	519,821	21,845	9,169	499,023	528,990
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 53,717,277</u>	<u>\$ 55,192,659</u>	<u>\$ 21,845</u>	<u>\$ 9,169</u>	<u>\$ 53,739,122</u>	<u>\$ 55,201,828</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, 2020, the School District had \$41,163,995 in serial bonds payable, \$1,250,549 in compensated absences and \$5,870,969 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 \$93,430,474. The available amount as of June 30, 2020 is \$52,374,474.

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 2020-21 fiscal year.

- For the 2020-21 fiscal year the School District will not be receiving an increase in state aid. The local tax levy in the General Fund increased by \$734,747 or 2.00%. Salaries continue to increase contractually; however, the District has managed to control costs. The 2020-21 General Fund Budget is \$3,308,953 more than the previous year or a 8.23% increase.
- The tax rate increased from \$1.737 in 2019 to \$1.748 in 2020.

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, 2020

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS:			
Cash and cash equivalents	\$ 2,075,582	\$ 153,137	\$ 2,228,719
Receivables, net	628,566	2,808	631,374
Internal balances	82,195	(82,195)	-
Inventory		25,003	25,003
Restricted assets:			
Capital reserve account - cash	4,073,391	-	4,073,391
Maintenance reserve account - cash	1,770,282	-	1,770,282
Capital assets, net (Note 5)	53,717,277	21,845	53,739,122
Total assets	<u>62,347,293</u>	<u>120,598</u>	<u>62,467,891</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows of resources from pensions	<u>1,399,144</u>	<u>-</u>	<u>1,399,144</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:	<u>63,746,437</u>	<u>120,598</u>	<u>63,867,035</u>
LIABILITIES:			
Accounts payable			
Related to pensions	379,789	-	379,789
Other	216,500	-	216,500
Payable to state government	103,989	-	103,989
Unearned revenue	49,494	67,901	117,395
Accrued interest	374,548	-	374,548
Noncurrent liabilities:			
Due within one year	2,755,846	-	2,755,846
Due beyond one year	45,529,667	-	45,529,667
Total liabilities	<u>49,409,833</u>	<u>67,901</u>	<u>49,477,734</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflows of resources from pensions	<u>2,556,720</u>	<u>-</u>	<u>2,556,720</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:	<u>2,556,720</u>	<u>67,901</u>	<u>52,034,454</u>
NET POSITION:			
Net investment in capital assets	12,553,282	21,845	12,575,127
Restricted for:			
Debt Service Fund	38,933	-	38,933
Capital Projects	4,073,391	-	4,073,391
Other Purposes	3,442,419	-	3,442,419
Unrestricted	(8,328,141)	30,852	(8,297,289)
Total net position	<u>\$ 11,779,884</u>	<u>\$ 52,697</u>	<u>\$ 11,832,581</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, 2020

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	\$ 15,001,834	\$ 274,835	\$ 502,527	\$ (14,224,472)	\$ -	\$ (14,224,472)
Special education	3,844,395		492,972	(3,351,423)		(3,351,423)
Other instruction	1,179,156			(1,179,156)		(1,179,156)
Support Services:						
Tuition	590,303			(590,303)		(590,303)
Student & instruction related services	5,245,822		190,371	(5,055,451)		(5,055,451)
General administrative services	1,211,936			(1,211,936)		(1,211,936)
School administrative services	1,882,135			(1,882,135)		(1,882,135)
Central services	573,893			(573,893)		(573,893)
Plant operations and maintenance	4,501,881			(4,501,881)		(4,501,881)
Pupil transportation	454,038			(454,038)		(454,038)
Unallocated employee benefits	18,411,161		12,693,146	(5,718,015)		(5,718,015)
Interest on long-term debt	1,036,062			(1,036,062)		(1,036,062)
Unallocated depreciation and amortization	88,927			(88,927)		(88,927)
Total governmental activities	<u>54,021,543</u>	<u>274,835</u>	<u>13,879,016</u>	<u>(39,867,692)</u>		<u>(39,867,692)</u>
Business-type activities:						
Food service	547,162	480,083	42,035		(25,044)	(25,044)
Total business-type activities	<u>547,162</u>	<u>480,083</u>	<u>42,035</u>		<u>(25,044)</u>	<u>(25,044)</u>
Total primary government	<u>\$ 54,568,705</u>	<u>\$ 754,918</u>	<u>\$ 13,921,051</u>	<u>(39,867,692)</u>	<u>(25,044)</u>	<u>(39,892,736)</u>
General revenues:						
Taxes:						
Property taxes, levied for general purposes, net				36,737,325	-	36,737,325
Taxes levied for debt service				2,978,679	-	2,978,679
Federal and State aid not restricted				2,583,813	-	2,583,813
Investment earnings				31,432	2,202	33,634
Miscellaneous income				288,703		288,703
Operating transfer out				-	(63,474)	(63,474)
Total general revenues, special items, extraordinary items and transfers				<u>42,619,952</u>	<u>(61,272)</u>	<u>42,558,680</u>
Change in Net Position				2,752,260	(86,316)	2,665,944
Net Position--July 1				9,027,624	139,013	9,166,637
Net Position--June 30				<u>\$ 11,779,884</u>	<u>\$ 52,697</u>	<u>\$ 11,832,581</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, 2020

ASSETS	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 2,036,649	\$ -	\$ -	\$ 38,933	\$ 2,075,582
Receivables, net	368,541	259,529	-	-	628,070
Interfund receivables, net	236,279	-	-	-	236,279
Restricted cash and cash equivalents	5,843,673	-	-	-	5,843,673
Total assets	<u>\$ 8,485,142</u>	<u>\$ 259,529</u>	<u>\$ -</u>	<u>\$ 38,933</u>	<u>\$ 8,783,604</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 216,500	\$ -	\$ -	\$ -	\$ 216,500
Interfund payable	3,867	149,721	-	-	153,588
Intergovernmental payable:					
State	-	103,989	-	-	103,989
Unearned revenues	43,675	5,819	-	-	49,494
Total liabilities	<u>264,042</u>	<u>259,529</u>	<u>-</u>	<u>-</u>	<u>523,571</u>
Fund Balances:					
Restricted for:					
Excess surplus	591,913	-	-	-	591,913
Capital reserve account	4,073,391	-	-	-	4,073,391
Maintenance reserve account	1,770,282	-	-	-	1,770,282
Excess surplus designated for subsequent year's expenditures	687,434	-	-	-	687,434
Assigned to:					
Other purposes	356,944	-	-	-	356,944
Unreserved - designated for subsequent year's expenditures	35,846	-	-	38,933	74,779
Unassigned	705,290	-	-	-	705,290
Total fund balances	<u>8,221,100</u>	<u>-</u>	<u>-</u>	<u>38,933</u>	<u>8,260,033</u>
Total liabilities and fund balances	<u>\$ 8,485,142</u>	<u>\$ 259,529</u>	<u>\$ -</u>	<u>\$ 38,933</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$79,595,207 and the accumulated depreciation is \$25,877,930.	53,717,277
Accrued interest is not due and payable in the current period and therefore is not reported as a liability in the funds.	(374,548)
Accounts payable related to the April 1, 2021 required PERS contribution that is not to be liquidated with current financial resources.	(379,789)
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	\$ 1,399,144
Net Pension Liability	(5,870,969)
Deferred Inflows of resources from Pensions	<u>(2,556,720)</u>
	(7,028,545)
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	(41,163,995)
Compensated Absences Payable	<u>(1,250,549)</u>
	(42,414,544)
Net position of governmental activities	<u>\$ 11,779,884</u>

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

HADDONFIELD SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
for the Fiscal Year Ended June 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local sources:					
Local tax levy	\$ 36,737,325	\$ -	\$ -	\$ 2,978,679	\$ 39,716,004
Tuition charges	274,835				274,835
Maintenance reserve interest	5,399				5,399
Capital reserve interest	26,033				26,033
Miscellaneous	288,703				288,703
Total revenues-local sources	37,332,295	-	-	2,978,679	40,310,974
Local sources		24,851			24,851
State sources	7,906,015	397,918		638,002	8,941,935
Federal sources		801,114			801,114
Total revenues	45,238,310	1,223,883	-	3,616,681	50,078,874
EXPENDITURES:					
Current expense:					
Regular instruction	13,191,104	502,527			13,693,631
Special education instruction	3,351,423	492,972			3,844,395
Other instruction	1,179,156				1,179,156
Support services and undistributed costs:					
Tuition	590,303				590,303
Student & instruction related services	5,055,451	190,371			5,245,822
General administrative services	1,211,936				1,211,936
School administrative services	1,704,282				1,704,282
Central services	573,893				573,893
Plant operations and maintenance	3,634,445				3,634,445
Pupil transportation	454,038				454,038
Unallocated employee benefits	11,854,471	38,013			11,892,484
Special schools	-				-
Capital outlay	640,051		263,756		903,807
Debt service:					
Principal				2,586,000	2,586,000
Interest and other charges				1,118,167	1,118,167
Total expenditures	43,440,553	1,223,883	263,756	3,704,167	48,632,359
Excess (deficiency) of revenues over (under) expenditures	1,797,757	-	(263,756)	(87,486)	1,446,515
Other Financing Sources (Uses):					
Operating transfer in	81,157		605,585		686,742
Operating transfer out	(605,585)		(81,157)		(686,742)
Total other financing sources (uses)	(524,428)	-	524,428	-	-
Net change in fund balance	1,273,329	-	260,672	(87,486)	1,446,515
Fund balances, July 1	6,947,771		(260,672)	126,419	6,813,518
Fund balances, June 30	\$ 8,221,100	\$ -	\$ -	\$ 38,933	\$ 8,260,033

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, 2020

Total net change in fund balances - governmental funds (from B-2)	\$	1,446,515
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
<p style="margin-left: 40px;">Capital outlays are reported in the governmental funds as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.</p>		
Depreciation expense	\$ (1,778,533)	
Capital outlay	<u>303,151</u>	(1,475,382)
<p style="margin-left: 40px;">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.</p>		
		2,586,000
<p style="margin-left: 40px;">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.</p>		
		54,497
<p style="margin-left: 40px;">Net differences between pension system contributions recognized in the fund statement of revenues, expenditures and changes in fund balances and the statement of activities.</p>		
		176,252
<p style="margin-left: 40px;">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.</p>		
		27,608
<p style="margin-left: 40px;">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:</p>		
Compensated absences		<u>(63,230)</u>
Change in net position of governmental activities	\$	<u><u>2,752,260</u></u>

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

HADDONFIELD SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2020

	Business-type Activities Enterprise Funds		<u>Total</u>
	<u>Food Service Program</u>	<u>Community Education</u>	
	ASSETS:		
Current assets:			
Cash and cash equivalents	\$ 153,137	\$ -	\$ 153,137
Accounts receivable	2,808	-	2,808
Inventories	25,003	-	25,003
	<u>180,948</u>	<u>-</u>	<u>180,948</u>
Total current assets			
Noncurrent assets:			
Equipment	289,095	-	289,095
Less accumulated depreciation	(267,250)	-	(267,250)
	<u>21,845</u>	<u>-</u>	<u>21,845</u>
Total noncurrent assets			
Total assets	<u>202,793</u>	<u>-</u>	<u>202,793</u>
 LIABILITIES			
Current liabilities:			
Interfund payable	82,195	-	82,195
Unearned revenue	67,901	-	67,901
	<u>150,096</u>	<u>-</u>	<u>150,096</u>
Total liabilities			
 NET POSITION			
Net investment in capital assets related debt	21,845	-	21,845
Unrestricted	30,852	-	30,852
	<u>52,697</u>	<u>-</u>	<u>52,697</u>
Total net position	<u>\$ 52,697</u>	<u>\$ -</u>	<u>\$ 52,697</u>

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

HADDONFIELD SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
for the Fiscal Year Ended June 30, 2020

	Business-type Activities		Total
	Food Service Program	Community Education	
Operating revenues:			
Charges for services:			
Daily sales-reimbursable programs	\$ 194,231	\$ -	\$ 194,231
Daily sales-non-reimbursable programs	285,852	-	285,852
Total operating revenue	<u>480,083</u>	<u>-</u>	<u>480,083</u>
Operating expenses:			
Salaries	192,913	-	192,913
Employee benefits	19,355	-	19,355
Supplies and materials	22,867	-	22,867
Depreciation	2,116	-	2,116
Management Fee	41,400	-	41,400
Direct expenses	16,428	-	16,428
Cost of sales - reimbursable programs	108,483	-	108,483
Cost of sales - nonreimbursable programs	143,600	-	143,600
Total operating expenses	<u>547,162</u>	<u>-</u>	<u>547,162</u>
Operating income (loss)	<u>(67,079)</u>	<u>-</u>	<u>(67,079)</u>
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	2,244	-	2,244
Federal sources:			
National school lunch program	19,475	-	19,475
U.S.D.A. commodities	20,316	-	20,316
Local sources:			
Interest revenue	2,202	-	2,202
Total nonoperating revenues (expenses)	<u>44,237</u>	<u>-</u>	<u>44,237</u>
Net income (loss) before contributions and transfers	<u>(22,842)</u>	<u>-</u>	<u>(22,842)</u>
Operating Transfer Out	-	(63,474)	(63,474)
Change in net position	<u>(22,842)</u>	<u>(63,474)</u>	<u>(86,316)</u>
Total net position- July 1	<u>75,539</u>	<u>63,474</u>	<u>139,013</u>
Total net position- June 30	<u>\$ 52,697</u>	<u>\$ -</u>	<u>\$ 52,697</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, 2020

	Business-type Activities		
	Enterprise Funds		
	<u>Food Service Program</u>	<u>Community Education</u>	<u>Total</u>
Cash flows from operating activities:			
Receipts from customers	\$ 509,380	\$ -	\$ 509,380
Payments to employees	(212,268)	-	(212,268)
Payments to suppliers	(491,375)	-	(491,375)
Net cash used for operating activities	<u>(194,263)</u>	<u>-</u>	<u>(194,263)</u>
Cash flows from noncapital financing activities:			
Operating transfer out	-	(63,474)	(63,474)
Interfund activity	1,522	-	1,522
State sources	2,113	-	2,113
Federal sources	22,503	-	22,503
Net cash provided by non-capital financing activities	<u>26,138</u>	<u>(63,474)</u>	<u>(37,336)</u>
Cash flows from capital activities:			
Purchases of fixed assets	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:			
Interest and dividends	2,202	-	2,202
Net cash provided by investing activities	<u>2,202</u>	<u>-</u>	<u>2,202</u>
Net increase in cash and cash equivalents	(165,923)	(63,474)	(229,397)
Balances - beginning of year	319,060	63,474	382,534
Balances - end of year	<u>\$ 153,137</u>	<u>\$ -</u>	<u>\$ 153,137</u>
Reconciliation of operating loss to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (67,079)	\$ -	\$ (67,079)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	2,116	-	2,116
Federal commodities	20,316	-	20,316
(Increase) decrease in inventories	(12,395)	-	(12,395)
(Increase) decrease in accounts receivable	2,646	-	2,646
Increase (decrease) in accounts payable	(166,518)	-	(166,518)
Increase (decrease) in unearned revenue	26,651	-	26,651
Total adjustments	<u>(127,184)</u>	<u>-</u>	<u>(127,184)</u>
Net cash provided by (used for) operating activities	<u>\$ (194,263)</u>	<u>\$ -</u>	<u>\$ (194,263)</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, 2020

	Flexible Benefits Account	Unemployment Compensation Insurance Trust	Agency Fund
ASSETS:			
Cash and cash equivalents	\$ 114,421	\$ 410,154	\$ 612,414
Interfund receivable	-	-	3,867
Total assets	114,421	410,154	616,281
 LIABILITIES:			
Accounts payable	32,032	26,143	-
Payroll deductions and withholdings	-	-	175,944
Interfund payable	-	-	4,363
Due to student groups	-	-	435,974
Total liabilities	32,032	26,143	\$ 616,281
 NET POSITION:			
Held in trust for flexible benefits	\$ 82,389		
Held in trust for unemployment claims and other purposes		\$ 384,011	

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, 2020

	Flexible Benefits Account	Unemployment Compensation Insurance Trust
ADDITIONS:		
Contributions:		
Board contributions	\$ 114,700	\$ -
Employee contributions	87,460	36,639
Total Contributions	202,160	36,639
Investment earnings:		
Interest	800	2,609
Net investment earnings	800	2,609
Total additions	202,960	39,248
DEDUCTIONS:		
Unemployment claims	-	71,554
Flex benefit payments	169,936	-
Total deductions	169,936	71,554
Change in net position	33,024	(32,306)
Net position - July 1	49,365	416,317
Net position - June 30	\$ 82,389	\$ 384,011

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, 2020

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, 2020 of 2,703 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, 2020

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, 2020

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, 2020

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, 2020

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, 2020 and 2019 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, 2020

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, 2020.

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, 2020

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, 2020

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, 2020.

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, 2020

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, 2019. Management is currently evaluating the impact of the adoption of this Statement on the District’s financial statements.

In June 2017, the GASB issued Statement 87, *Leases*. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management is currently evaluating the impact of the adoption of this Statement on the District’s financial statements.

In June 2018, the GASB issued Statement 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management is currently evaluating the impact of the adoption of this Statement on the District’s financial statements.

In May 2019, the GASB issued Statement No. 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. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. This Statement should have no impact on the District’s financial statements.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objectives of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for reporting periods beginning after December 15, 2022. This Statement should have no impact on the District’s financial statements.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosure regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. Management is currently evaluating the impact of the adoption of this Statement on the District’s financial statements.

Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

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 \$10,418,969 as of June 30, 2020, \$250,000 was insured under FDIC and the remaining balance of \$10,168,969 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, 2019 to June 30, 2020 fiscal year is as follows:

Balance – July 1, 2019	\$	3,958,829
Increased by:		
Transfer by Board Resolution	\$ 278,000	
Transfer from Capital Projects	81,157	
Interest Earned	<u>26,033</u>	<u>385,190</u>
		4,344,019
Decreased by:		
Budgeted Withdrawal		<u>270,628</u>
Balance – June 30, 2020	\$	<u><u>4,073,391</u></u>

The June 30, 2020 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, 2020 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, 2020

4. ACCOUNTS RECEIVABLES (Continued)

Accounts receivable at June 30, 2020 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	\$ 341,034	\$ -	\$ 47,273	\$ 619	\$ 388,926
Federal Aid			212,256	1,931	214,187
Other	<u>27,507</u>			<u>258</u>	<u>27,765</u>
Total Accounts Receivable	<u>\$ 368,541</u>	<u>\$ -</u>	<u>\$ 259,529</u>	<u>\$ 2,808</u>	<u>\$ 630,878</u>

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2020, was as follows:

	<u>Balance June 30, 2019</u>	<u>Additions/ Adjustments</u>	<u>Disposals</u>	<u>Balance June 30, 2020</u>
Governmental Activities:				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 1,898,592	\$ -	\$ -	\$ 1,898,592
Construction in progress	<u>25,142,956</u>	<u>(25,142,956)</u>		<u>-</u>
Total capital assets, not being Depreciated	<u>27,041,548</u>	<u>(25,142,956)</u>	<u>-</u>	<u>1,898,592</u>
<i>Capital Assets, being depreciated:</i>				
Site Improvements	1,457,625	261,965		1,719,590
Building and Building Improvements	45,921,912	25,142,956		71,064,868
Equipment	<u>4,939,622</u>	<u>41,186</u>	<u>68,651</u>	<u>4,912,157</u>
Totals at historical cost	<u>52,319,159</u>	<u>25,446,107</u>	<u>68,651</u>	<u>77,696,615</u>
<i>Less Accumulated Depreciation:</i>				
Site Improvements	(819,789)	(69,183)		(888,972)
Building and Building Improvements	(18,928,458)	(1,625,521)		(20,553,979)
Equipment	<u>(4,419,801)</u>	<u>(83,829)</u>	<u>(68,651)</u>	<u>(4,434,979)</u>
Totals accumulated depreciation	<u>(24,168,048)</u>	<u>(1,778,533)</u>	<u>(68,651)</u>	<u>(25,877,930)</u>
Total Capital Assets, being depreciated, net	<u>28,151,111</u>	<u>23,667,574</u>	<u>-</u>	<u>51,818,685</u>
Governmental Activities Capital Assets, Net	<u>\$ 55,192,659</u>	<u>\$ (1,475,382)</u>	<u>\$ -</u>	<u>\$ 53,717,277</u>
<u>Business-Type Activities:</u>				
<i>Capital Assets, being depreciated:</i>				
Equipment	\$ 274,303	\$ 14,792	\$ -	\$ 289,095
Less accumulated depreciation	<u>(265,134)</u>	<u>(2,116)</u>		<u>(267,250)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 9,169</u>	<u>\$ 12,676</u>	<u>\$ -</u>	<u>\$ 21,845</u>

Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

5. CAPITAL ASSETS (Continued)

Depreciation expense in the amount of \$1,778,533 was charged to governmental functions as follows:

Function	Amount
Regular Instruction	\$ 1,244,973
Plant Operations and Maintenance	266,780
Administration	177,853
Unallocated	88,927
Total depreciation expense	\$ 1,778,533

6. INVENTORY

Inventory in the Food Service Fund at June 30, 2020 consisted of the following:

Food	\$ 17,281
Supplies	7,722
	\$ 25,003

7. LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2020, the following changes occurred in long-term obligations:

<u>Governmental Activities:</u>	<u>Principal Outstanding July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2020</u>	<u>Amounts Due Within One Year</u>
Other Liabilities:					
Compensated Absences	\$ 1,187,319	\$ 146,074	\$ 82,844	\$ 1,250,549	\$ 46,349
Net Pension Liability	6,160,797		289,828	5,870,969	
Total	7,348,116	146,074	372,672	7,121,518	46,349
General Obligation Bonds					
Principal	43,641,000		2,586,000	41,055,000	2,655,000
Unamortized Premiums	163,492		54,497	108,995	54,497
Total	43,804,492	-	2,640,497	41,163,995	2,709,497
Total Governmental Activity	\$ 51,152,608	\$ 146,074	\$ 3,013,169	\$ 48,285,513	\$ 2,755,846

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 \$5,985,000 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 \$2,145,000 due in annual installments through August 1, 2021 bearing interest rates ranging from 3.50% - 4.00%.

2016 School Bonds dated September 14, 2016 in the amount of \$32,925,000 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, 2020

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>
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	2,965,000	718,150	3,683,150
2026-2030	11,000,000	2,624,125	13,624,125
2031-2035	11,360,000	1,429,050	12,789,050
2036-2037	<u>4,640,000</u>	<u>139,200</u>	<u>4,779,200</u>
	<u>\$ 41,055,000</u>	<u>\$ 8,626,412</u>	<u>\$ 49,681,412</u>

As of June 30, 2020, 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, 2020, the District had operating lease agreements in effect for the following:

Copiers and Printers

Total operating lease payments made during the year ended June 30, 2020 was \$89,518. Future minimum lease payments are as follows:

<u>Year Ended</u>	<u>Amount</u>
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>\$ 276,482</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, 2020

9. PENSION PLANS (Continued)

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

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 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

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

Contributions - The contribution requirements of plan members are determined by N.J.S.A.18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the member contribution rate was 7.50% in State fiscal year 2020. 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, 2020 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2019, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2020 was \$3,052,515 and was paid by April 1, 2020. School District employee contributions to the pension plan during the fiscal year ended June 30, 2020 were \$1,342,134.

Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

9. PENSION PLANS (Continued)

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

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, 2020, 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, 2020, the School District recognized pension expense of \$5,495,539 and revenue of \$5,495,539 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>06/30/19</u>	<u>06/30/18</u>
Collective deferred outflows of resources	\$ 9,932,767,606	\$ 12,473,998,870
Collective deferred inflows of resources	17,539,845,423	16,180,773,643
Collective net pension liability (Non-Employer – State of New Jersey)	61,519,112,443	63,617,852,031
State's portion of the net pension liability that was associated with the School District	93,172,085	99,565,515
State's portion of the net pension liability that was associated with the School District as a percentage of the collective net pension liability	.1518179109%	.1565056224%

Actuarial assumptions – The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019.

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

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55- 4.45%
	based on years of service
Thereafter	2.75 – 5.65%
	based on years of service
Investment Rate of Return:	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality tables with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis.

Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

9. PENSION PLANS (Continued)

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

Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

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, 2019) 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, 2019 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	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
US Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
	<u>100.00%</u>	

Discount rate. The discount rate used to measure the State's total pension liability was 5.60% as of June 30, 2019. 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 3.50% as of June 30, 2019, 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 based on 70% of the actuarially determined contributions for the State. 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 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054, 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, 2020

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, 2019, 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 5.60%, 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 (4.60%) or 1 percentage point higher (6.60%) that the current rate:

	1% Decrease (4.60%)	Current Discount Rate (5.60%)	1% Increase (6.60%)
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	109,870,510	93,172,085	79,317,665
	\$ 109,870,510	\$ 93,172,085	\$ 79,317,665

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. The PERS provides retirement, death and disability, and medical benefits to certain qualified members. Vesting Membership in the PERS is mandatory for substantially all full-time employees of the Authority, 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. For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR), which can be found at <http://www.nj.gov/treasury/pensions/financial-reports.shtml>.

Vesting and Benefit Provisions – The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except 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 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65.

Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 or more years of service credit before age 62, and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 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. The member contribution rate was 7.50% in State fiscal year 2019. 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, 2020 was 15.32% 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, 2019, the School Districts contractually required contribution to the pension plan for the fiscal year ended June 30, 2020 was \$318,382 and was paid by April 1, 2020. School District employee contributions to the pension plan during the fiscal year ended June 30, 2020 were \$188,523.

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>
2020	\$ 29,329	\$ 271,404	\$ 16,205	\$ 1,444	\$ 318,382
2019	38,893	258,187	14,152	1,163	312,395
2018	39,644	246,874	14,681	1,974	303,173

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

At June 30, 2020, the School District reported a liability of \$5,870,969 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The School District's proportion of the of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

For the year ended June 30, 2020, the School District recognized pension expense of \$140,686. At June 30, 2020, the School District reported a liability of \$5,870,969 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	\$ 105,376	\$ 25,935
Changes of assumptions	586,238	2,037,795
Net Difference between projected and actual earnings on pension plan investments		92,676
Changes in proportion	327,741	400,314
District contributions subsequent to the measurement date	379,789	
Total	\$ 1,399,144	\$ 2,556,720

\$379,789 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, 2020, the plan measurement date is June 30, 2020) will be recognized as a reduction of the net liability in the year ended June 30, 2020.

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
2021	\$ (298,937)
2022	(568,601)
2023	(399,344)
2024	(239,944)
2025	(30,539)
Total	\$ (1,537,365)

Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

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, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	-	5.21
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
June 30, 2019	-	5.21
Net Difference between projected and actual earnings on pension plan investments		
Year of Pension Plan Deferral:		
June 30, 2015	5.00	5.00
June 30, 2016	5.00	5.00
June 30, 2017	5.00	5.00
June 30, 2018	5.00	5.00
June 30, 2019	5.00	5.00

Additional Information

Collective balances at June 30, 2019 and 2018 are as follows:

	<u>6/30/2019</u>	<u>6/30/2018</u>
Collective deferred outflows of resources	\$ 3,149,522,616	\$ 4,684,852,302
Collective deferred inflows of resources	\$ 7,645,087,574	\$ 7,646,736,226
Collective net pension liability	\$ 18,143,832,135	\$ 19,689,501,539
School District's Proportion	.0325830399%	.0312897579%

Actuarial assumptions – The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019.

**Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

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:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 – 6.00% based on years of service
Thereafter	3.00 – 7.00% based on years of service
 Investment Rate of Return	 7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

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, 2019) 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, 2019 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	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
US Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
Total	100.00%	

Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

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 6.28% as of June 30, 2019. 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 3.50% as of June 30, 2019, 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 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. 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 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, 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, 2019, calculated using the discount rate of 6.28%, 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 (5.28%) or 1 percentage point higher (7.28%) than the current rate:

	1% Decrease (5.28%)	Current Discount Rate (6.28%)	1% Increase (7.28%)
School District's proportionate share of the net pension liability	\$ 7,415,988	\$ 5,870,969	\$ 4,569,072

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>
2020	\$ 29,801	\$ 29,801
2019	25,585	25,585
2018	25,692	25,692

**Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description and Benefits Provided

The State Health Benefit Local Education Retired Employees Plan (the “OPEB Plan”) is a multiple-employer defined benefit OPEB plan, with a special funding situation, that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated. 75 – Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions. The OPEB Plan is administered by the State of New Jersey Division of Pensions and Benefits (the “Division”) and is part of the New Jersey State Health Benefits Program (SHBP). The Division issues a publicly available financial report that includes financial statements and required supplementary information which can be obtained by writing to or at the following website:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<https://www.nj.gov/treasury/pensions/financial-reports.shtml>

The OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

Contributions

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey (the “State”) in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32F, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teacher’s Pension and Annuity Fund (TPAF), the Public Employees’ Retirement System (PERS), the Police and Firemen Retirement System (PFRS). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

Plan Membership

As of June 30, 2018, the program membership consisted of the following:

Active Plan Members	216,892
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	148,051
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	-
	364,943

Total Non-Employer OPEB Liability

The State of New Jersey, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB Plan for qualified retired PERS, TPAF and PFRS participants. The School District’s proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

**Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Actuarial assumptions and other imputes - The total nonemployer OPEB liability as of the June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The actuarial assumptions vary for each plan member depending on the pension plan the member enrolled in.

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

Inflation rate	2.50%		
	TPAF/ABP	PERS	PFRS
Salary Increases Through 2026	1.55 – 3.05% based on years of service	2.00 – 6.00% based on age	3.25 – 15.25% based on age
Thereafter	1.55 - 3.05% based on years of service	3.00 - 7.00% based on age	3.10 - 9.98% based on age

Preretirement mortality rates were based on the Pub-2010 Healthy Teacher’s (TPAF), and “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational improvement projections from the central year using the Scale MP-2019. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational improvement projections from the central year using the Scale MP-2019.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, respectively.

Health Care Trend Assumptions - For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate - The discount rate for June 30, 2019 was 3.50%. This represents 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

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, 2018	\$ 66,611,223
Changes for the years'	
Service Cost	2,372,668
Interest	2,635,114
Changes of benefit terms	
Differences between expected and actual experience	(10,178,873)
Changes in assumptions	902,649
Gross Benefit Payments	(1,858,382)
Contributions from the Non-employer	N/A
Contributions from the Member	55,088
Net Investment Income	N/A
Administrative Expense	N/A
Net Changes	<u>\$ (6,071,736)</u>
Balance at 06/30/2019	<u>\$ 60,539,487</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, 2019, 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 (2.50%)</u>	<u>Current Discount Rate (3.50%)</u>	<u>1% Increase (4.50%)</u>
State of New Jersey's Proportionate Share of the Total Nonemployer OPEB Liability Associated with the School District	\$ 71,521,058	\$ 60,539,487	\$ 51,816,329

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, 2019, 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	\$ 73,474,226	\$ 60,539,487	\$ 49,097,474

Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

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, 2020, the School District recognized \$1,058,704 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, 2019 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, 2020, 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	\$ -	\$ 15,211,320
Changes of assumptions	-	12,304,787
Total	\$ -	\$ 27,516,107

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:	
2020	\$ (3,694,437)
2021	(3,694,437)
2022	(3,694,437)
2023	(3,694,437)
2024	(3,694,437)
Therafter	(9,043,922)
Total	\$ (27,516,107)

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.

11. ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2020, 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 \$3,419,632, \$1,268,621 and \$3,489. In addition, \$1,268,462 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.

**Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

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>
2019-2020	\$ 36,639	\$ -	\$ 2,610	\$ 71,555	\$ 384,011
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

13. DEFERRED COMPENSATION

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

14. COMPENSATED ABSENCES

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

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

Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

14. COMPENSATED ABSENCES (Continued)

The liability for vested compensated absences is recorded within those funds as the benefits accrued to the employees. As of June 30, 2020, the liability for compensated absences in the governmental fund was \$1,250,549.

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>
2019-2020	\$ 114,700	\$ 800	\$ 87,460	\$ 169,936	\$ 82,389
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

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, 2021. The following interfund balances were recorded on the various balance sheets as of June 30, 2020:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 236,279	\$ 3,867
Special Revenue		149,721
Capital Projects		
Debt Service		
Proprietary		82,195
Fiduciary	3,867	4,363
	<u>\$ 240,146</u>	<u>\$ 240,146</u>

17. CONTINGENCIES

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

At June 30, 2020, 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.

Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

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

19. DEFICIT UNRESTRICTED NET POSITION

As of June 30, 2020, a deficit of \$8,328,141 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, 2020	
Fund Balance (Deficit)	
(Exclusive of Capital Projects and Debt Service Funds):	
Fund Balance – Unassigned	\$ 705,290
Liabilities:	
Accrued Interest Payable	(374,548)
Net Pension Differences	(7,408,334)
Compensated Absences	(1,250,549)
Unrestricted Net Position (Deficit)	<u>\$ (8,328,141)</u>

20. FUND BALANCES

RESTRICTED

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

General Fund:

Excess Surplus – In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general fund, fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2020 is \$591,913 presented on the budgetary basis of accounting (Exhibit C-1). Additionally, \$687,434 of excess fund balance generated during the 2018-2019 fiscal year has been restricted and designated for utilization in the 2020-2021 budget.

Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

20. FUND BALANCES (Continued)

General Fund:

Capital Reserve – As of June 30, 2020, the balance in the capital reserve account is \$4,073,391. Of this amount \$2,800,000 has been appropriated in the 2020-2021 Budget. The remaining balance 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, 2020, the balance in the maintenance reserve account is \$1,770,282. 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). Of this amount, \$180,481 has been appropriated in the 2020-2021 Budget to offset the reduction in 2020-2021 state aid.

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, 2020 the School District has \$356,944 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

Designated for Subsequent Year’s Expenditures – The School District has appropriated \$35,846 and included as an anticipated revenue for the fiscal year ending June 30, 2021.

Debt Service Fund:

Designated for Subsequent Year’s Expenditures – The School District has appropriated \$38,933 and included as an anticipated revenue for the fiscal year ending June 30, 2021.

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, 2020, \$705,290 of general fund balance was unassigned.

21. LITIGATION

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

22. SUBSEQUENT EVENTS

COVID-19 - the management of the School District has evaluated its financial statements for subsequent events through the date that the financial statements were issued. As a result of the spread of the COVID-19 coronavirus in New Jersey, economic uncertainties have arisen which could negatively impact the financial position of the School District. While the impact that COVID-19 will have is currently expected to be temporary, as of the date of the financial statements, the related financial impact and duration cannot be reasonably estimated.

Required Supplementary Information - Part II

Budgetary Comparison Schedules

HADDONFIELD BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 36,737,325	\$ -	\$ 36,737,325	\$ 36,737,325	\$ -
Tuition - Individuals	307,200	-	307,200	274,835	(32,365)
Tuition - Other Leas within State	23,526	-	23,526		(23,526)
Maintenance reserve interest	2,000		2,000	5,399	3,399
Capital reserve interest	5,000		5,000	26,033	21,033
Unrestricted miscellaneous revenue	152,000	-	152,000	288,703	136,703
Total local sources	37,227,051	-	37,227,051	37,332,295	105,244
State sources:					
Extraordinary Aid	176,135		176,135	278,570	102,435
Special Education Aid	1,299,439	-	1,299,439	1,299,439	-
Security Aid	200,857	-	200,857	200,857	-
Adjustment Aid	1,624	-	1,624	1,624	-
Transportation Aid	183,654		183,654	183,654	-
On-behalf TPAF pension contributions (non-budgeted)	-			3,419,632	3,419,632
On-behalf TPAF post retirement medical (non-budgeted)	-			1,268,621	1,268,621
On-behalf TPAF LTDI (non-budgeted)	-			3,489	3,489
Reimbursed TPAF social security contributions (non-budgetec)	-			1,268,462	1,268,462
Total state sources	1,861,709	-	1,861,709	7,924,348	6,062,639
TOTAL REVENUES	39,088,760	-	39,088,760	45,256,643	6,167,883
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers					
Kindergarten	287,627	32,637	320,264	320,037	227
Grades 1-5	4,604,465	(86,090)	4,518,375	4,464,561	53,814
Grades 6-8	2,930,733	88,512	3,019,245	2,785,226	234,019
Grades 9-12	4,141,709	22,964	4,164,673	4,124,308	40,365
Total Instruction	11,964,534	58,023	12,022,557	11,694,132	328,425
Regular Programs - Home Instruction:					
Salaries of teachers	50,000	-	50,000	21,960	28,040
Purchased professional - educ services	15,000	(2,850)	12,150	7,311	4,839
Total Home Instruction	65,000	(2,850)	62,150	29,271	32,879
Regular Programs - Undistributed Instruction:					
Other salaries for instruction	263,395	5,668	269,063	209,795	59,268
Purchased professional - educ services	350,000	(18,378)	331,622	224,573	107,049
Other purchased services (400-500 series)	31,500	-	31,500	23,800	7,700
General supplies	843,162	78,230	921,392	879,513	41,879
Textbooks	176,640	(21,624)	155,016	129,910	25,106
Other objects	1,110	110	1,220	110	1,110
Total Undistributed Instruction	1,665,807	44,006	1,709,813	1,467,701	242,112
Total - Regular Programs - Instruction	13,695,341	99,179	13,794,520	13,191,104	603,416

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, 2020

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special Educ Instruction: Multiple Disabilities					
Salaries of teachers	\$ 114,024	\$ -	\$ 114,024	\$ 113,743	\$ 281
Other Salaries for Instruction	40,559	649	41,208	40,885	323
Purchased Professional- Educational Services	290,000	(2,539)	287,461	279,868	7,593
General supplies	6,000	(1,174)	4,826	4,826	-
Textbooks	1,000	1,705	2,705	2,705	-
<u>Total Multiple Disabilities</u>	<u>451,583</u>	<u>(1,359)</u>	<u>450,224</u>	<u>442,027</u>	<u>8,197</u>
Special Educ Instruction: Res. Room/Res. Center					
Salaries of teachers	2,228,691	33,657	2,262,348	2,229,133	33,215
Other salaries for instruction	277,796	(33,994)	243,802	233,483	10,319
Purchased Professional- Educational Services	3,500	(3,500)	-	-	-
General supplies	8,000	4,500	12,500	10,063	2,437
Textbooks	1,000	(1,000)	-	-	-
<u>Total Resource Room/Resource Center</u>	<u>2,518,987</u>	<u>(337)</u>	<u>2,518,650</u>	<u>2,472,679</u>	<u>45,971</u>
Special Educ Instruction: - Preschool Disabilities PT					
Salaries of teachers	238,374	750	239,124	239,124	-
Other salaries for instruction	85,978	946	86,924	86,924	-
General supplies	2,900	-	2,900	1,685	1,215
<u>Total Preschool Disabilities PT</u>	<u>327,252</u>	<u>1,696</u>	<u>328,948</u>	<u>327,733</u>	<u>1,215</u>
Special Educ Instruction: Home Instruction					
Purchased professional - educ services	13,600	110,000	123,600	108,984	14,616
<u>Total Home Instruction</u>	<u>13,600</u>	<u>110,000</u>	<u>123,600</u>	<u>108,984</u>	<u>14,616</u>
<u>Total Special Education - Instruction</u>	<u>3,311,422</u>	<u>110,000</u>	<u>3,421,422</u>	<u>3,351,423</u>	<u>69,999</u>
School-Sponsored Cocurricular Act - Inst.					
Salaries	400,384	25,162	425,546	365,239	60,307
Purchased services (300-500)	-	8,776	8,776	8,776	-
Supplies and materials	24,763	(11,808)	12,955	12,955	-
<u>Total School-Sponsored Cocurr. Act. - Inst</u>	<u>425,147</u>	<u>22,130</u>	<u>447,277</u>	<u>386,970</u>	<u>60,307</u>
School-Sponsored Athletics - Inst.					
Salaries	416,651	89,279	505,930	453,820	52,110
Purchased services (300-500)	106,475	(15,515)	90,960	89,885	1,075
Supplies and materials	146,000	(65,555)	80,445	78,041	2,404
Other objects	600	-	600	600	600
<u>Total School-Sponsored Athletics - Inst</u>	<u>669,726</u>	<u>8,209</u>	<u>677,935</u>	<u>621,746</u>	<u>56,189</u>
Summer School - Instruction					
Salaries of Teachers	-	68,317	68,317	68,317	-
Other Salaries for Instruction	65,000	(65,000)	-	-	-
<u>Total Summer School</u>	<u>65,000</u>	<u>3,317</u>	<u>68,317</u>	<u>68,317</u>	<u>-</u>
Other Instructional Programs - Instruction					
Salaries	102,000	124	102,124	102,123	1
<u>Total Other Instructional Programs - Inst.</u>	<u>102,000</u>	<u>124</u>	<u>102,124</u>	<u>102,123</u>	<u>1</u>
Undistributed Expenditures - Instruction					
Tuition to other leas w/i state reg	15,000	252	15,252	15,243	9
Tuition to County Vocational School District	-	6,357	6,357	6,357	-
Tuition to CSSD & reg day schools	49,500	10,869	60,369	60,237	132
Tuition to priv. sch. for the disabled w/i state	723,700	(215,234)	508,466	508,466	-
Tuition to priv. sch. for the disabled and other lea's - out of state	50,000	(50,000)	-	-	-
Tuition - State Facilities	-	-	-	-	-
<u>Total Undistributed Expenditures - Instruction</u>	<u>838,200</u>	<u>(247,756)</u>	<u>590,444</u>	<u>590,303</u>	<u>141</u>

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

(CONTINUED TO NEXT PAGE)

HADDONFIELD BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2020

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Attend. and Social Work					
Salaries	\$ 91,177	\$ (418)	\$ 90,759	\$ 83,096	\$ 7,663
Purchased prof. and technical services	2,000	(1,236)	764	-	764
Total Undistributed Expenditures - Attendance	93,177	(1,654)	91,523	83,096	8,427
Undistributed Expenditures - Health Services					
Salaries	260,332	(229)	260,103	234,242	25,861
Purchased prof. and technical services	12,000	(771)	11,229	5,331	5,898
Supplies and materials	20,200	1,700	21,900	13,034	8,866
Total Undistributed Expenditures - Health Svcs.	292,532	700	293,232	252,607	40,625
Undist. Expend. - Speech, OT, PT & Rel. Serv.					
Salaries	665,180	19,540	684,720	673,441	11,279
Purchased prof. and educational services	99,400	(43,132)	56,268	56,257	11
Supplies and materials	5,500	256	5,756	5,678	78
Total Undst. Expend. - Speech, OT, PT & Rel. Serv.	770,080	(23,336)	746,744	735,376	11,368
Undist. Expend. - Other Supp. Serv. Stud. - Extra. Serv.					
Salaries	131,279	7,008	138,287	119,507	18,780
Purchased prof. and educational services	885,000	102,225	987,225	964,354	22,871
Total Undst. Expend. - Other Supp. Serv. Stud. - Extra. Serv.	1,016,279	109,233	1,125,512	1,083,861	41,651
Undist. Expenditures - Guidance					
Salaries of other professional staff	770,546	4,374	774,920	767,039	7,881
Salaries of secretarial and clerical assistants	52,782	-	52,782	52,782	-
Supplies and materials	13,500	1,471	14,971	14,059	912
Other objects	-	-	-	-	-
Total Undst. Expenditures - Guidance	836,828	5,845	842,673	833,880	8,793
Undist. Expend. - Child Study Teams					
Salaries of other professional staff	779,866	17,830	797,696	797,696	-
Salaries of secretarial and clerical assistants	111,214	520	111,734	111,734	-
Unused Vacation Payment to Terminated/Retired Staff	-	-	-	-	-
Purchased Professional- Educational Services	112,000	(21,072)	90,928	81,864	9,064
Misc Purchased Services	-	-	-	-	-
Other Purchased Services (400-500 series)	32,799	(3,508)	29,291	29,291	-
Supplies and materials	11,000	(591)	10,409	10,212	197
Other Objects	1,000	(80)	920	920	-
Total Undst. Expenditures - Child Study Teams	1,047,879	(6,901)	1,040,978	1,031,717	9,261
Undist. Expend. - Improvement of Instr. Services					
Salaries of supervisors of instruction	139,500	-	139,500	139,050	450
Purchased Professional- Educational Services	111,085	89,449	200,534	183,947	16,587
Other purchased services (400-500)	77,100	(9,445)	67,655	64,468	3,187
Supplies and materials	-	11,229	11,229	10,821	408
Other objects	4,000	1,380	5,380	5,041	339
Total Undst. Expend. - Improvement of Instr. Services	331,685	92,613	424,298	403,327	20,971
Undist. Expend. - Educ. Media Serv./Sch. Library					
Salaries	420,353	1	420,354	401,759	18,595
Salaries of Technology Coordinators	134,148	2,866	137,014	137,014	-
Other purchased services (400-500)	690	4,026	4,716	2,316	2,400
Supplies and materials	55,375	1,611	56,986	54,387	2,599
Other objects	-	-	-	-	-
Total Undst. Expend. - Educ. Media Serv./Sch. Library	610,566	8,504	619,070	595,476	23,594

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

(CONTINUED TO NEXT PAGE)

HADDONFIELD BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2020

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Instructional Staff Training Services					
Other purchased services	\$ 10,580	\$ 31,845	\$ 42,425	\$ 36,111	\$ 6,314
Total Undst. Expend. - Instr. Staff Training Services	10,580	31,845	42,425	36,111	6,314
Undist. Expend. - Supp. Serv. General Admin.					
Salaries	479,825	-	479,825	479,025	800
Unused Vacation Pay to Terminated/Retired Staff		-			-
Legal services	225,000	37,496	262,496	240,899	21,597
Audit fees	30,000	-	30,000	29,500	500
Architectural/Engineering	65,000	102,901	167,901	145,266	22,635
Other purchased professional services	17,000	371	17,371	17,371	-
Purchased technical services	5,000	(5,000)			-
Communications / telephone	98,730	(20,563)	78,167	76,574	1,593
BOE Other Purchased Services	2,000	4,296	6,296	5,145	1,151
Other purchased services (400-500)	34,300	(5,927)	28,373	27,952	421
General Supplies	7,000	9,384	16,384	16,051	333
BOE In-House Training/Meeting Supplies		-			-
Judgements against the School District	200,000	(18,000)	182,000	150,606	31,394
Miscellaneous expenditures	9,200	(1,197)	8,003	7,653	350
Misc expenditures BOE memberships/dues	16,500	-	16,500	15,894	606
Total Undst. Expend. - Supp. Serv. General Admin.	1,189,555	103,761	1,293,316	1,211,936	81,380
Undist. Expend. - Supp. Serv. School Admin.					
Salaries of principals/assist. principals	843,500	-	843,500	828,017	15,483
Salaries of other professional staff	202,100	-	202,100	189,217	12,883
Salaries of secretarial and clerical assistants	445,620	12,496	458,116	449,502	8,614
Other purchased services	181,700	(26,148)	155,552	136,264	19,288
Supplies and materials	91,169	8,761	99,930	91,955	7,975
Other objects	9,265	1,130	10,395	9,327	1,068
Total Undst. Expend. - Supp. Serv. School Admin.	1,773,354	(3,761)	1,769,593	1,704,282	65,311
Undist. Expend. - Central Services					
Salaries	495,828	(115,515)	380,313	380,312	1
Purchased professional services	22,220	78,100	100,320	92,192	8,128
Purchased technical services	35,098	26,015	61,113	51,280	9,833
Misc. Purch. Services (400-500 series)	3,600	(182)	3,418	1,551	1,867
Supplies and materials	10,500	(1,418)	9,082	9,082	-
Miscellaneous expenditures	5,200	-	5,200	2,646	2,554
Total Undst. Expend. - Central Services	572,446	(13,000)	559,446	537,063	22,383
Undist. Expend. - Admin. Info. Technology					
Purchased technical services	14,500	13,000	27,500	26,055	1,445
Other Purch. Services (400-500 series)	1,000	-	1,000	475	525
Supplies and materials	10,300	(845)	9,455	9,455	-
Other objects		845	845	845	-
Total Undst. Expend. - Admin. Info. Technology	25,800	13,000	38,800	36,830	1,970
Undist. Expend. - Required Maint. Sch. Facilities					
Salaries	445,514	-	445,514	415,224	30,290
Cleaning, repair, and maintenance services	547,950	47,681	595,631	447,439	148,192
Lead testing and drinking water	8,500	-	8,500		8,500
General supplies	385,028	(99,509)	285,519	207,034	78,485
Other objects	4,900	(3,522)	1,378	770	608
Total Undst. Expend. - Required Maint. Sch. Facilities	1,391,892	(55,350)	1,336,542	1,070,467	266,075

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, 2020

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CAPITAL OUTLAY					
Equipment:					
Grades 1-5	\$ -	\$ 5,500	\$ 5,500	\$ 5,200	\$ 300
Grades 9-12	7,800	148,099	155,899	40,717	115,182
Admin. Info. Technology	150,000	56,060	206,060	206,060	-
Required maintenance for school facilities	-	10,673	10,673	10,673	-
Custodial Services		14,847	14,847	55	14,792
School Buses - Regular		106,969	106,969		106,969
Total Equipment	157,800	342,148	499,948	262,705	237,243
Facilities Acquisition and Construction Services					
Architectual/Engineering Services	19,000	(18,693)	307		307
Purchased professional & tech. services	4,000	(4,000)			-
Land and Improvements	247,628	14,337	261,965	261,965	-
Assessment for Debt Service on SDA Funding	115,381	-	115,381	115,381	-
Total Facilities Acquisition and Construction Services	386,009	(8,356)	377,653	377,346	307
Total Capital Outlay	543,809	333,792	877,601	640,051	237,550
SPECIAL SCHOOLS:					
SUMMER SCHOOL:					
Summer School - Instruction:					
Salaries of Teachers		-			-
Total Special Schools	-	-	-	-	-
Total Expenditures	40,178,120	-	40,178,120	43,440,553	(3,262,433)
Excess (Deficiency) of Revenues Over (Under) Expenditures:	(1,089,360)	-	(1,089,360)	1,816,090	2,905,450
Other Financing Sources (Uses):					
Operating transfer in				81,157	81,157
Operating transfer out				(605,585)	(605,585)
Total Other Financing Sources				(524,428)	(524,428)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	(1,089,360)		(1,089,360)	1,291,662	2,381,022
Fund Balance, July 1	7,076,190		7,076,190	7,076,190	
Fund Balance, June 30	<u>\$ 5,986,830</u>	<u>\$ -</u>	<u>\$ 5,986,830</u>	<u>\$ 8,367,852</u>	<u>\$ 2,381,022</u>
Recapitulation of Fund Balance					
Restricted Fund Balance:					
Reserved Excess Surplus - Designated for Subsequent Years Expenditures				\$ 687,434	
Reserve for Excess Surplus				591,913	
Capital Reserve				4,073,391	
Maintenance Reserve				1,770,282	
Assigned Fund Balance					
Year-end encumbrances				356,944	
Designated for Subsequent Year's Expenditures				35,846	
Unassigned Fund Balance				<u>852,042</u>	
				8,367,852	
Reconciliation on Governmental Fund Statements (GAAP):					
Less: State Aid Payment not Recognized on GAAP Basis				<u>(146,752)</u>	
Fund Balance per Government Fund (GAAP)				<u>\$ 8,221,100</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, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources	\$ -	\$ 28,458	\$ 28,458	\$ 24,851	\$ (3,607)
State sources	-	501,907	501,907	397,918	(103,989)
Federal sources	654,267	184,522	838,789	801,114	(37,675)
Total revenues	654,267	714,887	1,369,154	1,223,883	(145,271)
EXPENDITURES:					
Instruction:					
Salaries of teachers	115,032	(6,423)	108,609	108,609	-
Purchased professional - educ. services		354,619	354,619	281,234	73,385
Purchased professional - tech. services		42,583	42,583	42,157	426
Tuition	470,708	27,327	498,035	489,751	8,284
General supplies	41,967	22,696	64,663	51,275	13,388
Textbooks		23,087	23,087	22,473	614
Total instruction	627,707	463,889	1,091,596	995,499	96,097
Support services:					
Personal services - employee benefits		38,013	38,013	38,013	-
Purchased professional and technical services	26,560	147,135	173,695	149,431	24,264
Other purchased services		65,850	65,850	40,940	24,910
Total support services	26,560	250,998	277,558	228,384	49,174
Facilities acquisition and construction services:					
Instructional equipment					-
Total facilities acq. and const. services	-		-	-	-
Total expenditures	654,267	714,887	1,369,154	1,223,883	145,271
Total outflows	654,267	714,887	1,369,154	1,223,883	145,271
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ -

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 45,256,643	\$ 1,223,883
Difference - budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	128,419	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(146,752)</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 45,238,310</u>	<u>\$ 1,223,883</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 43,440,553	\$ 1,223,883
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.	<u> </u>	<u> </u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 43,440,553</u>	<u>\$ 1,223,883</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 Seven Fiscal Years

	June 30, 2020	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)	0.0258303990%	0.0312897579%	0.0325130840%	0.0340464726%	0.0324206920%	0.0336319567%	0.0368307263%
District's proportionate share of the net pension liability (asset)	\$ 5,870,969	\$ 6,160,797	\$ 7,568,526	\$ 10,083,589	\$ 7,277,796	\$ 6,296,822	\$ 7,039,084
District's covered-employee payroll	\$ 2,478,927	\$ 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	236.84%	253.53%	339.78%	442.60%	299.48%	279.88%	316.97%
Plan fiduciary net position as a percentage of the total pension liability	42.04%	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 Seven Fiscal Years

	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Contractually required contribution	\$ 379,789	\$ 318,382	\$ 311,232	\$ 301,199	\$ 302,464	\$ 278,731	\$ 277,257
Contributions in relation to the contractually required contributions	<u>(379,789)</u>	<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>	<u>\$ -</u>
District's covered-employee payroll	\$ 2,478,927	\$ 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	15.32%	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 Seven Fiscal Years

	June 30, 2020	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)	0.1518179109%	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>93,172,085</u>	<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>
Total	<u>\$ 93,172,085</u>	<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>
District's covered-employee payroll	\$ 17,646,754	\$ 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%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	26.95%	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 Three Fiscal Years

	June 30, 2020	June 30, 2019	June 30, 2018
State's proportion of the net OPEB liability (asset) associated with the District	0.15%	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>60,539,487</u>	<u>66,611,223</u>	<u>79,965,632</u>
Total proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 60,539,487</u>	<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%	0.00%
	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability			
Service Cost	\$ 2,372,668	\$ 2,704,882	\$ 3,267,188
Interest	2,635,114	2,929,094	2,531,281
Difference between expected and actual experiences	(10,178,873)	(9,624,814)	
Changes of assumptions	902,649	(7,643,971)	(10,484,288)
Member Contributions	55,088	61,560	68,202
Benefit payments	<u>(1,858,382)</u>	<u>(1,781,160)</u>	<u>(1,852,174)</u>
Net Change in total OPEB Liability	(6,071,736)	(13,354,409)	(6,469,791)
Total OPEB Liability - beginning	<u>66,611,223</u>	<u>79,965,632</u>	<u>86,435,423</u>
Total OPEB Liability - ending	<u>\$ 60,539,487</u>	<u>\$ 66,611,223</u>	<u>\$ 79,965,632</u>
District's covered-employee payroll	\$ 20,125,681	\$ 19,516,247	\$ 17,959,002
Total OPEB Liability as a percentage of covered-employee payroll	300.81%	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 – Part III
For the Fiscal Year Ended June 30, 2020

Teacher’s Pension and Annuity Fund (TPAF)

Changes of benefit term: There were none.

Changes of assumptions: The discount rate changed to 5.60% as of June 30, 2019 from 4.86% as of June 30, 2018 and the long-term rate of return remained at 7.00%.

Public Employees’ Retirement System (PERS)

Changes of benefit term: There were none.

Changes of assumptions: The discount rate changed to 6.28% as of June 30, 2019 from 5.66% as of June 30, 2018 and the long-term rate of return remained at 7.00%.

Other Post-Retirement Plan – Public Employees’ Retirement System and Teachers’ Pension and Annuity Fund

Changes of benefit term: There were none.

Changes of assumptions: The discount rate changed to 3.50% as of June 30, 2019 from 3.87% as of June 30, 2018.

Other Supplementary Information

Special Revenue Fund

HADDONFIELD SCHOOL DISTRICT
Special Revenue Fund
 Combining Statement of Revenues and Expenditures
 Budgetary Basis
 for the Fiscal Year ended June 30, 2020

	Brought Forward (Exh. E-1B)	Brought Forward (Exh. E-1C)	Brought Forward (Exh. E-1D)	Total
REVENUES:				
Local sources	\$ -	\$ -	\$ 24,851	\$ 24,851
State sources	322,174	75,744	-	397,918
Federal sources	-	801,114	-	801,114
Total revenues	322,174	876,858	24,851	1,223,883
EXPENDITURES:				
<i>Instruction:</i>				
Salaries of Teachers	-	108,609	-	108,609
Purchased professional educational services	281,234	-	-	281,234
Purchased professional and technical services	-	42,157	-	42,157
Tuition	-	489,751	-	489,751
General supplies	-	26,424	24,851	51,275
Textbooks	-	22,473	-	22,473
Total instruction	281,234	689,414	24,851	995,499
<i>Support services:</i>				
Employee Benefits	-	38,013	-	38,013
Purchased professional and technical services	-	149,431	-	149,431
Other purchased services	40,940	-	-	40,940
Total support services	40,940	187,444	-	228,384
<i>Facilities acquisition & construction services</i>				
Instructional equipment	-	-	-	-
Total facilities acquisition & construction services	-	-	-	-
Total expenditures	322,174	876,858	24,851	1,223,883
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, 2020

	Nonpublic Auxiliary Services				Nonpublic Handicapped Services				Carried Forward (Exh. E-1A)
	Compensatory Education	Nonpublic Home Instruction	ESL	Transportation	Corrective Speech	Suppl. Instruction	Exam, & Classification	Nonpublic Security	
REVENUES:									
State sources	\$ 125,898	\$ 203	\$ 2,482	\$ 5,399	\$ 46,573	\$ 49,218	\$ 51,461	\$ 40,940	\$ 322,174
Total revenues	125,898	203	2,482	5,399	46,573	49,218	51,461	40,940	322,174
EXPENDITURES:									
<u>Instruction:</u>									
Purchased professional educational services	125,898	203	2,482	5,399	46,573	49,218	51,461		281,234
Total instruction	125,898	203	2,482	5,399	46,573	49,218	51,461	-	281,234
<u>Support services:</u>									
Other purchased services								40,940	40,940
Total support services	-	-	-	-	-	-	-	40,940	40,940
<u>Facilities acquisition & construction services</u>									
Instructional equipment									-
Total facilities acquisition & construction services	-	-	-	-	-	-	-	-	-
Total expenditures	125,898	203	2,482	5,399	46,573	49,218	51,461	40,940	322,174
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, 2020

	IDEA		Title I Current Year	Title II - Part A Current Year	Title IV - Part A Current Year	CARES Act	Nonpublic Textbooks	Nonpublic Nursing	Nonpublic Technology	Carried Forward (Exh. E-1A)
	Basic Current Yr.	Preschool Current Yr.								
REVENUES:										
State sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,473	\$ 42,157	\$ 11,114	\$ 75,744
Federal sources	584,766	27,828	146,622	26,146	3,663	12,089				801,114
Total revenues	584,766	27,828	146,622	26,146	3,663	12,089	22,473	42,157	11,114	876,858
EXPENDITURES:										
<u>Instruction:</u>										
Salaries of teachers	-	-	108,609	-	-	-	-	-	-	108,609
Purchased professional and technical services								42,157		42,157
Tuition	489,751									489,751
General supplies		3,221				12,089			11,114	26,424
Textbooks							22,473			22,473
	489,751	3,221	108,609	-	-	12,089	22,473	42,157	11,114	689,414
<u>Support services:</u>										
Employee benefits			38,013							38,013
Purchased professional and technical services	95,015	24,607		26,146	3,663					149,431
Total support services	95,015	24,607	38,013	26,146	3,663	-	-	-	-	187,444
<u>Facilities acquisition & construction services</u>										
Instructional equipment										-
Total facilities acquisition & construction services	-	-	-	-	-	-	-	-	-	-
Total expenditures	584,766	27,828	146,622	26,146	3,663	12,089	22,473	42,157	11,114	876,858
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, 2020

	HET High School	HET Central	HET Haddon	PTA Central	PTA Tatem	Carried Forward (Exh. E-1A)
REVENUES:						
Local Sources	\$ 675	\$ 880	\$ 949	\$ 14,188	\$ 8,159	\$ 24,851
Total revenues	<u>675</u>	<u>880</u>	<u>949</u>	<u>14,188</u>	<u>8,159</u>	<u>24,851</u>
EXPENDITURES:						
<i>Instruction:</i>						
General supplies	675	880	949	14,188	8,159	24,851
	<u>675</u>	<u>880</u>	<u>949</u>	<u>14,188</u>	<u>8,159</u>	<u>24,851</u>
<i>Support services:</i>						
Employee benefits						-
Purchased professional educational services						-
Purchased professional and technical services						-
Other purchased services						-
General supplies						-
Total support services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Facilities acquisition & construction services</i>						
Instructional equipment						-
Total facilities acquisition & construction services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>675</u>	<u>880</u>	<u>949</u>	<u>14,188</u>	<u>8,159</u>	<u>24,851</u>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Capital Projects Fund
Detail Statements

HADDONFIELD SCHOOL DISTRICT
Capital Projects Fund
Summary Statement of Revenues, Expenditures,
and Changes in Fund Balance - Budgetary Basis
For the Fiscal Year ended June 30, 2020

Revenues and Other Financing Sources:

Bond Proceeds	\$	-
SDA Grant		-
Transfer from General Fund		605,585
Interest earned on investments		-
Total revenues and other financing sources		605,585

Expenditures and Other Financing (Uses):

Purchased professional services		-
Construction services		263,756
Equipment		-
General Supplies		-
Other Objects		-
Transfer to General Fund		81,157
Total expenditures and other financing (uses)		344,913

Excess (deficiency) or revenues over (under) expenditures		260,672
Fund Balance - July 1, 2019		(260,672)
Fund Balance - June 30, 2020	\$	-

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, 2020

	Prior Periods	Current Year	Total	Revised Authorized Costs
Revenues and Other Financing Sources:				
State sources - SCC Grant	\$ 92,763	\$ -	\$ 92,763	\$ 92,763
Transfer from capital outlay	165,900		165,900	165,900
Total revenues	258,663		258,663	258,663
Expenditures and Other Financing Uses:				
Purchased professional services				
Construction services	225,019		225,019	225,019
Transfer to Capital Reserve		33,644	33,644	33,644
	225,019	33,644	258,663	258,663
Excess (deficiency) or revenues over (under) expenditures	\$ 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, 2020

	Prior Periods	Current Year	Total	Revised Authorized Costs
Revenues and Other Financing Sources:				
State sources - SCC Grant	\$ 19,763	\$ -	\$ 19,763	\$ 19,763
Transfer from capital outlay	84,750		84,750	84,750
	104,513		104,513	104,513
Expenditures and Other Financing Uses:				
Purchased professional services			57,000	57,000
Construction services	57,000		57,000	57,000
Transfer to Capital Reserve		47,513	47,513	47,513
	57,000	47,513	104,513	104,513
Excess (deficiency) or revenues over (under) expenditures	\$ 47,513	\$ (47,513)	\$ -	\$ -

Additional project information:

Project Number	1900-060-10-1005
Grant Date	07/15/13
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 141,250
Additional Authorized Cost	
Revised Authorized Cost	\$ 141,250
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	0.00%
Original target completion date	06/30/13
Revised target completion date	06/30/13

HADDONFIELD SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Various Capital Improvements to School Facilities
From Inception and for the Fiscal Year ended June 30, 2020

	Prior Periods	Current Year	Total	Revised Authorized Costs
Revenues and Other Financing Sources:				
Bond Proceeds	\$ 35,251,000	\$ -	\$ 35,251,000	\$ 35,251,000
Transfer from General Fund	1,000,000	605,585	1,605,585	1,605,585
Total revenues	36,251,000	605,585	36,856,585	36,856,585
Expenditures and Other Financing Uses:				
Purchased professional services	4,569,979		4,569,979	4,569,979
Construction services	30,962,694	263,756	31,226,450	31,226,450
Equipment	369,233		369,233	369,233
General Supplies	127,985		127,985	127,985
Other Objects	562,938		562,938	562,938
	36,592,829	263,756	36,856,585	36,856,585
Excess (deficiency) or revenues over (under) expenditures	\$ (341,829)	\$ 341,829	\$ -	\$ -
Additional project information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	03/08/16			
Bonds Authorized	\$ 35,251,000			
Bonds Issued	\$ 35,251,000			
Original Authorized Cost	\$ 35,251,000			
Additional Authorized Cost				
Revised Authorized Cost	\$ 35,251,000			
Percentage Increase over Original				
Authorized Cost	0.00%			
Percentage Completion				
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, 2020

Issue/Project Title	Original Date	Appropriations	Expenditures to Date		Transfer from General Fund	Transfer to General Fund	Unexpended Balance
			Prior Years	Current Year			
Haddonfield Memorial High School Partial Roof Replacement	3/11/2011	\$ 276,500	\$ 242,856	\$ -	\$ -	\$ 33,644	\$ -
Elizabeth Haddon Partial Roof Replacement	7/1/2012	260,750	260,750				
Central Elementary Partial Roof Replacement	7/1/2012	141,250	93,737			47,513	-
Various Capital Improvements to School Facilities	3/8/2016	<u>36,251,000</u>	<u>36,592,829</u>	<u>263,756</u>	<u>605,585</u>		
Total		<u>\$ 36,929,500</u>	<u>\$ 37,190,172</u>	<u>\$ 263,756</u>	<u>\$ 605,585</u>	<u>\$ 81,157</u>	<u>\$ -</u>

Proprietary Funds

HADDONFIELD SCHOOL DISTRICT
Enterprise Funds
Statement of Net Position
as of June 30, 2020

	Food Service	Community Education	Total
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 153,137	\$ -	\$ 153,137
Accounts receivable:			
State	619	-	619
Federal	1,931	-	1,931
Other	258	-	258
Inventories	25,003	-	25,003
Total current assets	180,948	-	180,948
Fixed assets:			
Equipment	289,095	-	289,095
Less Accumulated depreciation	(267,250)	-	(267,250)
Total fixed assets	21,845	-	21,845
Total assets	202,793	-	202,793
LIABILITIES			
Current liabilities:			
Interfund payable	82,195	-	82,195
Unearned revenue	67,901	-	67,901
Total current liabilities	150,096	-	150,096
NET POSITION			
Net investment in capital assets	21,845	-	21,845
Unrestricted	30,852	-	30,852
Total net position	\$ 52,697	\$ -	\$ 52,697

HADDONFIELD SCHOOL DISTRICT
Enterprise Funds
Statement of Revenues, Expenses and Changes in Fund Net Position
for the Fiscal Years ended June 30, 2020

	Food Service	Community Education	Total
OPERATING REVENUES:			
Local sources:			
Daily sales-reimbursable programs:			
School lunch program	\$ 194,231	\$ -	\$ 194,231
Total-daily sales-reimbursable programs	194,231	-	194,231
Daily sales non-reimbursable programs	285,852	-	285,852
Total operating revenue	480,083	-	480,083
OPERATING EXPENSES:			
Salaries	192,913	-	192,913
Employee benefits	19,355	-	19,355
Supplies and materials	22,867	-	22,867
Depreciation	2,116	-	2,116
Management fee	41,400	-	41,400
Cost of sales - reimbursable programs	108,483	-	108,483
Cost of sales - nonreimbursable programs	143,600	-	143,600
Direct Expenses	16,428	-	16,428
Total operating expenses	547,162	-	547,162
Operating income (loss)	(67,079)	-	(67,079)
Non-operating revenues:			
State sources:			
State school lunch program	2,244	-	2,244
Federal sources:			
National school lunch program	19,475	-	19,475
U.S.D.A. commodities	20,316	-	20,316
Interest revenue	2,202	-	2,202
Total non-operating revenues	44,237	-	44,237
Net income (loss) before contributions and transfers	(22,842)	-	(22,842)
Operating Transfer Out		(63,474)	(63,474)
Change in net position	(22,842)	(63,474)	(86,316)
Net position - July 1	75,539	63,474	139,013
Net position - June 30	\$ 52,697	\$ -	\$ 52,697

HADDONFIELD SCHOOL DISTRICT
Enterprise Funds
Statement of Cash Flows
for the Fiscal Years ended June 30, 2020

	Food Service	Community Education	Total
Cash flows from operating activities:			
Cash receipts from customers	\$ 509,380	\$ -	\$ 509,380
Cash payments to employees for services	(212,268)	-	(212,268)
Cash payments to suppliers for goods and services	(491,375)	-	(491,375)
Net cash used by operating activities	<u>(194,263)</u>	<u>-</u>	<u>(194,263)</u>
Cash flows from noncapital financing activities:			
Operating transfer out	-	(63,474)	(63,474)
Cash received from interfund activity	1,522	-	1,522
Cash received from state and federal reimbursements	24,616	-	24,616
Net cash provided/(used) by noncapital financing activities	<u>26,138</u>	<u>(63,474)</u>	<u>(37,336)</u>
Cash flows from capital financing activities:			
Purchases of fixed assets	-	-	-
Net cash used by capital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:			
Interest on investments	2,202	-	2,202
Net cash provided by investing activities	<u>2,202</u>	<u>-</u>	<u>2,202</u>
Net increase (decrease) in cash and cash equivalents	(165,923)	(63,474)	(229,397)
Cash and cash equivalents, July 1	319,060	63,474	382,534
Cash and cash equivalents, June 30	<u>\$ 153,137</u>	<u>\$ -</u>	<u>\$ 153,137</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (67,079)	\$ -	\$ (67,079)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:			
Depreciation	2,116	-	2,116
Federal commodities	20,316	-	20,316
Change in assets and liabilities:			
(Increase)/decrease in inventory	(12,395)	-	(12,395)
(Increase)/decrease in accounts receivable	2,646	-	2,646
Increase/(decrease) in accounts payable	(166,518)	-	(166,518)
Increase/(decrease) in unearned revenue	26,651	-	26,651
Net cash used by operating activities	<u>\$ (194,263)</u>	<u>\$ -</u>	<u>\$ (194,263)</u>

Fiduciary Funds

HADDONFIELD SCHOOL DISTRICT
Fiduciary Funds
 Combining Statement of Net Position
 June 30, 2020

	Agency Funds		Employee Benefit Trust Funds		Total
	Student Activity	Payroll	Flexible Benefits Program	Unemployment Compensation Insurance Fund	
ASSETS:					
Cash and cash equivalents	\$ 435,974	\$ 176,440	\$ 114,421	\$ 410,154	\$ 1,136,989
Interfund receivable		3,867			3,867
TOTAL ASSETS	435,974	180,307	114,421	410,154	1,140,856
LIABILITIES					
LIABILITIES:					
Accounts payable	-	-	32,032	26,143	58,175
Payroll deductions and withholdings	-	175,944	-	-	175,944
Interfund payable	-	4,363	-	-	4,363
Due to student groups	435,974	-	-	-	435,974
Total liabilities	435,974	180,307	32,032	26,143	674,456
NET POSITION					
Reserved for unemployment claims			-	384,011	384,011
Reserve for flex benefits			82,389	-	82,389
Total net position	\$ -	\$ -	\$ 82,389	\$ 384,011	\$ 466,400

HADDONFIELD SCHOOL DISTRICT
Fiduciary Fund
Combining Statement of Changes in Fiduciary Net Position
for the Fiscal Year Ended June 30, 2020

	<u>Employee Benefit Trust Funds</u>		<u>Total</u>
	<u>Flexible Benefits Program</u>	<u>Unemployment Compensation Insurance Fund</u>	
REVENUES:			
Local sources:			
Board contributions	\$ 114,700	\$ -	\$ 114,700
Employee contributions	87,460	36,639	124,099
Interest on Investments	800	2,609	3,409
	<u>202,960</u>	<u>39,248</u>	<u>242,208</u>
Total Revenues			
	<u>202,960</u>	<u>39,248</u>	<u>242,208</u>
EXPENDITURES:			
Current Expense:			
Undistributed Expenditures:			
Unemployment claims	-	71,554	71,554
Flex benefit payments	169,936	-	169,936
	<u>169,936</u>	<u>71,554</u>	<u>241,490</u>
Total Expenditures			
	<u>169,936</u>	<u>71,554</u>	<u>241,490</u>
Excess (deficiency) of revenues over (under) expenditures)	33,024	(32,306)	718
Net Position July 1	<u>49,365</u>	<u>416,317</u>	<u>465,682</u>
Net Position June 30	<u>\$ 82,389</u>	<u>\$ 384,011</u>	<u>\$ 466,400</u>

HADDONFIELD SCHOOL DISTRICT
Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 for the Fiscal Year ended June 30, 2020

	<u>Balance June 30, 2019</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Accounts Payable June 30, 2020</u>	<u>Balance June 30, 2020</u>
JUNIOR/SENIOR HIGH SCHOOLS:					
Haddonfield:					
Activities	\$ 450,834	\$ 581,619	\$ 601,620	\$ -	\$ 430,833
Athletic	1,333	88,398	84,590		5,141
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 452,167</u>	<u>\$ 670,017</u>	<u>\$ 686,210</u>	<u>\$ -</u>	<u>\$ 435,974</u>

HADDONFIELD SCHOOL DISTRICT
Payroll Agency Fund
 Schedule of Receipts and Disbursements
 for the Fiscal Year ended June 30, 2020

	<u>Balance June 30, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2030</u>
ASSETS:				
Cash and cash equivalents	\$ 198,320	\$ 24,786,406	\$ 24,808,286	\$ 176,440
Interfund receivable		<u>3,867</u>		<u>3,867</u>
Total assets	<u>\$ 198,320</u>	<u>\$ 24,790,273</u>	<u>\$ 24,808,286</u>	<u>\$ 180,307</u>
LIABILITIES:				
Payroll deductions and withholdings	\$ 180,946	\$ 10,638,395	\$ 10,643,397	\$ 175,944
Net payroll	-	14,142,301	14,142,301	-
Interfund payable	<u>17,374</u>	<u>9,577</u>	<u>22,588</u>	<u>4,363</u>
Total liabilities	<u>\$ 198,320</u>	<u>\$ 24,790,273</u>	<u>\$ 24,808,286</u>	<u>\$ 180,307</u>

Long-Term Debt Schedules

HADDONFIELD SCHOOL DISTRICT
General Long-Term Debt Account Group
Statement of Serial Bonds
June 30, 2020

Issue	Date of Issue	Amount of Issue	Annual Maturities		Rate of Interest	Balance July 1, 2019	Issued	Retired	Balance June 30, 2020
			Date	Amount					
Refunding Bonds	2/1/2012	\$ 8,000,000	02/15/21	\$ 425,000	4.00%	\$ 6,400,000	\$ -	\$ 415,000	\$ 5,985,000
			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	08/01/20	1,045,000	3.50%	3,150,000		1,005,000	2,145,000
			08/01/21	1,100,000	4.00%				
Balance Forward						\$ 9,550,000	\$ -	\$ 1,420,000	\$ 8,130,000

HADDONFIELD SCHOOL DISTRICT
General Long-Term Debt Account Group
Statement of Serial Bonds
June 30, 2020

Issue	Date of Issue	Amount of Issue	Annual Maturities		Rate of Interest	Balance July 1, 2019	Issued	Retired	Balance June 30, 2020
			Date	Amount					
Balance Brought Forward						\$ 9,550,000	\$ -	\$ 1,420,000	\$ 8,130,000
School Bonds	9/14/2016	\$ 35,251,000	09/01/20	\$ 1,185,000	2.000%	34,091,000		1,166,000	32,925,000
			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>\$ 43,641,000</u>	<u>\$ -</u>	<u>\$ 2,586,000</u>	<u>\$ 41,055,000</u>

HADDONFIELD SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 2,978,679	\$ -	\$ 2,978,679	\$ 2,978,679	\$ -
Miscellaneous	-	-	-	-	-
Total revenues - local sources	<u>2,978,679</u>	<u>-</u>	<u>2,978,679</u>	<u>2,978,679</u>	<u>-</u>
State sources:					
Debt service aid type II	638,002	-	638,002	638,002	-
Total revenues - state sources	<u>638,002</u>	<u>-</u>	<u>638,002</u>	<u>638,002</u>	<u>-</u>
Total Revenues	<u>3,616,681</u>	<u>-</u>	<u>3,616,681</u>	<u>3,616,681</u>	<u>-</u>
EXPENDITURES:					
Regular debt service:					
Interest	1,118,167	-	1,118,167	1,118,167	-
Redemption of principal	2,586,000	-	2,586,000	2,586,000	-
Total Expenditures	<u>3,704,167</u>	<u>-</u>	<u>3,704,167</u>	<u>3,704,167</u>	<u>-</u>
Excess (Deficiency) of revenues over (under) expenditures	(87,486)	-	(87,486)	(87,486)	-
Other Financing Sources (Uses):					
Operating transfer in	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(87,486)	-	(87,486)	(87,486)	-
Fund Balances, July 1	126,419	-	126,419	126,419	-
Fund Balances, June 30	<u>\$ 38,933</u>	<u>\$ -</u>	<u>\$ 38,933</u>	<u>\$ 38,933</u>	<u>\$ -</u>

Statistical Section

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

Exhibit J-1

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
Net investment in capital assets	\$ 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	\$ 12,553,282
Restricted for:	-	-	-	-	-	-	-	-	-	-
Capital projects	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	4,073,391
Debt service	9,162	14,458	13,813	3,987	1,788	185,588	255,067	157,619	126,419	38,933
Other purposes	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	3,442,419
Unrestricted	(856,188)	(774,403)	(686,329)	(979,589)	(7,612,744)	(7,492,346)	(8,853,533)	(8,791,484)	(8,463,167)	(8,328,141)
Total governmental activities net position	<u>\$ 9,771,796</u>	<u>\$ 11,283,261</u>	<u>\$ 11,692,819</u>	<u>\$ 14,387,720</u>	<u>\$ 8,043,591</u>	<u>\$ 7,429,584</u>	<u>\$ 5,402,256</u>	<u>\$ 6,187,687</u>	<u>\$ 9,027,624</u>	<u>\$ 11,779,884</u>
Business-type activities:										
Net investment in capital assets	\$ -	\$ -	\$ -	\$ 66,787	\$ 49,012	\$ 31,236	\$ 13,464	\$ 4,049	\$ 9,169	\$ 21,845
Unrestricted	135,619	125,450	109,723	136,462	143,264	72,580	69,774	74,157	129,844	30,852
Total business-type activities net position	<u>\$ 135,619</u>	<u>\$ 125,450</u>	<u>\$ 109,723</u>	<u>\$ 203,249</u>	<u>\$ 192,276</u>	<u>\$ 103,816</u>	<u>\$ 83,238</u>	<u>\$ 78,206</u>	<u>\$ 139,013</u>	<u>\$ 52,697</u>
District-wide:										
Net investment in capital assets	\$ 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	\$ 12,575,127
Restricted:										
Capital projects	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	4,073,391
Debt service	9,162	14,458	13,813	3,987	1,788	185,588	255,067	157,619	126,419	38,933
Other purposes	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	3,442,419
Unrestricted	(720,569)	(648,953)	(576,606)	(843,127)	(7,469,480)	(7,419,766)	(8,783,759)	(8,717,327)	(8,333,323)	(8,297,289)
Total district net position	<u>\$ 9,907,415</u>	<u>\$ 11,408,711</u>	<u>\$ 11,802,542</u>	<u>\$ 14,590,969</u>	<u>\$ 8,235,867</u>	<u>\$ 7,533,400</u>	<u>\$ 5,485,494</u>	<u>\$ 6,265,893</u>	<u>\$ 9,166,637</u>	<u>\$ 11,832,581</u>

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

Exhibit J-2

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses:										
Governmental activities:										
Instruction:										
Regular	\$ 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	\$ 15,001,834
Special education	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	3,844,395
Other instruction	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	1,179,156
Support Services:										
Tuition	783,100	1,098,794	1,300,539	1,147,065	1,363,042	1,025,530	670,140	504,587	583,585	590,303
Student & instruction related services	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	5,245,822
School administrative services	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	1,882,135
General and business administrative services	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	1,785,829
Plant operations and maintenance	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	4,501,881
Pupil transportation	306,140	533,737	299,965	468,815	544,335	498,304	509,109	548,993	548,607	454,038
Unallocated employee benefits	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	18,411,161
Special schools	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	862,025	834,991	741,106	701,745	732,852	459,660	925,848	1,295,356	1,107,655	1,036,062
Unallocated depreciation	58,682	87,835	30,936	62,112	56,507	56,188	52,726	49,258	56,738	88,927
Total governmental activities expenses	<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>	<u>54,021,543</u>
Business-type activities:										
Community Education	79,191	81,841	82,722	109,036	91,026	134,587	110,644	92,449	85,629	
Food service	535,136	554,666	559,954	519,642	522,126	592,657	609,298	602,426	652,980	547,162
Total business-type activities expense	<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>	<u>547,162</u>
Total district expenses	<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>	<u>\$ 54,568,705</u>
Program Revenues:										
Governmental activities:										
Operating grants and contributions	\$ 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	\$ 13,879,016
Total governmental activities program revenues	<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>	<u>13,879,016</u>

(Continued)

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

Exhibit J-2

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Business-type activities:										
Charges for services:										
Community Education	\$ 83,732	\$ 80,861	\$ 94,488	\$ 101,176	\$ 106,360	\$ 113,989	\$ 103,672	\$ 79,086	\$ 111,356	\$ -
Food service	493,216	490,935	464,331	464,667	458,200	489,045	559,154	572,950	644,753	480,083
Operating grants and contributions	54,378	67,815	66,799	71,159	35,708	34,596	36,199	37,170	39,930	42,035
Capital grants and contributions										
Total business-type activities program revenues	<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>	<u>522,118</u>
Total district program revenues	<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>	<u>\$ 14,401,134</u>
Net (Expense)/Revenue:										
Governmental activities	\$ (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)	\$ (40,142,527)
Business-type activities	18,999	3,104	(17,058)	8,324	(12,884)	(89,614)	(20,917)	(5,669)	57,430	(25,044)
Total district-wide net expense	<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>	<u>\$ (40,167,571)</u>
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 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	\$ 36,737,325
Taxes levied for debt service	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	2,978,679
Unrestricted grants and contributions	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	2,583,813
Tuition	220,243	321,758	492,118	526,947	505,276	511,500	290,603	365,162	240,194	274,835
Miscellaneous income	420,891	552,817	359,417	361,473	281,584	498,329	323,597	454,654	360,729	320,135
Transfers										
Total governmental activities	<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>	<u>42,894,787</u>
Business-type activities:										
Investment earnings	1,086	1,300	1,331	649	369	339	339	637	3,377	2,202
Miscellaneous income	218	3,245			1,542	815	-	-	-	-
Cancellation of accounts receivable		(17,818)								
Transfers										(63,474)
Total business-type activities	<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>	<u>(61,272)</u>
Total district-wide	<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>	<u>\$ 42,833,515</u>
Change in Net Position:										
Governmental activities	\$ 1,118,918	\$ 1,511,465	\$ 630,860	\$ 601,319	\$ 417,443	\$ (614,007)	\$ (2,027,328)	\$ 785,431	\$ 2,839,937	\$ 2,752,260
Business-type activities	18,303	(10,169)	(15,727)	8,973	(10,973)	(88,460)	(20,578)	(5,032)	60,807	(86,316)
Total district-wide	<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>	<u>\$ 2,665,944</u>

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

Exhibit J-3

	Fiscal Year Ending June 30,								
	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund:									
Restricted for:									
Capital reserve	\$ 200,121	\$ 900,120	\$ 766,951	\$ 1,444,869	\$ 1,718,481	\$ 1,339,992	\$ 2,893,341	\$ 3,906,868	\$ 4,073,391
Maintenance reserve	-	-	200,000	200,000	200,000	400,000	401,000	902,875	1,770,282
Excess surplus	789,114	634,165	639,307	639,455	515,396	464,848	428,535	663,937	591,913
Excess surplus - designated for next year	-	679,906	634,165	639,307	639,455	515,396	464,848	428,535	687,434
Assigned									
Other Purposes	-	-	-	-	-	-	-	324,335	356,944
Reserve for encumbrances	-	-	-	204,712	422,631	48,505	27,572	-	-
Designated for subsequent year's budget	-	-	-	-	-	-	87,724	-	35,846
Unassigned	669,318	635,917	593,100	596,116	621,022	650,447	606,964	614,268	705,290
Total general fund	<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>\$ 8,221,100</u>
All Other Governmental Funds									
Reserved:									
Encumbrances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 809	\$ -	\$ -	\$ -
Other Purposes	-	-	-	-	-	-	-	10,284,161	-
Unreserved, reported in:									
Capital projects fund	500,802	250,783	320,165	320,165	320,165	(186,927)	32,505,002	(133,433)	-
Debt service fund	9,162	14,458	13,813	3,987	1,788	185,588	255,067	157,619	38,933
Total all other governmental funds	<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>\$ 38,933</u>

Source: District records

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	Other Refunds	Preschool Program Fees	Prior Year Refunds	Rentals	Summer Enrichment	Reading Recovery Program Fees	Student Activity Fee	Chromebook Fees	Donations	Miscellaneous	Total
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	-	-	26,729	7,600	51,199	-	-	-	-	151,605	614,200
2018	123,437	365,162	-	-	-	-	-	-	78,950	-	-	252,267	819,816
2019	110,743	240,194	-	-	43,729	6,655	-	-	20,000	-	-	79,056	500,377
2020	26,769	274,835	41,965	-	87,597	10,415	-	-	15,000	44,535	39,100	23,322	563,538
	<u>\$ 557,075</u>	<u>\$ 3,304,992</u>	<u>\$ 41,965</u>	<u>\$ 497,543</u>	<u>\$ 1,124,332</u>	<u>\$ 249,416</u>	<u>\$ 308,981</u>	<u>\$ 5,250</u>	<u>\$ 280,500</u>	<u>\$ 44,535</u>	<u>\$ 39,100</u>	<u>\$ 1,076,613</u>	<u>\$ 7,530,302</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	Commercial	Apartment	Total Assessed Value	Public Utilities a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate b	Estimated Actual (County Equalized) Value
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
2020	5,677,600	2,082,781,100	207,012,900	13,906,800	2,309,378,400	5,754,587	2,315,132,987	251,927,100	1.748	2,444,137,850

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	
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
2020	1.618	0.130	1.748	0.494	0.005	0.035	0.843	3.125

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	2020		Taxpayer	2011	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Verizon	\$ 8,565,787	0.37%	Verizon	\$ 12,461,583	0.55%
Haddonfield Partners LP	8,436,800	0.36%	One Centennial Square	9,550,000	0.42%
Centennial Office, LLA	8,300,000	0.36%	95 Grove Street Partnership	7,989,400	0.35%
132 Warwick Rd, LLC	8,250,000	0.36%	Gerald & Erica Levin	5,590,000	0.25%
Haddonfield Partners II, LLC	6,891,000	0.30%	Tommar LLC	4,150,000	0.18%
110 Kings Highway East	4,124,900	0.18%	Laurie Industries (ACME Markets)	3,894,400	0.17%
ACME	4,069,800	0.18%	807 Haddon Properties	3,530,000	0.16%
Tommar, LLC	3,750,000	0.16%	Thirty-Five Kings Highway East	3,250,000	0.14%
35 Kings Highway East, LP	3,000,000	0.13%	110 Kings Highway East	2,945,200	0.13%
Haddon Medical, LLC	2,900,000	0.13%	Thirty Washington LLC	2,870,000	0.13%
Total	\$ 58,288,287	2.52%		\$ 56,230,583	2.49%

Source: Municipal Tax Collector

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

Exhibit J-9

Fiscal Year Ended June 30,	Taxes Levied for the Calendar Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
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%	-
2020	39,716,004	39,716,004	100.00%	-

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

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

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

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^b
	General Obligation Bonds	Unfunded Pension Liability	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2011	\$ 20,181,000	\$ -	\$ 13,515	\$ -	\$ -	\$ 20,194,515	3.98%	\$ 1,745	
2012	18,801,000	-	26,058	-	-	18,827,058	3.66%	1,634	
2013	17,591,000	-	17,523	-	-	17,608,523	3.40%	1,537	
2014	16,341,000	-	8,709	-	-	16,349,709	3.06%	1,435	
2015	14,910,000	-	4,570	-	-	14,914,570	2.69%	1,313	
2016	13,530,000	-	-	-	-	13,530,000	2.37%	1,189	
2017	47,491,000	-	-	-	-	47,491,000	8.07%	4,182	
2018	46,166,000	-	-	-	-	46,166,000	7.53%	4,076	
2019	43,641,000	-	-	-	-	43,641,000	c	3,856	
2020	41,055,000	-	-	-	-	41,055,000	c	c	

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

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

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

Exhibit J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2011	\$ 20,181,000	\$ -	\$ 20,181,000	0.89%	\$ 1,744
2012	18,801,000	-	18,801,000	0.83%	1,632
2013	17,591,000	-	17,591,000	0.79%	1,536
2014	16,341,000	-	16,341,000	0.73%	1,434
2015	14,910,000	-	14,910,000	0.67%	1,313
2016	13,530,000	-	13,530,000	0.60%	1,189
2017	47,491,000	-	47,491,000	2.11%	4,182
2018	46,166,000	-	46,166,000	2.03%	4,076
2019	43,641,000	-	43,641,000	1.91%	3,856
2020	41,055,000	-	41,055,000	1.77%	c

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

a See Exhibit J-6 for property tax data.

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

c Not available.

**Haddonfield School District
Ratios of Overlapping Governmental Activities Debt
As of December 31, 2019**

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Borough of Haddonfield	\$ 28,341,033	100.000%	\$ 27,941,368
Camden County General Obligation Debt	357,727,729	6.011%	21,503,014
			<hr/>
Subtotal, overlapping debt			49,444,382
Haddonfield School District Direct Debt			<hr/> 41,470,000
Total direct and overlapping debt			<hr/> \$ 90,914,382 <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 2020

	Equalized valuation basis	
	2017	\$ 2,289,891,617
	2018	2,312,731,638
	2019	2,404,662,309
	[A]	<u>\$ 7,007,285,564</u>
Average equalized valuation of taxable property	[A/3]	\$ 2,335,761,855
Debt limit (4% of average equalized valuation)	[B]	93,430,474 ^a
Net bonded school debt	[C]	41,055,000
Legal debt margin	[B-C]	<u>\$ 52,375,474</u>

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	\$ 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	\$ 93,430,474
Total net debt applicable to limit	<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>	<u>41,055,000</u>
Legal debt margin	<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>	<u>\$ 52,375,474</u>
Total net debt applicable to the limit as a percentage of debt limit	22.57%	20.94%	19.68%	18.70%	17.29%	15.60%	53.65%	51.07%	47.69%	43.94%

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

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

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

Exhibit J-14

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2011	11,573	\$ 506,839,535	\$ 43,795	5.9%
2012	11,523	513,833,616	44,592	5.9%
2013	11,453	518,087,908	45,236	4.1%
2014	11,397	534,576,285	46,905	3.8%
2015	11,359	555,352,869	48,891	3.5%
2016	11,377	570,715,828	50,164	3.5%
2017	11,356	588,831,312	51,852	2.6%
2018	11,327	612,824,681	54,103	2.5%
2019	11,317	e	e	2.0%
2020	e	e	e	e

Source:

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

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

Exhibit J-16

Function/Program	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Instruction										
Regular	172	172	170	170	173	169	162	166	169	169
Special education	34	34	43	47	47	32	39	37	38	38
Other special education	55	55	58	58	58	49	72	12	12	12
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	24	26	25	13	13	2	-	19	19	19
Support Services:										
Student & instruction related services	40	42	12	14	14	21	25	39	41	41
School administrative services	19	16	18	21	21	18	19	21	22	22
General and business administrative services	6	6	6	10	10	19	7	12	12	13
Plant operations and maintenance	12	13	8	8	8	6	9	10	10	11
Pupil transportation	8	8	12	12	12	10	10	5	4	4
Business and other support services	-	-	-	-	-	4	4	5	5	6
Total	<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>	<u>335</u>

Source: District Personnel Records

Haddonfield School District
 Operating Statistics,
 Last Ten Fiscal Years

Exhibit J-17

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2011	2,454	\$ 33,782,171	\$ 13,766	-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%
2020	2,710	44,024,385	16,245.16	3.99%	238	1:16	1:13	1:12	2,703	2,630	-1.31%	97.30%

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

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
District Building										
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	348	327	336	361	343	355	374	386	354	362
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	481	511	515	440	458	447	441	426	409	414
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	316	350	363	396	404	409	397	411	400	402
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	562	573	596	621	653	652	656	634	606
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	765	753	760	780	783	797	826	835	837	845

Number of Schools at June 30, 2020
 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

		Fiscal Year Ending June 30,										
* School Facilities	Project # (s)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
High School	SP#201155	\$ 459,096	\$ 445,380	\$ 422,494	\$ 442,142	\$ 344,092	\$ 270,561	\$ 283,102	\$ 312,049	\$ 411,694	\$ 492,415	\$ 3,883,025
Middle School	SP#201156	205,128	213,008	202,063	211,459	164,566	129,399	135,397	149,241	196,898	235,503	1,842,662
J. Fithian Tatem Elementary School	SP#201154	107,448	106,504	101,031	105,730	82,283	64,699	67,698	74,620	98,449	117,751	926,213
Elizabeth Haddon Elementary School	SP#201157	107,448	106,504	101,031	105,730	82,283	64,700	67,699	74,620	98,448	117,751	926,214
Central Elementary School	SP#201158	97,680	96,822	91,847	96,118	74,803	58,818	61,544	67,837	89,499	107,047	842,015
Total School Facilities		<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>\$ 1,070,467</u>	<u>\$ 8,420,129</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, 2020**

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	2,000,000		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)			
Students	1,000,000		
Student Athletes	5,000,000		
Surety Bonds (3)			
Board Secretary/Assistant Business Administrator	100,000		

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

Source: District records

Single Audit Section

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

INDEPENDENT AUDITOR'S REPORT

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Haddonfield School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2020, 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 December 18, 2020.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, I do not express an opinion on the effectiveness of the Haddonfield School District's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Haddonfield School District's financial statements are free 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 financial statements. 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 no 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.

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
December 18, 2020

INVERSO & STEWART, LLC
Certified Public Accountants

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**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, 2020. The School District's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal and State Program

In my opinion, the Haddonfield School District, in the County of Camden, State of New Jersey complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2020.

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
December 18, 2020

HADDONFIELD SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2020

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, 2019			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years' Balances	June 30, 2020		
						Accounts Receivable	Deferred Revenue	Due to Grantor at						Accounts Receivable	Deferred Revenue	Due to Grantor at
U.S. Department of Education																
<u>Special Revenue Fund:</u>																
<u>Every Student Succeeds Act (ESSA)</u>																
Title I	84.010	S010A190030	ESSA-1900-20	\$ 146,623	7/1/19 - 9/30/20	\$ -	\$ -	\$ -	\$ -	\$ 94,427	\$ (146,622)	\$ -	\$ -	\$ (52,195)	\$ -	\$ -
Title I - PY	84.010	S010A180030	ESSA-1900-19	151,925	7/1/18 - 6/30/19	(69,807)				69,807				-		
Title II - Part A	84.367	S367A190029	ESSA-1900-20	33,286	7/1/19 - 9/30/20					25,937	(26,146)			(209)		
Title II - Part A - PY	84.367	S367A180029	ESSA-1900-19	39,810	7/1/18 - 6/30/19	(13,805)				13,805				-		
Title IV	84.424	S424A190031	ESSA-1900-20	11,995	7/1/19 - 9/30/20					3,663	(3,663)			-		
Title IV	84.424	S424A180031	ESSA-1900-19	10,000	7/1/18 - 6/30/19	(2,997)				2,997				-		
<u>Individuals With Disabilities Act (I.D.E.I.A.)</u>																
Part B - Basic	84.027	H027A190100	IDEA-1900-20	599,430	7/1/19 - 9/30/20					439,254	(584,766)			(145,512)		
Part B - Basic	84.027	H027A180100	IDEA-1900-19	579,767	7/1/18 - 6/30/19	(132,820)				132,820				-		
Part B - Preschool	84.173	H173A190114	IDEA-1900-20	30,919	7/1/19 - 9/30/20					25,577	(27,828)			(2,251)		
Part B - Preschool	84.173	H173A180114	IDEA-1900-19	27,866	7/1/18 - 6/30/19	(6,699)				6,699				-		
<u>CARES Act</u>	84.425D	S425D200027	N/A	16,536	3/13/20 - 9/30/22	-					(12,089)			(12,089)		
Total Special Revenue Fund						(226,128)	-	-	-	814,986	(801,114)	-	-	(212,256)	-	-
U.S. Department of Agriculture																
<u>Enterprise Fund:</u>																
Food Distribution Program	10.565	201NJ304N1099	N/A	20,316	7/1/19 - 6/30/20					20,316	(20,316)					
National School Lunch Program	10.555	201NJ304N1099	N/A	19,475	7/1/19 - 6/30/20					17,544	(19,475)			(1,931)		
National School Lunch Program	10.555	191NJ304N1099	N/A	23,495	7/1/18 - 6/30/19	(4,959)				4,959				-		
Total Enterprise Fund						(4,959)	-	-	-	42,819	(39,791)	-	-	(1,931)	-	-
Total Federal Awards						\$ (231,087)	\$ -	\$ -	\$ -	\$ 857,805	\$ (840,905)	\$ -	\$ -	\$ (214,187)	\$ -	\$ -

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, 2020

State Grantor / Program Title	Grant or State Project Number	Program Award Amount	Grant Period	June 30, 2019			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years' Balances	June 30, 2020			
				Accounts Receivable	Deferred Revenue	Due to Grantor at						(Accounts Receivable)	Deferred Revenue	Due to Grantor at	
State Department of Education															
<u>Debt Service Fund</u>															
Debt Service Aid Type II	20-495-034-5120-017	638,002	7/1/19 - 6/30/20					638,002	(638,002)						
Total Debt Service Fund Fund				-	-	-	-	638,002	(638,002)	-	-	-	-	-	
State Department of Agriculture															
<u>Enterprise Fund:</u>															
State School Lunch Program	20-100-010-3350-023	2,244	7/1/19 - 6/30/20					1,624	(2,244)			(620)			
State School Lunch Program	19-100-010-3350-023	2,321	7/1/18 - 6/30/19	(489)				489							
Total Enterprise Fund				(489)				2,113	(2,244)			(620)			
Total State Financial Assistance				\$ (477,273)	\$ -	\$ 51,430	\$ -	\$ 9,008,095	(8,962,512)	\$ -	\$ 51,430	\$ (535,679)	\$ -	\$ 103,989	
Less: State Financial Assistance Not Subject to Major Program Determination															
On-Behalf TPAF Contribution - Pension (Non-Budgeted)													(3,419,632)		
On-Behalf TPAF Contribution - Post-Retirement Medical (Non-Budgeted)													(1,268,621)		
On-Behalf TPAF Contribution - LTDI (Non-Budgeted)													(3,489)		
Total State Financial Assistance Subject to Major Program Determination													\$ (4,270,770)		

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, 2020**

I. GENERAL

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

2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 (\$18,333) 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, 2020
(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>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ -	\$ 7,906,015	\$ 7,906,015
Special Revenue	801,114	397,918	1,199,032
Debt Service		638,002	638,002
Food Service	39,791	2,244	42,035
	<u>\$ 840,905</u>	<u>\$ 8,944,179</u>	<u>\$ 9,785,084</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, 2020. 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, 2020.

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, 2020

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? yes X 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>H027A190100</u>	<u>IDEA Part B Basic</u>
<u>84.173</u>	<u>H173A190114</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, 2020

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:

State Grant/Project Number(s)
20-495-034-5120-089
20-495-034-5120-084
20-495-034-5120-085
20-495-034-5094-003

Name of State Program
State Aid Public Cluster:
Special Education Categorical Aid
Security Aid
Adjustment Aid
Reimbursed TPAF Social Security Contributions

**HADDONFIELD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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.

No findings identified.

**HADDONFIELD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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 #2019-001:

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

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.