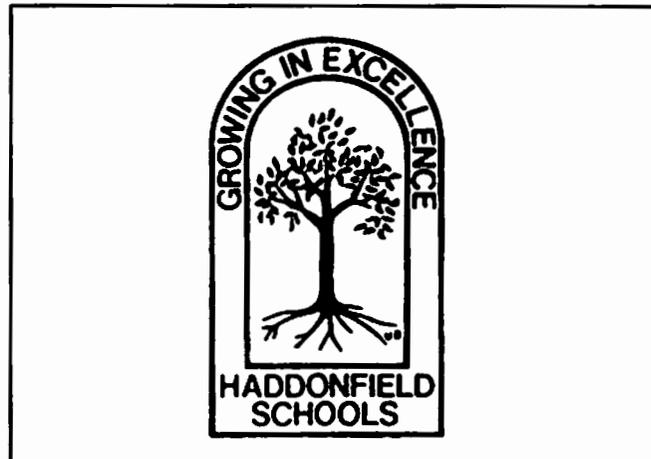


**SCHOOL DISTRICT
OF**

HADDONFIELD



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

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2012**

Comprehensive Annual Financial Report

of the

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

For the Fiscal Year Ended June 30, 2012

Prepared by

Haddonfield Board of Education
Finance Department

HADDONFIELD SCHOOL DISTRICT

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Introductory Section



HADDONFIELD BOARD OF EDUCATION

ONE LINCOLN AVENUE • HADDONFIELD, NJ 08033-1892
TELEPHONE: (856) 429-7510 FAX: (856) 429-6015
E-Mail: haddonfield.k12.nj.us

October 30, 2012

Mr. Steven D. Weinstein and
Members of the Board of Education
1 Lincoln Avenue
Haddonfield, NJ 08033

Dear Mr. Weinstein and Board of Education Members:

The Comprehensive Annual Financial Report (CAFR) of the Haddonfield School District for the fiscal year ended June 30, 2012, 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 Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of State, Local Governments, and Non-Profit Organizations," and NJOMB Circular Letter 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". 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 K - 12. These services include but are not limited to, Regular Instructional Programs, Technology Education, Reading Recovery, Character Education and Special Education Programs for handicapped students. The District completed the 2011-2012 fiscal year with an average daily enrollment of 2,503 students, which is an increase of 38 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

Fiscal Year	Student Enrollment	Percent Change
2011-12	2503.0	1.5 %
2010-11	2465.0	5.7 %
2009-10	2451.0	1.7 %
2008-09	2410.0	1.1 %
2007-08	2385.0	(.9) %
2006-07	2406.0	.5 %
2005-06	2394.0	1.9 %
2004-05	2348.0	1.7 %
2003-04	2308.0	(1.1) %
2002-03	2333.0	1.7 %

2. ECONOMIC CONDITION AND OUTLOOK: Haddonfield is a small historic community located ten miles east of Philadelphia in Camden County, New Jersey. Haddonfield is 2.6 square miles in area, and its population was 11,659 in the 2000 Census Report. The town is served by a PATCO high-speed line connection which links Haddonfield to center city Philadelphia, the City of Camden, and the New Jersey shore area. Haddonfield is a town that has a central shopping thoroughfare (Kings Highway) that is lined with picturesque shops, wonderful restaurants, and many professional offices.

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

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

The quality of the schools has attracted families with school-aged children, which has resulted in a slight enrollment increase over the past few years. This slight increases in enrollment, combined with no financial support from the State of New Jersey or the Federal Government, has resulted in an average school tax increase of over 7.1% over the past five years. However, excellent budget management combined with important cash-saving efforts have significantly lowered the tax increase during the past two years to an average tax increase less than 2% per year.

Haddonfield School District is governed by a nine-member Board of Education elected at large to serve three year terms. Three members are elected each April during the annual school election and budget approval vote in Haddonfield.

There are five schools in Haddonfield School District, whose students are served by a combined staff of 241 full time and 73 part-time positions. Our five schools are:

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

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

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

One hundred percent of the Haddonfield Memorial High School Class of 2010 and 2011 took the SAT. The Class of 2011 had a mean score of 1,714 (577 Math, 569 Writing, and 568 Critical Reading). The class of 2011 had 98% of the graduating seniors continue their education in college or university – with 90% of the graduating seniors attending a four year college or university.

Student enrollment is currently 2,449 students in total, with 2,430 students enrolled in Haddonfield School District with an additional 19 Special Education students sent on a tuition basis to private and public school special education programs. The total number of enrolled students includes 23 out of district students who pay tuition to Haddonfield School District to attend our excellent schools. The current demographic projections indicate a slight increase in future student enrollment.

3. MAJOR INITIATIVES: The major challenge currently facing Haddonfield School District is to maintain the excellent quality of its academic programs while having to finance approximately 94% of the entire school district 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 was recently ranked one of the best high schools in the nation and the school district is consistently ranked as the best in the region. The athletic program also receives *Best in South Jersey* honors along with national recognition of outstanding performances in the Arts.

This upcoming school year, the school district is participating as a pilot school district in the State's mandated Teacher Evaluation program. The district has chosen Danielson as its evaluative framework model and TeachScape as its technology platform for this pilot project. The school district was only one of ten school districts statewide to receive state funding as part of this Teacher Evaluation pilot program. Also this school year, the district will continue its Critical Thinking curricular initiatives by way of focusing on the Digital Learner for the 21st Century through the utilization of technology, technological support, technology based instruction and curricula, and professional development. As a school district, there will also be efforts to continue to develop alternative sources of revenue. During the 2010-2011 school year, the Tuition Committee, comprised of community volunteers with a background in marketing, increased the revenue from the Tuition program from \$220,243 for the 2010-2011 school-year and \$321,758 for the 2011-2012 school-year.

Although there are fiscal restraints, the school district continues to form partnerships with colleges and universities in order to expand its curricular opportunities. A number of the district's high school students have taken advantage of the Drexel University- Haddonfield School District partnership program with much success. By way of this partnership, Haddonfield students have taken a variety of courses, obtaining both academic and field experiences and thus expanding their educational opportunities in a significant way.

During the summer, students also participated in a Drexel University- Haddonfield School District Engineering course in which students had field experiences at engineering companies and Drexel University's main campus. Students learned what it is like in the everyday life of an electrical, a chemical, and a civil engineer. Other on-line curricular technologies, such as a new high school Finance course, were offered to students.

In regard to building level initiatives, there have been several improvements. The high school had new courses added to its curricula including an AP Geography course along with additions to technology and a new technology collaborative learning library setting. The middle school also had new technology upgrades including new iPad carts and Technology Project Based Learning curricular initiatives. At the elementary schools, new SMART technologies have been implemented along with i-Pad initiatives as well. A new Language Arts program called, Journeys, has also been implemented during this school year.

Haddonfield School District has developed an exemplary professional staff 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 program as one of the very best programs in the state, and colleagues from surrounding school districts are invited to take part in the district's professional development program. 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 staff, and community support, Haddonfield students continue to earn scores on standardized tests (SAT; GEPA; NJASK; Advanced Placement Tests) that are among the highest in the State's and within the metropolitan Philadelphia area. The Haddonfield students' mean scores often equal or exceed the test scores of private schools with selective admission policies. In addition, a high percentage of graduating students of HMHS 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 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, 2012.

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 Single Audit Act of 1984 and the related OMB Circular A-133 and NJOMB Circular Letter 04-04. 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

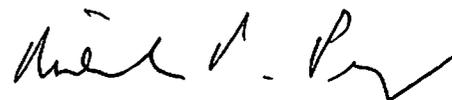
is included in the single audit section of this report.

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,



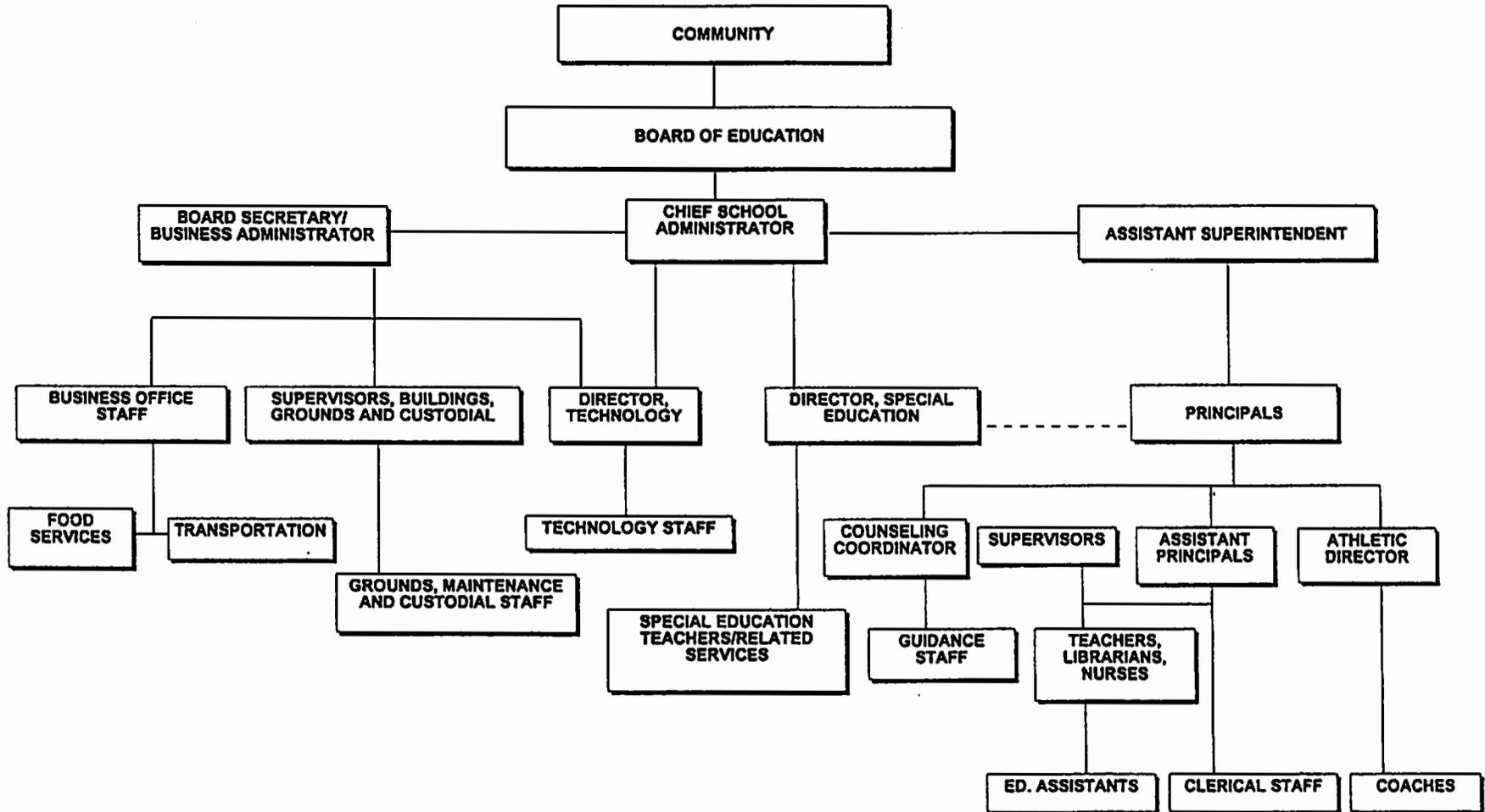
Dawn Leary
Business Administrator/Board Secretary



Richard P. Perry, Ed.D.
Superintendent

HADDONFIELD PUBLIC SCHOOLS

Organizational Chart



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

**ROSTER OF OFFICIALS
JUNE 30, 2012**

	<u>Term Expires</u>
Steven D. Weinstein, President	2013
Glenn Moramarco, Vice-President	2014
Andrew Berlin	2012
Maureen Eyles	2012
Joseph Ehrhardt	2013
M. Drew Hansen	2014
Dennis Kelleher	2012
Cheryl Laney	2013
Heather Paoli	2014

Other Officials

Richard P. Perry, Ed. D., Superintendent
Dyanne L. Kerecman, Ed. D., Assistant Superintendent
W. Andrew Hall, Business Administrator/Board Secretary
Nancy McCabe, Treasurer of School Monies
Joseph F. Betley, Solicitor

HADDONFIELD SCHOOL DISTRICT
Consultants and Advisors

Audit Firm

Inverso & Stewart, LLC
12000 Lincoln Drive West
Suite 402
Marlton, NJ 08053

Attorney

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

Bond Counsel

Parker McCay
Three Greentree Centre
1701 Lincoln Drive West
Marlton, New Jersey 08053

Official Depository

Republic Bank
30 Kings Highway East
Haddonfield, NJ 08033

Financial Section

INVERSO & STEWART, LLC

**Certified Public Accountants
Registered Municipal Accountants**

12000 Lincoln Drive West, Suite 402
Marlton, New Jersey 08053
(856) 983-2244
Fax (856) 983-6674
E-Mail: iscpas@concentric.net

-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

We 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 (School District), as of and for the fiscal year ended June 30, 2012, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our 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 Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, 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, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2012 on our consideration of the Haddonfield School District, in the County of Camden, State of New Jersey's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our 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* and should be considered in assessing the results of our audit.

The accompanying management's discussion and analysis and budgetary comparison information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Haddonfield School District's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and State of New Jersey Circular 04-04-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the financial statements. In addition, the introductory section, combining statements and related major fund supporting statements and schedules, and statistical section listed in the table of contents are also presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedules of Expenditures of Federal Awards and State Financial Assistance, combining statements and related major fund supporting statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
September 14, 2012

INVERSO & STEWART, LLC

**Certified Public Accountants
Registered Municipal Accountants**

12000 Lincoln Drive West, Suite 402
Marlton, New Jersey 08053
(856) 983-2244
Fax (856) 983-6674
E-Mail: iscpas@concentric.net

-Member of-
American Institute of CPAs
New Jersey Society of CPAs

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Haddonfield School District (School District), in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the School District's basic financial statements and have issued our report thereon dated September 14, 2012. We conducted our 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 Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Haddonfield School District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Haddonfield School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over financial reporting.

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

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Haddonfield School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

We noted certain matters that we reported to management of the Haddonfield School District in a separate report entitled, *Auditors Management Report on Administrative Findings - Financial, Compliance and Performance* dated September 14, 2012.

This report is intended solely for the information and use of the management of the School District, the Division of Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
September 14, 2012

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, 2012**

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, 2012. 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 \$11,408,711 (*net assets*).
- Governmental activities have an unrestricted net assets deficit of \$774,403. The accounting treatments in the governmental funds for compensated absences payable, 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 assets of the School District increased by \$1,501,296, or a 15.15% increase from the prior fiscal year-end balance. The majority of this increase is attributable to the results of operation in the general fund.
- Fund balance of the School District's governmental funds increased by \$946,832 resulting in an ending fund balance of \$3,115,349. This increase is largely due to the results of operations in the general fund.
- Business-type activities have unrestricted net assets of \$125,450, which may be used to meet the School District's ongoing obligations of the food service operations and community education program.
- The School District's long-term obligations decreased by \$1,368,036 which is the result of a decrease in compensated absences, serial bonds and an increase in capital leases.

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 assets and the statement of activities.

The *statement of net assets* presents information about all of the School District's assets and liabilities. The difference between the assets and liabilities is reported as net assets. Over time, changes in net assets 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 assets of the School District changed during the current fiscal year. Changes in net assets 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 2012. 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 2012.

The assets of the primary government activities exceeded liabilities by \$11,283,261 with an unrestricted deficit balance of \$774,403. The net assets of the primary government do not include internal balances.

A net investment of \$9,578,232 in land, improvements, buildings, equipment and vehicles which provide the services to the School District's 2,503 public school students, represents over 84.80% of the School District's net assets. Net assets of \$1,150,903 have been restricted to provide resources for future capital expansion and renovation projects, \$1,314,071 has been restricted for budget appropriation and \$14,458 is restricted for debt service.

As mentioned earlier, deficit unrestricted net assets are primarily due to the accounting treatment for compensated absences payable 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 Assets
As of June 30, 2012 and 2011**

	Governmental Activities		Business-Type Activities		District-Wide	
	2012	2011	2012	2011	2012	2011
Assets:						
Current assets	\$ 4,888,294	\$ 5,829,120	\$ 145,768	\$ 142,513	\$ 5,034,062	\$ 5,971,633
Capital assets	<u>28,405,290</u>	<u>29,266,739</u>			<u>28,405,290</u>	<u>29,266,739</u>
Total assets	<u>33,293,584</u>	<u>35,095,859</u>	<u>145,768</u>	<u>142,513</u>	<u>33,439,352</u>	<u>35,238,372</u>
Liabilities:						
Current Liabilities	3,002,577	4,943,942	20,318	6,894	3,022,895	4,950,836
Noncurrent Liabilities	<u>19,007,746</u>	<u>20,380,121</u>			<u>19,007,746</u>	<u>20,380,121</u>
Total liabilities	<u>22,010,323</u>	<u>25,324,063</u>	<u>20,318</u>	<u>6,894</u>	<u>22,030,641</u>	<u>25,330,957</u>
Net assets	<u>\$ 11,283,261</u>	<u>\$ 9,771,796</u>	<u>\$ 125,450</u>	<u>\$ 135,619</u>	<u>\$ 11,408,711</u>	<u>\$ 9,907,415</u>
Net assets consist of:						
Invested in capital						
Assets	\$ 9,578,232	\$ 9,072,224			\$ 9,578,232	\$ 9,072,224
Restricted net assets	2,479,432	1,555,760			2,479,432	1,555,760
Unrestricted net assets	<u>(774,403)</u>	<u>(856,188)</u>	<u>\$ 125,450</u>	<u>\$ 135,619</u>	<u>(648,953)</u>	<u>(720,659)</u>
Net assets	<u>\$ 11,283,261</u>	<u>\$ 9,771,796</u>	<u>\$ 125,450</u>	<u>\$ 135,619</u>	<u>\$ 11,408,711</u>	<u>\$ 9,907,415</u>

Haddonfield School District
Comparative Schedule of Changes in Net Assets
As of and for the Fiscal Year Ended June 30, 2012 and 2011

	Governmental Activities		Business-Type Activities		District-Wide	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program Revenues						
Charges for services			\$ 571,796	\$ 576,948	\$ 571,796	\$ 576,948
Operating grants and Contributions	\$ 3,727,388	\$ 3,501,365	67,815	54,378	3,795,203	3,555,743
General Revenues:						
Property Taxes	32,745,739	32,208,436			32,745,739	32,208,436
Unrestricted State Aid	1,024,048	359,785			1,024,048	359,785
Tuition	321,758	220,243			321,758	220,243
Other Revenues	645,708	420,891	4,545	1,304	650,253	422,195
Total Revenues	38,464,641	36,710,720	644,156	632,630	39,108,797	37,343,350
Expenses:						
Governmental Activities:						
Instruction	16,850,459	17,143,691			16,850,459	17,143,691
Tuition	1,098,794	783,100			1,098,794	783,100
Related Services	3,131,429	3,087,241			3,131,429	3,087,241
Administrative Services	2,089,801	2,203,842			2,089,801	2,203,842
Central Services	491,517	458,079			491,517	458,079
Operations and Maintenance	3,971,747	3,474,005			3,971,747	3,474,005
Transportation	533,737	306,140			533,737	306,140
Special Schools	108,653	161,341			108,653	161,341
Employee benefits	7,661,323	7,053,656			7,661,323	7,053,656
Interest on long-term Debt	834,991	862,025			834,991	862,025
Other	87,835	58,682			87,835	58,682
Business-Type Activities:						
Food Service Operations			554,666	535,136	554,666	535,136
Community Education			81,841	79,191	81,841	79,191
Total Expenses	36,860,286	35,591,802	636,507	614,327	37,496,793	36,206,129
Increase in net assets						
Before transfers	1,604,355	1,118,918	7,649	18,303	1,612,004	1,137,221
Cancelled	(92,890)		(17,818)		(110,708)	
Changes in net assets	1,511,465	1,118,918	(10,169)	18,303	1,501,296	1,137,221
Net assets, July 1,	9,771,796	8,652,878	135,619	117,316	9,907,415	8,770,194
Net assets, June 30,	\$ 11,283,261	\$ 9,771,796	\$ 125,450	\$ 135,619	\$ 11,408,711	\$ 9,907,415

Governmental Activities

Governmental activities increased the net assets of the School District by \$946,832 during the current fiscal year. Key elements of the \$1,511,465 net increase in net assets for governmental activities are as follows:

- Reduction of debt increased the net assets of the School District by \$1,368,036 during the current fiscal year. Depreciation expense reduced net assets by \$861,449.

Business-type Activities

Business-type activities decreased the School District's net assets by \$10,169. Key elements of the decrease in net assets for governmental activities are as follows:

- The Food Service Fund had a net loss of \$9,588 and the Community Education Program had a net loss of \$581.

Financial Analysis of the Governmental Funds

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

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

As of the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$3,115,349 an increase of \$946,832 in comparison with the prior year. This increase is primarily attributable to the results of operations in the general 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 \$635,917 and \$10,960 in the Debt Service Fund. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) as restricted cash reserved for future capital outlay expenditures of \$1,150,903, 2) \$683,404 appropriated as a revenue source for subsequent year's budgets, and 3) \$634,165 reserved for excess surplus.

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

General Fund Budgetary Highlights

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

At the end of the current fiscal year, unreserved fund balance (budgetary basis) of the general fund was \$660,825 while total fund balance (budgetary basis) was \$2,875,016. 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 \$34,123,160. Unreserved fund balance (budgetary basis) represents 1.93% of expenditures while total fund balance (budgetary basis) represents 8.42% 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, 2012, totaled \$28,405,290 (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 \$861,449 or a 3.03% decrease. The decrease is due to depreciation expense.

Capital Asset (net of accumulated depreciation) June 30, 2012 and 2011

	Governmental Activities		Business-Type Activities		District-Wide	
	2012	2011	2012	2011	2012	2011
Land	\$ 1,898,592	\$ 1,898,592			\$ 1,898,592	\$ 1,898,592
Construction in Progress						
Buildings and Building Improvements	26,444,550	27,283,914			26,444,550	27,283,914
Equipment	62,148	84,233	\$ -	\$ -	62,148	84,233
Net assets	\$ 28,405,290	\$ 29,266,739	\$ -	\$ -	\$ 28,405,290	\$ 29,266,739

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, 2012, the School District had \$18,801,000 in serial bonds payable, \$26,058 in capital leases, and \$1,339,223 in compensated absences.

State statutes limit the amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was \$89,788,145. The available amount as of June 30, 2012 is \$70,987,145

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 2012-13 fiscal year.

- For the 2012-13 fiscal year the School District will be receiving an increase in state aid. The local tax levy in the General Fund decreased by \$41,000 or .13%. Salaries continue to increase contractually; however, the District has managed to control costs. The 2012-13 General Fund Budget is \$821,081 greater than the previous year or a 2.55% increase.
- The tax rate increased from \$1.447 in 2011 to \$1.448 in 2012.

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 Net Assets
June 30, 2012

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS:			
Cash and cash equivalents	\$2,546,960	\$100,857	\$2,647,817
Receivables, net	1,235,089	3,099	1,238,188
Internal balances	(15,177)	15,177	
Inventory		26,635	26,635
Restricted assets:			
Capital reserve account - cash	900,120		900,120
Deferred bond issuance costs - net	221,302		221,302
Capital assets, net (Note 5)	<u>28,405,290</u>		<u>28,405,290</u>
Total assets	<u>33,293,584</u>	<u>145,768</u>	<u>33,439,352</u>
LIABILITIES:			
Accounts payable	961,426	14,595	976,021
Other liabilities	323,500		323,500
Payable to state government	126,880		126,880
Payable to federal government	84,010		84,010
Deferred revenue	58,865	2,685	61,550
Internal balances	(3,038)	3,038	
Accrued interest	292,399		292,399
Noncurrent liabilities (Note 7):			
Due within one year	1,158,535		1,158,535
Due beyond one year	<u>19,007,746</u>		<u>19,007,746</u>
Total liabilities	<u>22,010,323</u>	<u>20,318</u>	<u>22,030,641</u>
NET ASSETS:			
Invested in capital assets, net of related debt	9,578,232		9,578,232
Restricted for:			
Debt Service Fund	14,458		14,458
Capital Projects	1,150,903		1,150,903
Other Purposes	1,314,071		1,314,071
Unrestricted	<u>(774,403)</u>	<u>125,450</u>	<u>(648,953)</u>
Total net assets	<u>\$11,283,261</u>	<u>\$125,450</u>	<u>\$11,408,711</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, 2012

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
Instruction:						
Regular	\$12,272,871		\$337,087	(\$11,935,784)		(\$11,935,784)
Special education	3,471,486		516,131	(2,955,355)		(2,955,355)
Other instruction	1,106,102			(1,106,102)		(1,106,102)
Support Services:						
Tuition	1,098,794			(1,098,794)		(1,098,794)
Student & instruction related services	3,131,429		106,144	(3,025,285)		(3,025,285)
General administrative services	639,197			(639,197)		(639,197)
School administrative services	1,450,604			(1,450,604)		(1,450,604)
Central services	491,517			(491,517)		(491,517)
Plant operations and maintenance	3,971,747			(3,971,747)		(3,971,747)
Pupil transportation	533,737			(533,737)		(533,737)
Special schools	108,653			(108,653)		(108,653)
Unallocated employee benefits	7,661,323		2,686,257	(4,975,066)		(4,975,066)
Interest on long-term debt	834,991		81,769	(753,222)		(753,222)
Unallocated depreciation and amortization	87,835			(87,835)		(87,835)
Total governmental activities	<u>36,860,286</u>		<u>3,727,388</u>	<u>(33,132,898)</u>		<u>(33,132,898)</u>
Business-type activities:						
Community Education	81,841	\$80,861			(\$980)	(980)
Food service	554,666	490,935	67,815		4,084	4,084
Total business-type activities	<u>636,507</u>	<u>571,796</u>	<u>67,815</u>		<u>3,104</u>	<u>3,104</u>
Total primary government	<u>\$37,496,793</u>	<u>\$571,796</u>	<u>\$3,795,203</u>	<u>(\$33,132,898)</u>	<u>\$3,104</u>	<u>(\$33,129,794)</u>
General revenues:						
Taxes:						
				30,826,248		30,826,248
				1,919,491		1,919,491
				1,024,048		1,024,048
				321,758		321,758
				55,987	1,300	57,287
				589,721	3,245	592,966
				(92,890)	(17,818)	(110,708)
				<u>34,644,363</u>	<u>(13,273)</u>	<u>34,631,090</u>
				1,511,465	(10,169)	1,501,296
				<u>9,771,796</u>	<u>135,619</u>	<u>9,907,415</u>
				<u>\$11,283,261</u>	<u>\$125,450</u>	<u>\$11,408,711</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, 2012

ASSETS	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Assets:					
Cash and cash equivalents	\$2,546,960				\$2,546,960
Receivables, net	435,317	\$590,368	\$195,180		1,220,865
Interfund receivables, net	777,531		434,960	\$70,304	1,282,795
Restricted cash and cash equivalents	<u>900,120</u>				<u>900,120</u>
Total assets	<u>\$4,659,928</u>	<u>\$590,368</u>	<u>\$630,140</u>	<u>\$70,304</u>	<u>\$5,950,740</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	931,525	16,151	13,750		961,426
Interfund payable	819,430	363,327	365,607	55,846	1,604,210
Intergovernmental payable:					
State		126,880			126,880
Federal		84,010			84,010
Deferred revenues	<u>58,865</u>				<u>58,865</u>
Total liabilities	<u>1,809,820</u>	<u>590,368</u>	<u>379,357</u>	<u>55,846</u>	<u>2,835,391</u>
Fund Balances:					
Restricted Fund Balance					
Excess surplus	634,165				634,165
Capital reserve account	900,120				900,120
Excess surplus designated for subsequent year's expenditures	679,906				679,906
Assigned Fund Balance					
Unreserved - designated for subsequent year's expenditures				3,498	3,498
Unreserved	<u>635,917</u>		<u>250,783</u>	<u>10,960</u>	<u>897,660</u>
Total fund balances	<u>2,850,108</u>		<u>250,783</u>	<u>14,458</u>	<u>3,115,349</u>
Total liabilities and fund balances	<u>\$4,659,928</u>	<u>\$590,368</u>	<u>\$630,140</u>	<u>\$70,304</u>	

Unreserved

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

The cost associated with the issues of various bonds are expensed in the governmental funds in the year the bonds are issued, but are capitalized in the Statement of Net Assets. The bond issuance costs are \$486,889 and the accumulated amortization is \$265,587.

221,302

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$47,527,436 and the accumulated depreciation is \$19,122,146.

28,405,290

Accrued interest is not due and payable in the current period and therefore is not reported as a liability in the funds.

(292,399)

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.

(20,166,281)

Net assets of governmental activities

\$11,283,261

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, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local sources:					
Local tax levy	\$30,826,248			\$1,919,491	\$32,745,739
Tuition charges	321,758				321,758
Miscellaneous	540,984		\$104,724		645,708
Total revenues-local sources	31,688,990		104,724	1,919,491	33,713,205
State sources	3,575,137	\$305,629	84,580	81,769	4,047,115
Federal sources	50,588	653,733			704,321
Total revenues	35,314,715	959,362	189,304	2,001,260	38,464,641
EXPENDITURES:					
Current expense:					
Regular instruction	11,333,349	337,087			11,670,436
Special education instruction	2,955,355	516,131			3,471,486
Other instruction	1,106,102				1,106,102
Support services and undistributed costs:					
Tuition	1,098,794				1,098,794
Student & instruction related services	3,025,285	106,144			3,131,429
General administrative services	639,197				639,197
School administrative services	1,364,459				1,364,459
Central services	491,517				491,517
Plant operations and maintenance	3,264,278				3,264,278
Pupil transportation	533,737				533,737
Unallocated employee benefits	7,661,323				7,661,323
Special schools	108,653				108,653
Capital outlay	364,941		510,769		875,710
Debt service:					
Principal				1,150,000	1,150,000
Interest and other charges				942,747	942,747
Total expenditures	33,946,990	959,362	510,769	2,092,747	37,509,868
Excess (deficiency) of revenues over (under) expenditures	1,367,725		(321,465)	(91,487)	954,773
Other Financing Sources (Uses):					
Proceeds of refunding bonds				8,966,507	8,966,507
Payment to bond payment agent				(8,881,558)	(8,881,558)
Cancellation of accounts receivable			(92,890)		(92,890)
Operating transfer out	(176,170)		(11,834)		(188,004)
Operating transfer in			176,170	11,834	188,004
Total other financing sources (uses)	(176,170)		71,446	96,783	(7,941)
Net change in fund balance	1,191,555		(250,019)	5,296	946,832
Fund balances, July 1	1,658,553		500,802	9,162	2,168,517
Fund balances, June 30	\$2,850,108	---	\$250,783	\$14,458	\$3,115,349

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, 2012**

Total net change in fund balances - governmental funds (from B-2)		\$946,832
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	(\$861,449)	
Capital outlay	(861,449)	(861,449)
<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 assets and is reported in the statement of activities.</p>		
		1,380,000
<p style="margin-left: 40px;">Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is reported in the statement of activities.</p>		
		9,088
<p style="margin-left: 40px;">The issuance of capital lease debt increases long-term liabilities, however has no effect on net assets.</p>		
		(21,631)
<p style="margin-left: 40px;">Bond issuance costs are reported in the governmental fund as expenditures in year the bonds are issued. However, on the statement of activities, the costs are amortized over the life of the bonds.</p>		
		35,238
<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>		
		22,808
<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		579
Change in net assets of governmental activities		\$1,511,465

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

HADDONFIELD SCHOOL DISTRICT
Statement of Net Assets
Proprietary Funds
June 30, 2012

	Business-type Activities Enterprise Funds		Total
	Food Service Program	Community Education	
ASSETS:			
Current assets:			
Cash and cash equivalents	\$42,990	\$57,867	\$100,857
Accounts receivable	3,099		3,099
Interfund receivable	15,177		15,177
Inventories	26,635		26,635
Total current assets	87,901	57,867	145,768
Noncurrent assets:			
Equipment	299,438		299,438
Less accumulated depreciation	(299,438)		(299,438)
Total noncurrent assets	-	-	-
Total assets	\$87,901	\$57,867	\$145,768
LIABILITIES			
Current liabilities:			
Accounts Payable	\$14,595		\$14,595
Deferred Revenue	2,685		2,685
Interfund Payable	3,038		3,038
Total liabilities	20,318	-	20,318
NET ASSETS			
Invested in capital assets net of related debt			
Unrestricted	67,583	\$57,867	125,450
Total net assets	\$67,583	\$57,867	\$125,450

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 Assets
Proprietary Funds
for the Fiscal Year Ended June 30, 2012

	Business-type Activities Enterprise Funds		Total
	Food Service Program	Community Education	
Operating revenues:			
Charges for services:			
Daily sales-reimbursable programs	\$256,671		\$256,671
Daily sales-non-reimbursable programs	234,264		234,264
Program fees		\$80,861	80,861
Total operating revenue	490,935	80,861	571,796
Operating expenses:			
Salaries	208,012	72,207	280,219
Employee benefits	39,269		39,269
Supplies and materials	20,894		20,894
Depreciation			0
Management Fee	25,332		25,332
Direct expenses	20,385	9,634	30,019
Cost of sales	240,539		240,539
Other costs	235		235
Total operating expenses	554,666	81,841	636,507
Operating income (loss)	(63,731)	(980)	(64,711)
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	3,645		3,645
Federal sources:			
National school lunch program	32,831		32,831
U.S.D.A. commodities	31,339		31,339
Local sources:			
Miscellaneous	3,245		3,245
Interest revenue	901	399	1,300
Total nonoperating revenues (expenses)	71,961	399	72,360
Net income (loss) before contributions and transfers	8,230	(581)	7,649
Cancellation of accounts receivable	(17,818)		(17,818)
Change in net assets	(9,588)	(581)	(10,169)
Total net assets - July 1	77,171	58,448	135,619
Total net assets - June 30	\$67,583	\$57,867	\$125,450

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, 2012

	Business-type Activities Enterprise Funds		Total
	Food Service Program	Community Education	
Cash flows from operating activities:			
Receipts from customers	\$487,993	\$80,861	\$568,854
Payments to employees	(237,520)	(72,207)	(309,727)
Payments to suppliers	(282,801)	(9,634)	(292,435)
Net cash used for operating activities	<u>(32,328)</u>	<u>(980)</u>	<u>(33,308)</u>
Cash flows from noncapital financing activities:			
Miscellaneous	3,246		3,246
Board subsidy			
State sources	2,461		2,461
Federal sources	21,739		21,739
Net cash provided by non-capital financing activities	<u>27,446</u>		<u>27,446</u>
Cash flows from capital activities:			
Purchases of fixed assets			
Cash flows from investing activities:			
Interest and dividends	901	399	1,300
Net cash provided by investing activities	<u>901</u>	<u>399</u>	<u>1,300</u>
Net increase in cash and cash equivalents	(3,981)	(581)	(4,562)
Balances - beginning of year	46,971	58,448	105,419
Balances - end of year	<u>\$42,990</u>	<u>\$57,867</u>	<u>\$100,857</u>
Reconciliation of operating loss to net cash provided (used) by operating activities:			
Operating income (loss)	(\$61,548)	(\$980)	(\$62,528)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation			0
Federal commodities	31,339		31,339
(Increase) decrease in inventories	(11,588)		(11,588)
(Increase) decrease in accounts receivable	(1,140)		(1,140)
Increase (decrease) in accounts payable	14,595		14,595
Increase (decrease) in deferred revenue	(3,986)		(3,986)
Increase (decrease) in interfund payable			
Total adjustments	<u>29,220</u>		<u>29,220</u>
Net cash provided by (used for) operating activities	<u>(\$32,328)</u>	<u>(\$980)</u>	<u>(\$33,308)</u>

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

HADDONFIELD SCHOOL DISTRICT
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2012

	<u>Flexible Benefits Account</u>	<u>Unemployment Compensation Insurance Trust</u>	<u>Agency Fund</u>
ASSETS:			
Cash and cash equivalents	\$195,845	\$461,960	\$442,168
Interfund receivable	<u>132,000</u>	<u>191,500</u>	<u> </u>
Total assets	<u>\$327,845</u>	<u>\$653,460</u>	<u>\$442,168</u>
LIABILITIES:			
Accounts payable	\$95,510	\$28,508	
Payroll deductions and withholdings			\$59,427
Interfund payable			14,224
Due to student groups	<u> </u>	<u> </u>	<u>368,517</u>
Total liabilities	<u> </u>	<u> </u>	<u>\$442,168</u>
NET ASSETS:			
Held in trust for flexible benefits	<u><u>\$232,335</u></u>		
Held in trust for unemployment claims and other purposes		<u><u>\$624,952</u></u>	

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

**HADDONFIELD SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2012**

	<u>Flexible Benefits Account</u>	<u>Unemployment Compensation Insurance Trust</u>
ADDITIONS:		
Contributions:		
Board contributions	\$132,000	\$244,867
Employee contributions	56,805	31,002
Total Contributions	<u>188,805</u>	<u>275,869</u>
Investment earnings:		
Interest	2,058	4,165
Net investment earnings	<u>2,058</u>	<u>4,165</u>
Total additions	<u>190,863</u>	<u>280,034</u>
DEDUCTIONS:		
Unemployment claims		181,875
Flex benefit payments	174,512	
Total deductions	<u>174,512</u>	<u>181,875</u>
Change in net assets	16,351	98,159
Net assets - July 1	<u>215,984</u>	<u>526,793</u>
Net assets - June 30	<u><u>\$232,335</u></u>	<u><u>\$624,952</u></u>

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

Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

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, 2012 of 2,503 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. 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 School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989 to its governmental and business-type activities and to its proprietary funds, provided they do not conflict with or contradict GASB pronouncements. 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 assets 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 assets 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 assets presents the financial condition of the governmental and business-type activities of the School District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and for the business-type activities of the School District. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. The policy of the School District is to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

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.

**Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

In addition to the capital outlay sub-fund, the School District is accountable for an additional sub-fund, the Education Jobs Fund ("Ed Jobs"), resulting from federal legislation signed into law on August 10, 2010. The Ed Jobs program was created to provide funding assistance to states in order to save or create education jobs for the period from the September 30, 2010 through September 30, 2012. Jobs funded under this program include those that provide educational and related services for early childhood, elementary, and secondary education. Ed Jobs revenues and expenditures are recorded in the general fund (fund 18) on a reimbursement basis. As such, revenue is not included in the fiscal year surplus, and no portion of general fund balance at June 30, 2012 is considered to be attributable to Ed Jobs. Ed Jobs expenditures are included as a component of overall general fund expenditures, and are also included in general fund expenditures for purposes of the excess surplus calculation.

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, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Enterprise Funds (Continued)

The School District's enterprise funds are:

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

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

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

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 assets and changes in net assets. 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 assets.

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 assets. The statement of changes in fund net assets presents increases (i.e. revenues) and decreases (i.e. expenses) in net total assets. 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, 2012**

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 deferred 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 deferred 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, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, are reflected in the balance sheet as deferred revenues at fiscal year end.

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

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

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

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act (GUDPA), a multiple financial institution collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

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

Tuition Payable - Tuition charges for the fiscal years ended June 30, 2012 and 2011 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, 2012**

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, 2012.

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 Expenditures - Deferred expenditures are disbursements that are made in one period, but are more accurately reflected as an expenditure/expense in the next fiscal period. Unlike prepaid expenses, deferred expenditures are not regularly recurring cost of operations.

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 assets, 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 assets 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 assets and the proprietary fund statement of net assets.

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.

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

**Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Deferred Revenue - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

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.

Net Assets - Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are 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 laws or regulations of other governments.

It is the School District's policy to apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net 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, 2012.

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.

Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 and tuition fees for the community education 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.

Interfund Activity - Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

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.

**Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits – With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the School District’s deposits may not be returned to it. Although the School District does not have a formal policy regarding custodial credit risk, state statutes requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Unit. Banks that qualify as public depositories under New Jersey statutes hold cash deposits, with bank balances totaling \$5,887,711 at June 30, 2012. All deposits are insured by federal depository insurance and/or collateralized with securities held in New Jersey’s multiple financial institution collateral pool as required by N.J.S.A. 17.9-41 et seq.

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, 2011 to June 30, 2012 fiscal year is as follows:

Balance – July 1, 2011	\$	200,121
Increased by:		
Transfer by Board Resolution	\$ 700,000	
Interest Earned	<u>700,000</u>	<u>700,000</u>
Decreased by:		
Budgeted Withdrawal		<u> </u>
Balance – June 30, 2012	\$	<u>900,121</u>

The June 30, 2012 capital reserve balance does not exceed the LRFP balance of local support costs of uncompleted capital projects.

Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

4. RECEIVABLES

All receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds.

Receivables as of year-end for the 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	\$ 383,168	\$ 195,180	\$ 2,960	\$ 198	\$ 581,506
Federal Aid	50,588		584,640	1,761	636,989
Other	<u>1,561</u>		<u>2,768</u>	<u>1,140</u>	<u>5,469</u>
Total Accounts Receivable	<u>\$ 435,317</u>	<u>\$ 195,180</u>	<u>\$ 590,368</u>	<u>\$ 3,099</u>	<u>\$ 1,223,964</u>

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2012, was as follows:

	<u>Balance June 30, 2011</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance June 30, 2012</u>
Governmental Activities:				
<i>Capital Assets, not being depreciated:</i>				
Land	\$1,898,592			\$1,898,592
Construction in progress				
Total capital assets, not being depreciated	<u>1,898,592</u>			<u>1,898,592</u>
<i>Capital Assets, being depreciated:</i>				
Site Improvements	461,699			461,699
Building and Building Improvements	39,180,326			39,180,326
Equipment	5,986,819			5,986,819
Totals at historical cost	<u>45,628,844</u>			<u>45,628,844</u>
<i>Less Accumulated Depreciation:</i>				
Site Improvements	(403,561)	(\$9,267)		(412,828)
Building and Building Improvements	(11,954,550)	(830,097)		(12,784,647)
Equipment	(5,902,586)	(22,085)		(5,924,671)
Totals accumulated depreciation	<u>(18,260,697)</u>	<u>(861,449)</u>		<u>(19,122,146)</u>
Total Capital Assets, being depreciated, net	<u>27,368,147</u>	<u>(861,449)</u>		<u>26,506,698</u>
Governmental Activities Capital Assets, Net	<u>\$29,266,739</u>	<u>(\$861,449)</u>		<u>\$28,405,290</u>
Business-Type Activities:				
<i>Capital Assets, being depreciated:</i>				
Equipment	\$299,438			\$299,438
Less accumulated depreciation	(299,438)			(299,438)
Business-Type Activities Capital Assets, Net	<u>-</u>			<u>-</u>

**Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

5. CAPITAL ASSETS (CONTINUED)

Depreciation expense in the amount of \$861,449 was charged to governmental functions as follows:

Function	Amount
Regular Instruction	\$603,014
Plant Operations and Maintenance	129,217
Administration	86,145
Unallocated	43,073
 Total depreciation expense	 \$861,449

6. INVENTORY

Inventory in the Food Service Fund at June 30, 2012 consisted of the following:

Food	\$22,315
Supplies	4,320
	\$26,635

7. LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2012, the following changes occurred in long-term obligations:

	Principal Outstanding July 1, 2011	Additions	Reductions	Principal Outstanding June 30, 2012	Amounts Due Within One Year
Compensated Absences	\$1,339,802		\$579	\$1,339,223	
Capital Lease Payable	13,515	\$21,631	9,088	26,058	\$8,535
General Obligation Bonds	20,181,000	8,000,000	9,380,000	18,801,000	1,150,000
	\$21,534,317	\$8,021,631	\$9,389,667	\$20,166,281	\$1,158,535

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

2000 General Obligation Bonds dated March 1, 2000 in the amount of \$1,031,000 due in annual installments through March 1, 2015 bearing an interest rate of 5.40%.

2005 General Obligation Bonds dated March 1, 2005 in the amount of \$200,000 due in annual installments through March 1, 2014 bearing an interest rate of 4.00%.

2005 Refunding Bonds dated August 1, 2005 in the amount of \$9,570,000 due in annual installments through August 1, 2021 bearing interest rates ranging from 3.50% - 4.00%.

2012 Refunding Bonds dated February 1, 2012 in the amount of \$8,000,000 due in annual installments through August 15, 2025 bearing interest rates ranging from 3.00% - 4.00%.

**Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

7. LONG-TERM OBLIGATIONS (CONTINUED)

Principal and interest due on bonds outstanding is as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$1,210,000	\$741,105	\$1,951,105
2014	1,250,000	700,609	1,950,609
2015	1,286,000	643,923	1,929,923
2016	1,250,000	585,506	1,835,506
2017	1,300,000	536,094	1,836,094
2018-2022	7,370,000	1,833,944	9,203,944
2023-2025	<u>5,135,000</u>	<u>416,200</u>	<u>5,551,200</u>
	<u>\$18,801,000</u>	<u>\$5,547,381</u>	<u>\$24,258,381</u>

As of June 30, 2012 the District had no authorized but not issued bonds.

Capital Leases Payable

As of June 30, 2012, the District had the following capital leases:

<u>Equipment</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Total Value</u>
One Club Wagon	August 14, 2013	7.19%	\$ 22,598
One Van	May 1, 2013	8.30%	21,631

The following is a schedule of the future minimum lease payments under this capital lease, and the present value of the net minimum lease payments at June 30, 2012:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 8,535	\$ 2,059	\$ 10,594
2014	8,725	1,401	10,126
2015	4,228	730	4,958
2016	<u>4,570</u>	<u>388</u>	<u>4,958</u>
	<u>\$ 26,058</u>	<u>\$ 4,578</u>	<u>\$ 30,636</u>

Compensated Absences

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

Long-Term Debt Defeasance

On August 1, 2005 the District issued refunding bonds in the amount of \$11,025,000. The bonds, which were approved by the New Jersey Local Finance Board, were issued to refund \$5,020,000 of the Series 2000C Bonds and \$5,579,000 of the Series 2001 Bonds and to pay the costs of issuing the bonds. The bonds bear an interest rate of 3.00% to 4.00% with principal maturities from October 2012 through October 2021.

As a result of the above transaction, the 1994 debt is considered to be defeased and the liability for this debt has been removed from the records. The refunding program decreased total debt service by \$412,212 and resulted in a present value economic savings of \$327,035. The economic savings is the difference between the present values of the debt service payments on the old and new debt.

**Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

7. LONG-TERM OBLIGATIONS (CONTINUED)

Long-Term Debt Defeasance (Continued)

On February 1, 2012 the District issued refunding bonds in the amount of \$8,000,000. The bonds, which were approved by the New Jersey Local Finance Board, were issued to refund \$8,230,000 of the Series 2005 Bonds and to pay the costs of issuing the bonds. The bonds bear an interest rate of 3.00% to 4.00% with principal maturities from February 15, 2015 through February 15, 2025.

As a result of the above transaction, the 2005 debt is considered to be defeased and the liability for this debt has been removed from the records. The refunding program decreased total debt service by \$495,578 and resulted in a present value economic savings of \$426,964. The economic savings is the difference between the present values of the debt service payments on the old and new debt.

8. OPERATING LEASES

At June 30, 2012, the District had operating lease agreements in effect for the following:

Copiers

Total operating lease payments made during the year ended June 30, 2011 and 2012 was \$111,343 and \$103,812 respectively. Future minimum lease payments are as follows:

<u>Year Ended</u>	<u>Amount</u>
June 30, 2013	\$103,812
June 30, 2014	103,812
June 30, 2015	103,812
June 30, 2016	<u>17,302</u>
Total future minimum lease payments	<u>\$328,738</u>

PENSION PLANS

Description of Plans – Substantially all of the School District's employees participate in one of the following pension plans which have been established by State statute, and are administered by the New Jersey Division of Pensions and Benefits (Division): the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS) or the Defined Contribution Retirement Program (DCRP). Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits. P.O. Box 295, Trenton, New Jersey, 08625-0295.

Teachers' Pension and Annuity Fund (TPAF)

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

**Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

PENSION PLANS (CONTINUED)

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. Chapter 78 P.L. 2011 changed the employee contribution rate as follows: Effective with the first payroll check to be paid on or after October 1, 2011 plan members rate will increase to 6.5% with an additional increase of .14% beginning in July 2012 and continuing each year until the rate reaches 7.5% in July 2018. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exists.

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.

Public Employees' Retirement System (PERS)

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. Chapter 78 P.L. 2011 changed the employee contribution rate as follows: Effective with the first payroll check to be paid on or after October 1, 2011 plan members rate will increase to 6.5% with an additional increase of .14% beginning in July 2012 and continuing each year until the rate reaches 7.5% in July 2018. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exists.

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>Public Employees Retirement System</u>					
<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Non-Contrib Group Life Insurance</u>	<u>Total Liability</u>	<u>Paid by District</u>
2012	\$ 135,795	\$ 271,590	\$ 25,955	\$ 433,340	\$ 433,340
2011	159,478	254,118	31,412	445,008	445,008
2010	133,090	171,006	42,171	346,267	346,267

Defined Contribution Retirement Program (DCRP)

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

**Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

9. PENSION PLANS (CONTINUED)

Defined Contribution Retirement Program (DCRP) (Continued)

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. Chapter 78 P.L. 2011 changed the employee contribution rate as follows: Effective with the first payroll check to be paid on or after October 1, 2011 plan members rate will increase to 6.5% with an additional increase of .14% beginning in July 2012 and continuing each year until the rate reaches 7.5% in July 2018. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, state statute also requires the return to the normal rate when such surplus pension assets no longer exist. The employee contributions along with the School District's contribution 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>
2012	\$ 5,350	\$ 5,350
2011	\$ 3,249	\$ 3,249
2010	-0-	-0-

Related Party Investments – The Division of Pensions and Benefits does not invest in securities issued by the School District.

10. POST-RETIREMENT BENEFITS

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

P.L. 1987, c.384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2011 there were 87,288 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

**Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

10. POST-RETIREMENT BENEFITS (CONTINUED)

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS and Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in fiscal year 2011.

The State establishes the contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contribution to the SHBP Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the year ended June 30, 2012 was \$1,010,670, which equaled the required contributions. The State's contribution to the SHBP Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

11. ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2012, the School District has recognized as revenues and expenditures \$502,757 of on-behalf payments made by the State of New Jersey for normal retirement costs related to TPAF and \$1,172,830 for employer's share of social security contributions for TPAF members, as calculated on their base salaries.

12. RISK MANAGEMENT

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

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

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

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

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

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>
2011-2012	\$ 31,002	\$ 244,867	\$ 4,165	\$ 181,875	\$ 624,952
2010-2011	29,423	293,282	2,515	195,282	526,793
2009-2010	32,888	242,620	831	31,675	396,855
2008-2009	16,303	43,954	1,008	24,900	152,191
2007-2008	31,212	19,018	2,790	20,364	115,826

**Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

13. DEFERRED COMPENSATION

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

14. COMPENSATED ABSENCES

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrued to the employees. As of June 30, 2012, the liability for compensated absences in the governmental fund was \$1,339,223.

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>
2011-2012	\$ 132,000	\$ 2,058	\$ 56,805	\$ 174,512	\$ 232,335
2010-2011	167,000	1,864	90,467	280,061	215,984
2009-2010	198,242	910	69,073	168,613	236,714
2008-2009	163,655	1,561	69,151	246,302	137,102
2007-2008	167,367	3,838	52,821	188,502	149,037

Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

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, 2013. The following interfund balances were recorded on the various balance sheets as of June 30, 2012:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 777,531	\$ 819,430
Special Revenue		363,327
Capital Projects	434,960	365,607
Debt Service	70,304	55,846
Proprietary	15,177	3,038
Fiduciary	323,500	14,224
	<u>\$ 1,621,472</u>	<u>\$ 1,621,472</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, 2012, significant amounts of grant expenditures have not been audited by the granting agency, but the School District believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the School District. Additionally, deferred revenues are recognized in those funds that have received grant monies in advance of future, reimbursable expenditures.

18. DEFICIT UNRESTRICTED NET ASSETS

As of June 30, 2012, a deficit of \$774,403 existed in the Unrestricted Net Assets of the Governmental Activities. A reconciliation of Unreserved Fund Balance reported on Exhibit B-1 to Unrestricted Net Assets reported on Exhibited A-1 as follows:

Balances June 30, 2012	
Fund Balance (Deficit)	
(Exclusive of Capital Projects and Debt Service Funds):	
Fund Balance – Unassigned	\$ 635,917
Add – Unamortized Bond Issuance Costs	221,302
Liabilities:	
Accrued Interest Payable	(292,399)
Compensated Absences	<u>(1,339,223)</u>
Unrestricted Net Assets (Deficit)	<u>\$ (774,403)</u>

**Haddonfield School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

19. 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, 2012 is \$634,165 presented on the budgetary basis of accounting (Exhibit C-1). Additionally, \$679,906 of excess fund balance generated during the 2010-2011 fiscal year has been restricted and designated for utilization in the 2012-2013 budget.

Capital Reserve – As of June 30, 2012, the balance in the capital reserve account is \$900,120 which is restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan.

Capital Projects Fund – As of June 30, 2012, the restricted fund balance amount was \$250,783 all of which is designated for subsequent year's expenditures.

Debt Service Fund – As of June 30, 2012, the restricted fund balance amount was \$14,458 of which \$3,498 has been designated for utilization in the 2012-2013 budget and \$10,960 is restricted for future debt service expenditures.

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:

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, 2012, \$635,917 of general fund balance was unassigned.

20. LITIGATION

The School District is a defendant in two legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the School District, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Required Supplementary Information - Part II

Budgetary Comparison Schedules

**HADDONFIELD BOARD OF EDUCATION
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local sources:					
Local tax levy	\$30,826,248		\$30,826,248	\$30,826,248	
Tuition	279,700		279,700	321,758	\$42,058
Capital reserve interest					
Unrestricted miscellaneous revenue	<u>143,000</u>		<u>143,000</u>	<u>540,984</u>	<u>397,984</u>
Total local sources	<u>31,248,948</u>		<u>31,248,948</u>	<u>31,688,990</u>	<u>440,042</u>
State sources:					
Extraordinary Aid	241,047		241,047	273,134	32,087
Special Education Aid	318,799		318,799	637,597	318,798
Security Aid				68	68
Adjustment Aid				228	228
Anti-Bullying Aid				2,761	2,761
On-behalf TPAF pension contributions (non-budgeted)				1,513,427	1,513,427
Reimbursed TPAF social security contributions (non-budgeted)				<u>1,172,830</u>	<u>1,172,830</u>
Total state sources	<u>559,846</u>		<u>559,846</u>	<u>3,600,045</u>	<u>3,040,199</u>
Federal sources:					
Education Jobs Fund	<u>50,588</u>		<u>50,588</u>	<u>50,588</u>	
Total state sources	<u>50,588</u>		<u>50,588</u>	<u>50,588</u>	
TOTAL REVENUES	<u>31,859,382</u>		<u>31,859,382</u>	<u>35,339,623</u>	<u>3,480,241</u>
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers					
Pre-K/Kindergarten	384,725	\$5,500	390,225	389,146	1,079
Grades 1-5	4,051,825	(60,000)	3,991,825	3,943,593	48,232
Grades 6-8	2,549,375	(10,500)	2,538,875	2,533,051	5,824
Grades 9-12	<u>3,563,950</u>	<u>38,500</u>	<u>3,602,450</u>	<u>3,598,297</u>	<u>4,153</u>
Total Instruction	<u>10,549,875</u>	<u>(26,500)</u>	<u>10,523,375</u>	<u>10,464,087</u>	<u>59,288</u>
Regular Programs - Home Instruction:					
Salaries of teachers	<u>51,000</u>	<u>1,000</u>	<u>52,000</u>	<u>46,577</u>	<u>5,423</u>
Total Home Instruction	<u>51,000</u>	<u>1,000</u>	<u>52,000</u>	<u>46,577</u>	<u>5,423</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, 2012

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Regular Programs - Undistributed Instruction:					
Other salaries for instruction	\$353,130	(\$37,738)	\$315,392	\$310,952	\$4,440
Purchased professional - educ services	8,500	8,500	17,000	16,290	710
General supplies	267,350	(2,762)	264,588	261,057	3,531
Textbooks	113,500	100,635	214,135	213,244	891
Other objects	22,250	(135)	22,115	21,142	973
Total Undistributed Instruction	764,730	68,500	833,230	822,685	10,545
Total - Regular Programs - Instruction	11,365,605	43,000	11,408,605	11,333,349	75,256
Special Educ Instruction: Multiple Disabilities					
Salaries of teachers	51,800	2,500	54,300	54,187	113
General supplies	6,000		6,000	5,835	165
Textbooks	1,000	(195)	805	805	
Total Multiple Disabilities	58,800	2,305	61,105	60,827	278
Special Educ Instruction: Res. Room/Res. Center					
Salaries of teachers	1,817,600	(3,150)	1,814,450	1,792,304	22,146
Other salaries for instruction	455,500	24,000	479,500	450,388	29,112
General supplies	13,000	473	13,473	13,473	
Textbooks	6,000	45	6,045	6,009	36
Total Resource Room/Resource Center	2,292,100	21,368	2,313,468	2,262,174	51,294
Special Educ Instruction: Autism					
Salaries of teachers	82,000		82,000	17,147	64,853
Other salaries for instruction	350,400	9,500	359,900	354,266	5,634
Total Autism	432,400	9,500	441,900	371,413	70,487
Special Educ Instruction: Preschool Disabilities - PT					
Salaries of teachers	166,100	7,500	173,600	173,508	92
Other salaries for instruction	89,760	(90)	89,670	85,593	4,077
General supplies	1,750	90	1,840	1,840	
Other objects					
Total Preschool Disabilities - Part-Time	257,610	7,500	265,110	260,941	4,169
Total Special Education - Instruction	3,040,910	40,673	3,081,583	2,955,355	126,228
Basic Skills/Remedial - Instruction					
General supplies					
Total Basic Skills/Remedial - Instruction					
School-Sponsored Cocurricular Act - Inst.					
Salaries	266,552	19,000	285,552	267,577	17,975
Supplies and materials	45,000		45,000	44,247	753
Total School-Sponsored Cocurr. Act. - Inst	311,552	19,000	330,552	311,824	18,728
School-Sponsored Athletics - Inst.					
Salaries	521,100	27,750	548,850	542,179	6,671
Purchased services (300-500)	93,465	(11,500)	81,965	79,483	2,482
Supplies and materials	33,000	11,500	44,500	44,452	48
Other objects	14,000		14,000	13,909	91
Total School-Sponsored Athletics - Inst	661,565	27,750	689,315	680,023	9,292

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

HADDONFIELD BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Instructional Programs - Instruction					
Salaries	\$106,500	\$8,000	\$114,500	\$114,255	\$245
Total Other Instructional Programs - Inst.	106,500	8,000	114,500	114,255	245
Undistributed Expenditures - Instruction					
Tuition to CSSD & reg. day schools					
Tuition to priv. sch. for the disabled w/i state	805,215	186,506	991,721	962,951	28,770
Tuition to priv. sch. for the disabled and other lea's - out of state	71,450	34,000	105,450	105,093	357
Tuition - State Facilities		30,750	30,750	30,750	
Total Undistributed Expenditures - Instruction	876,665	251,256	1,127,921	1,098,794	29,127
Undistributed Expenditures - Attend. and Social Work					
Salaries	35,430		35,430	22,092	13,338
Total Undistributed Expenditures - Attendance	35,430		35,430	22,092	13,338
Undistributed Expenditures - Health Services					
Salaries	279,220	(21,428)	257,792	251,377	6,415
Purchased prof. and technical services	1,000		1,000		1,000
Supplies and materials	21,700		21,700	20,897	803
Total Undistributed Expenditures - Health Svcs.	301,920	(21,428)	280,492	272,274	8,218
Undist. Expend. - Speech, OT, PT & Rel. Serv.					
Salaries	472,725	41,500	514,225	514,181	44
Purchased prof. and educational services	136,055	7,972	144,027	144,027	
Supplies and materials	5,000	2,867	7,867	7,867	
Total Undst. Expend. - Speech, OT, PT & Rel. Serv.	613,780	52,339	666,119	666,075	44
Undist. Expend. - Other Supp. Serv. Stud. - Extra. Serv.					
Purchased prof. and educational services	102,165	(1,831)	100,334	95,355	4,979
Total Undst. Expend. - Other Supp. Serv. Stud. - Extra. Serv.	102,165	(1,831)	100,334	95,355	4,979
Undist. Expenditures - Guidance					
Salaries of other professional staff	747,200		747,200	742,817	4,383
Salaries of secretarial and clerical assistants	52,750		52,750	52,748	2
Supplies and materials	1,650		1,650	1,169	481
Other objects	24,000	(19,000)	5,000	3,795	1,205
Total Undst. Expenditures - Guidance	825,600	(19,000)	806,600	800,529	6,071
Undist. Expend. - Child Study Teams					
Salaries of other professional staff	642,715	18,000	660,715	660,459	256
Salaries of secretarial and clerical assistants	103,400	1,500	104,900	104,783	117
Supplies and materials	16,000	(56)	15,944	15,944	
Total Undst. Expenditures - Child Study Teams	762,115	19,444	781,559	781,186	373

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, 2012

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Improvement of Instr. Services					
Salaries of other professional staff	\$87,850		\$87,850	\$87,773	\$77
Other purchased services (400-500)	2,000		2,000	1,244	756
Other objects	108,000	(\$696)	107,304	94,726	12,578
Total Undst. Expend. - Improvement of Instr. Services	197,850	(696)	197,154	183,743	13,411
Undist. Expend. - Educ. Media Serv./Sch. Library					
Salaries	142,515	3,500	146,015	144,521	1,494
Other purchased services (400-500)	2,300		2,300	64	2,236
Supplies and materials	57,250		57,250	54,596	2,654
Total Undst. Expend. - Educ. Media Serv./Sch. Library	202,065	3,500	205,565	199,181	6,384
Undist. Expend. - Instructional Staff Training Services					
Other purchased services	14,000		14,000	4,850	9,150
Total Undst. Expend. - Instr. Staff Training Services	14,000		14,000	4,850	9,150
Undist. Expend. - Supp. Serv. General Admin.					
Salaries	382,500	12,000	394,500	393,544	956
Legal services	90,000	34,538	124,538	78,688	45,850
Audit fees	27,500		27,500	27,500	
Other purchased professional services	1,000		1,000		1,000
Purchased technical services	14,000		14,000	9,019	4,981
Communications / telephone	107,500	(20,000)	87,500	63,158	24,342
Other purchased services (400-500)	25,000	(1,000)	24,000	10,349	13,651
General Supplies	5,000	1,470	6,470	6,470	
Miscellaneous expenditures	44,500	6,000	50,500	50,469	31
Total Undst. Expend. - Supp. Serv. General Admin.	697,000	33,008	730,008	639,197	90,811
Undist. Expend. - Supp. Serv. School Admin.					
Salaries of principals/assist. principals	815,700	(31,561)	784,139	781,909	2,230
Salaries of other professional staff	80,345	(2,300)	78,045	78,030	15
Salaries of secretarial and clerical assistants	365,300	3,292	368,592	367,719	873
Other purchased services	13,000	(3,600)	9,400	6,000	3,400
Supplies and materials	105,500	640	106,140	106,060	80
Other objects	18,100	24,220	42,320	24,741	17,579
Total Undst. Expend. - Supp. Serv. School Admin.	1,397,945	(9,309)	1,388,636	1,364,459	24,177
Undist. Expend. - Central Services					
Salaries	420,800	11,300	431,900	430,655	1,245
Purchased professional services	25,000	17,500	42,500	41,644	856
Supplies and materials	4,500		4,500	4,353	147
Other objects		17,500	17,500	14,865	2,635
Miscellaneous expenditures	20,000	(20,000)			
Total Undst. Expend. - Central Services	470,100	26,300	496,400	491,517	4,883

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, 2012

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Required Maint. Sch. Facilities					
Salaries	\$579,350	(\$79,000)	\$500,350	\$498,944	\$1,406
Cleaning, repair, and maintenance services	245,000	(5,000)	240,000	239,498	502
General supplies	165,000	42,500	207,500	206,723	777
Other objects	4,000	(1,000)	3,000	1,255	1,745
Total Undst. Expend. - Required Maint. Sch. Facilities	993,350	(42,500)	950,850	946,420	4,430
Undist. Expend. - Custodial Services					
Salaries	185,000	2,500	187,500	187,229	271
Purchased professional & tech. services	1,135,000	16,500	1,151,500	1,150,613	887
Rental of land & bldg. oth. than lease purch. agrmt.	145,000	8,000	153,000	152,272	728
Other purchased property services	75,000	(2,920)	72,080	70,627	1,453
Insurance	109,000	3,420	112,420	112,420	
Energy (Natural Gas)	437,500	(91,000)	346,500	343,657	2,843
Energy (Electricity)	437,500	(136,000)	301,500	301,040	460
Total Undst. Expend. - Custodial Services	2,524,000	(199,500)	2,324,500	2,317,858	6,642
Total Undst. Expend. - Oper. & Maint. of Plant Services	3,517,350	(242,000)	3,275,350	3,264,278	11,072
Undist. Expend. - Student Trans. Services					
Salaries for pupil trans (other than bet home & sch)	109,650	28,643	138,293	138,293	
Cleaning, repair, and maintenance services	15,000	14,643	29,643	29,643	
Lease payments	60,000	155,875	215,875	215,875	
Contr. serv. (other than bet. home & sch.) - vendors	38,400	(15,096)	23,304	22,888	416
Contr. serv. (sp ed stds) - ESC's & CTSA's	301,000	(166,615)	134,385	127,038	7,347
Total Undst. Expend. - Student Trans. Services	524,050	17,450	541,500	533,737	7,763
Unallocated Benefits - Employee Benefits					
Social security contributions	467,150	(64,489)	402,661	370,233	32,428
Other retirement contributions - regular	457,508	(15,750)	441,758	438,043	3,715
Unemployment compensation	145,655		153,367	153,367	
Workmen's compensation	129,900		129,900	124,900	5,000
Health benefits	4,116,338	(250,832)	3,865,506	3,863,756	1,750
Tuition reimbursement	40,000		32,288	22,831	9,457
Other employee benefits	10,000		10,000	1,936	8,064
Total Unallocated Benefits - Employee Benefits	5,366,551	(331,071)	5,035,480	4,975,066	60,414
On-behalf TPAF pension contributions (non-budgeted)				1,513,427	(1,513,427)
Reimbursed TPAF social security contributions (non-budgeted)				1,172,830	(1,172,830)
Total Undistributed Expenditures - TPAF				2,686,257	(2,686,257)

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, 2012

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Total Undistributed Expenditures	\$15,904,586	(\$222,038)	\$16,816,915	\$19,184,692	(\$2,367,777)
Total General Current Expense	31,390,718	(83,615)	31,307,103	33,473,396	(2,166,293)
EXPENDITURES:					
CAPITAL OUTLAY					
Equipment					
Undistributed Expend. - Non-Inst. Services	135,000	1,000	136,000	135,315	685
Total Equipment	135,000		136,000	135,315	685
Facilities Acquisition and Construction Services					
Construction Services	272,253	(93,555)	178,698	178,698	
Other Objects	50,928		50,928	50,928	
Total Facilities Acquisition and Construction Services	323,181	(93,555)	229,626	229,626	
Total Capital Outlay	458,181	(92,555)	365,626	364,941	685
SPECIAL SCHOOLS:					
SUMMER SCHOOL:					
Summer School - Instruction:					
Salaries of Teachers	174,900		174,900	108,653	66,247
General Supplies	1,500		1,500		1,500
Total Special Schools	176,400		176,400	108,653	67,747
Total Expenditures	\$32,025,299	(\$176,170)	\$31,849,129	\$33,946,990	(\$2,097,861)
Excess (Deficiency) of Revenues Over (Under) Expenditures:	(165,917)	176,170	10,253	1,392,633	1,382,380
Other Financing Sources (Uses):					
Operating transfer out - Capital Projects Fund		(176,170)	(176,170)	(176,170)	
Total Other Financing Sources		(176,170)	(176,170)	(176,170)	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	(165,917)		(165,917)	1,216,463	1,382,380
Fund Balance, July 1	1,658,553		1,658,553	1,658,553	
Fund Balance, June 30	\$1,492,636	-	\$1,492,636	\$2,875,016	\$1,382,380
Recapitulation of Fund Balance					
Restricted Fund Balance:					
Reserved Excess Surplus - Designated for Subsequent Years Expenditures				\$679,906	
Reserve for Excess Surplus				634,165	
Capital Reserve				900,120	
Assigned Fund Balance				660,825	
Unassigned Fund Balance				2,875,016	
Reconciliation on Governmental Fund Statements (GAAP):					
Less: State Aid Payment not Recognized on GAAP Basis				(24,908)	
Fund Balance per Government Fund (GAAP)				\$2,850,108	

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

HADDONFIELD BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Education Jobs Fund
Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal sources:					
Education Jobs Fund	-	\$ 50,588	\$ 50,588	\$ 50,588	\$ -
Total Revenues	-	50,588	50,588	50,588	-
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Undistributed Instruction:					
Other salaries for instruction	-	29,000	29,000	29,000	-
Total Regular Programs - Undistributed Instruction	-	29,000	29,000	29,000	-
Undist. Expend. - Unallocated Benefits					
Social security contributions	-	2,500	2,500	2,500	-
Other retirement contributions	-	2,500	2,500	2,500	-
Health benefits	-	16,588	16,588	16,588	-
Total Undst. Expend. - Unallocated Benefits	-	21,588	21,588	21,588	-
Total Undistributed Expenditures	-	21,588	21,588	21,588	-
Total General Current Expense	-	50,588	50,588	50,588	-
Excess (Deficiency) of Revenues	-	-	-	-	-
Over (Under) Expenditures:	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	-	-	-	-	-

HADDONFIELD SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
State sources	\$432,721		\$432,721	\$305,629	(\$127,092)
Federal sources	745,842		745,842	653,733	(92,109)
Total revenues	1,178,563		1,178,563	959,362	(219,201)
EXPENDITURES:					
Instruction:					
Salaries of teachers	52,937		52,937	52,937	
Purchased professional - educ. services	407,598		407,598	255,774	151,824
Purchased professional - tech. services	2,891		2,891	29,525	(26,634)
Other purchased services					
Tuition	448,469		448,469	448,360	109
General supplies	102,226		102,226	46,092	56,134
Textbooks	25,123		25,123	20,530	4,593
Total instruction	1,039,244		1,039,244	853,218	186,026
Support services:					
Other salaries for instruction					
Personal services - employee benefits	10,588		10,588	10,588	
Purchased professional - educ. services					
Other purchased professional services					
Purchased professional and technical services	120,668		120,668	94,214	26,454
Other purchased services	8,063		8,063	1,342	6,721
Travel					
Supplies and materials					
Other objects					
Total support services	139,319		139,319	106,144	33,175
Facilities acquisition and construction services:					
Instructional equipment					
Noninstructional equipment					
Total facilities acq. and const. services					
Total expenditures	1,178,563		1,178,563	959,362	219,201
Total outflows	1,178,563		1,178,563	959,362	219,201
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	\$ 33,339,623	\$ 959,362
Difference - budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(24,908)</u>	<u> </u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 33,314,715</u>	<u>\$ 959,362</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 33,946,990	\$ 959,362
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>\$ 33,946,990</u>	<u>\$ 959,362</u>

Other Supplementary Information

**Special Revenue Fund
Detail Statements**

HADDONFIELD SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year ended June 30, 2012
(With comparative totals for June 30, 2011)

	Brought Forward	Brought Forward	Totals	
	(Exh. E-1B)	(Exh. E-1C)	2012	2011
REVENUES:				
State sources	\$255,774	\$49,855	\$305,629	\$226,363
Federal sources		653,733	653,733	1,014,387
Total revenues	255,774	703,588	959,362	1,240,750
EXPENDITURES:				
<i>Instruction:</i>				
Salaries of teachers		\$52,937	\$52,937	\$52,649
Purchased professional educational services	\$255,774		255,774	171,769
Purchased professional and technical services		29,525	29,525	47,111
Other purchased services				376,285
Tuition		448,360	448,360	449,863
General supplies		46,092	46,092	38,780
Textbooks		20,530	20,530	25,123
Total instruction	255,774	597,444	853,218	1,161,580
<i>Support services:</i>				
Other salaries for instruction				
Personal services-employee benefits		10,588	10,588	10,530
Purchased professional and educational services				
Purchased professional and technical services		94,214	94,214	67,805
Other purchased services		1,342	1,342	
Supplies and materials				835
Other objects				
Total support services		106,144	106,144	79,170
<i>Facilities acquisition & construction services</i>				
Instructional equipment				
Total facilities acquisition & construction services		—	—	—
Total expenditures	\$255,774	\$703,588	\$959,362	\$1,240,750
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, 2012
(With comparative totals for June 30, 2011)

	Nonpublic Auxiliary Services				Nonpublic Handicapped Services			Carried Forward (Exh. E-1A)
	Compensatory Education	ESL	Transportation	Home Instruction	Corrective Speech	Suppl. Instruction	Exam. & Classification	
REVENUES:								
State sources	\$39,645		\$99,724	\$2,960	\$44,155	\$26,306	\$42,984	\$255,774
Federal sources								
Total revenues	\$39,645		\$99,724	\$2,960	\$44,155	\$26,306	\$42,984	\$255,774
EXPENDITURES:								
<u>Instruction:</u>								
Salaries of teachers								
Other salaries for instruction								
Purchased professional educational services	\$39,645		\$99,724	\$2,960	\$44,155	\$26,306	\$42,984	\$255,774
Purchased professional and technical services								
Tuition								
General supplies								
Textbooks								
Total instruction	39,645		99,724	2,960	44,155	26,306	42,984	255,774
<u>Support services:</u>								
Other salaries for instruction								
Personal services-employee benefits								
Purchased professional educational services								
Purchased professional and technical services								
Purchased property services								
Travel								
Other purchased services								
Supplies and materials								
Other objects								
Total support services	---	---	---	---	---	---	---	---
<u>Facilities acquisition & construction services</u>								
Instructional equipment								
Noninstructional equipment								
Total facilities acquisition & construction services	---	---	---	---	---	---	---	---
Total expenditures	\$39,645		\$99,724	\$2,960	\$44,155	\$26,306	\$42,984	\$255,774
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, 2012
(With comparative totals for June 30, 2011)

	IDEA					Title II - Part A Current Year	Nonpublic Textbooks	Nonpublic Nursing	Carried Forward (Exh. E-1A)
	Preschool Current Yr.	Basic Current Yr.	Basic Prior Year	ARRA - Preschool Current Yr.	ARRA - Basic Current Yr.				
REVENUES:									
State sources							\$20,530	\$29,325	\$49,855
Federal sources	\$25,775	\$519,773	\$22,801	\$200	\$46,092	\$39,092			653,733
Total revenues	\$25,775	\$519,773	\$22,801	\$200	\$46,092	\$39,092	\$20,530	\$29,325	\$703,588
EXPENDITURES:									
<i>Instruction:</i>									
Salaries of teachers	21,479					31,458			52,937
Other salaries for instruction									
Purchased professional educational services									
Purchased professional and technical services				200				29,325	29,525
Other purchased services									
Tuition		448,360							448,360
General supplies					46,092				46,092
Textbooks							20,530		20,530
	<u>21,479</u>	<u>448,360</u>		<u>200</u>	<u>46,092</u>	<u>31,458</u>	<u>20,530</u>	<u>29,325</u>	<u>597,444</u>
<i>Support services:</i>									
Other salaries for instruction									
Personal services-employee benefits	4,296					6,292			10,588
Purchased professional educational services									
Purchased professional and technical services		71,413	22,801						94,214
Purchased property services									
Travel									
Other purchased services						1,342			1,342
Supplies and materials									
Total support services	4,296	71,413	22,801	---	---	7,634	---	---	108,144
<i>Facilities acquisition & construction services</i>									
Instructional equipment									
Non-instructional equipment									
Total facilities acquisition & construction services	---	---	---	---	---	---	---	---	---
Total expenditures	\$25,775	\$519,773	\$22,801	\$200	\$46,092	\$39,092	\$20,530	\$29,325	\$703,588
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)									

**Capital Projects Fund
Detail Statements**

HADDONFIELD SCHOOL DISTRICT
Capital Projects Fund
Summary Statement of Revenues, Expenditures,
and Changes In Fund Balance - Budgetary Basis
For the Fiscal Year ended June 30, 2012

Revenues and Other Financing Sources:	
State Aid - SDA Grant	\$84,580
Transfer from capital outlay	176,170
Refund of prior year expenditures	92,890
Interest earned on investments	11,834
Total revenues and other financing sources	<u>365,474</u>
Expenditures and Other Financing (Uses):	
Construction services	510,769
Transfer to debt service	11,834
Cancellation of accounts receivable	92,890
Total expenditures and other financing (uses)	<u>615,493</u>
Excess (deficiency) or revenues over (under) expenditures	(250,019)
Fund Balance - July 1, 2011	<u>500,802</u>
Fund Balance - June 30, 2012	<u>\$250,783</u>

HADDONFIELD SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
J. Fithian Tatem Elementary School Renovations
From Inception and for the Fiscal Year ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
State sources - SCC Grant	\$120,120		\$120,120	\$120,120
Transfer from capital reserve				
Bond proceeds	159,074		159,074	159,074
Total revenues	<u>279,194</u>		<u>279,194</u>	<u>279,194</u>
Expenditures and Other Financing Uses:				
Purchased professional services	35,036		35,036	35,036
Construction services	244,158		244,158	244,158
	<u>279,194</u>		<u>279,194</u>	<u>279,194</u>
Excess (deficiency) or revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Additional project information:				
Project Number	SP#1900-090-04-0AMS			
Grant Date	05/10/05			
Bond Authorization Date	12/14/04			
Bonds Authorized	\$186,366			
Bonds Issued	\$186,366			
Original Authorized Cost	\$338,486			
Additional Authorized Cost	(\$59,292)			
Revised Authorized Cost	\$279,194			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	90.00%			
Original target completion date	12/31/06			
Revised target completion date	N/A			

**HADDONFIELD SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
J. Fithian Tatem Elementary School Renovations
From Inception and for the Fiscal Year ended June 30, 2012**

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

HADDONFIELD SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Elizabeth Haddon Elementary School Renovations
From Inception and for the Fiscal Year ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
State sources - SCC Grant	\$241,471		\$241,471	\$241,471
Transfer from capital reserve				
Bond proceeds	475,631		475,631	475,631
Total revenues	<u>717,102</u>		<u>717,102</u>	<u>717,102</u>
Expenditures and Other Financing Uses:				
Purchased professional services	56,889		56,889	56,889
Construction services	656,396		656,396	656,396
	<u>713,285</u>		<u>713,285</u>	<u>713,285</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$3,817</u>	<u>-</u>	<u>\$3,817</u>	<u>\$3,817</u>
Additional project information:				
Project Number	SP#1900-080-04-0AMP			
Grant Date	05/10/05			
Bond Authorization Date	12/14/04			
Bonds Authorized	\$475,631			
Bonds Issued	\$475,631			
Original Authorized Cost	\$657,102			
Additional Authorized Cost	\$60,000			
Revised Authorized Cost	\$717,102			
Percentage Increase over Original Authorized Cost	9.13%			
Percentage Completion	99.00%			
Original target completion date	12/31/06			
Revised target completion date	N/A			

HADDONFIELD SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Elizabeth Haddon Elementary School Renovations
From Inception and for the Fiscal Year ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
State sources - SCC Grant	\$62,944		\$62,944	\$62,944
Transfer from capital reserve				
Bond proceeds	134,463		134,463	134,463
Total revenues	<u>197,407</u>		<u>197,407</u>	<u>197,407</u>
Expenditures and Other Financing Uses:				
Purchased professional services	15,265		15,265	15,265
Construction services	179,105		179,105	179,105
	<u>194,370</u>		<u>194,370</u>	<u>194,370</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$3,037</u>	<u>-</u>	<u>\$3,037</u>	<u>\$3,037</u>
Additional project information:				
Project Number	SP#1900-080-04-0AMQ			
Grant Date	05/10/05			
Bond Authorization Date	12/14/04			
Bonds Authorized	\$120,212			
Bonds Issued	\$120,212			
Original Authorized Cost	\$183,156			
Additional Authorized Cost	\$14,251			
Revised Authorized Cost	\$197,407			
Percentage Increase over Original Authorized Cost	8.19%			
Percentage Completion	99.00%			
Original target completion date	12/31/06			
Revised target completion date	N/A			

HADDONFIELD SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Central Elementary/Middle School Renovations
From Inception and for the Fiscal Year ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
State sources - SCC Grant	\$1,100,576	(\$92,890)	\$1,007,686	\$1,007,686
Refund of prior year expenditures		92,890	92,890	92,890
Bond proceeds	1,514,325		1,514,325	1,514,325
Miscellaneous revenue	30,010		30,010	30,010
Total revenues	<u>2,644,911</u>		<u>2,644,911</u>	<u>2,644,911</u>
Expenditures and Other Financing Uses:				
Purchased professional services	285,646		285,646	285,646
Construction services	2,329,255	\$25,000	2,354,255	2,354,255
	<u>2,614,901</u>	<u>25,000</u>	<u>2,639,901</u>	<u>2,639,901</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$30,010</u>	<u>(\$25,000)</u>	<u>\$5,010</u>	<u>\$5,010</u>
Additional project information:				
Project Number	SP#1900-070-04-0AMN			
Grant Date	05/10/05			
Bond Authorization Date	12/14/04			
Bonds Authorized	\$1,843,608			
Bonds Issued	\$1,843,608			
Original Authorized Cost	\$2,944,739			
Additional Authorized Cost	\$0			
Revised Authorized Cost	\$2,944,184			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	87.00%			
Original target completion date	12/31/06			
Revised target completion date	N/A			

**HADDONFIELD SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Central Elementary/Middle School Renovations
From Inception and for the Fiscal Year ended June 30, 2012**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
State sources - SCC Grant	\$665,740		\$665,740	\$665,740
Transfer from capital reserve				
Bond proceeds	1,138,304		1,138,304	1,138,304
Total revenues	1,804,044		1,804,044	1,804,044
 Expenditures and Other Financing Uses:				
Purchased professional services	131,924		131,924	131,924
Construction services	1,664,484		1,664,484	1,664,484
	1,796,408		1,796,408	1,796,408
 Excess (deficiency) or revenues over (under) expenditures	\$7,636	-	\$7,636	\$7,636
 Additional project information:				
Project Number	SP#1900-070-04-0AMO			
Grant Date	05/10/05			
Bond Authorization Date	12/14/04			
Bonds Authorized	\$1,147,110			
Bonds Issued	\$665,740			
Original Authorized Cost	\$1,812,850			
Additional Authorized Cost	\$0			
Revised Authorized Cost	\$1,812,850			
 Percentage Increase over Original Authorized Cost				
	0.00%			
Percentage Completion				
	97.00%			
Original target completion date				
	12/31/06			
Revised target completion date				
	N/A			

HADDONFIELD SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Haddonfield Memorial High School School Renovations
From Inception and for the Fiscal Year ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
State sources - SCC Grant	\$1,887,520		\$1,887,520	\$1,887,520
Transfer from capital reserve				
Bond proceeds	3,090,413		3,090,413	3,090,413
Miscellaneous revenue	26,909		26,909	\$26,909
Total revenues	<u>5,004,842</u>		<u>5,004,842</u>	<u>5,004,842</u>
Expenditures and Other Financing Uses:				
Purchased professional services	409,191		409,191	409,191
Construction services	4,568,742		4,568,742	4,568,742
	<u>4,977,933</u>		<u>4,977,933</u>	<u>4,977,933</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$26,909</u>	<u>-</u>	<u>\$26,909</u>	<u>\$26,909</u>
Additional project information:				
Project Number	SP#1900-050-04-0AML			
Grant Date	05/10/05			
Bond Authorization Date	12/14/04			
Bonds Authorized	\$3,037,281			
Bonds Issued	\$3,037,281			
Original Authorized Cost	\$4,869,801			
Additional Authorized Cost	\$108,132			
Revised Authorized Cost	\$4,977,933			
Percentage Increase over Original Authorized Cost	1.12%			
Percentage Completion	99.00%			
Original target completion date	12/31/06			
Revised target completion date	N/A			

**HADDONFIELD SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Haddonfield Memorial High School School Renovations
From Inception and for the Fiscal Year ended June 30, 2012**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
State sources - SCC Grant	\$325,966		\$325,966	\$325,966
Transfer from capital reserve				
Bond proceeds	1,942,523		1,942,523	1,942,523
Miscellaneous revenue	6,358		6,358	6,358
Total revenues	2,274,847		2,274,847	2,274,847
 Expenditures and Other Financing Uses:				
Purchased professional services	184,166		184,166	184,166
Construction services	2,084,323		2,084,323	2,084,323
	2,268,489		2,268,489	2,268,489
 Excess (deficiency) or revenues over (under) expenditures	\$6,358	-	\$6,358	\$6,358
 Additional project information:				
Project Number	SP#1900-050-04-0AMM			
Grant Date	05/10/05			
Bond Authorization Date	12/14/04			
Bonds Authorized	\$1,623,864			
Bonds Issued	\$1,623,864			
Original Authorized Cost	\$2,079,830			
Additional Authorized Cost	(\$130,000)			
Revised Authorized Cost	\$1,949,830			
 Percentage Increase over Original Authorized Cost				
Percentage Completion	0.00%			
Original target completion date	91.00%			
Revised target completion date	12/31/06			
	N/A			

**HADDONFIELD SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Haddonfield Memorial High School Renovations
From Inception and for the Fiscal Year ended June 30, 2012**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
State sources - SCC Grant	\$257,600		\$257,600	\$257,600
Transfer from capital reserve				
Bond proceeds	526,758		526,758	526,758
Miscellaneous revenue	13,078		13,078	13,078
Total revenues	797,436		797,436	797,436
 Expenditures and Other Financing Uses:				
Purchased professional services				
Construction services	650,901		650,901	650,901
	650,901		650,901	650,901
 Excess (deficiency) or revenues over (under) expenditures	\$146,535	-	\$146,535	\$146,535
 Additional project information:				
Project Number	SP201155			
Grant Date	05/01/02			
Bond Authorization Date	---			
Bonds Authorized	\$526,758			
Bonds Issued	\$526,758			
Original Authorized Cost	\$877,930			
Additional Authorized Cost	\$0			
Revised Authorized Cost	\$877,930			
 Percentage Increase over Original Authorized Cost	 0.00%			
Percentage Completion	98.00%			
Original target completion date	09/30/04			
Revised target completion date	09/30/05			

HADDONFIELD SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Haddonfield Memorial High Partial Roof Replacement
From Inception and for the Fiscal Year ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
State sources - SCC Grant	\$110,600		\$110,600	\$110,600
Transfer from capital outlay	165,900		165,900	165,900
Total revenues	<u>276,500</u>		<u>276,500</u>	<u>276,500</u>
Expenditures and Other Financing Uses:				
Purchased professional services				
Construction services		\$225,019	225,019	225,019
		<u>225,019</u>	<u>225,019</u>	<u>225,019</u>
Excess (deficiency) or revenues over (under) expenditures		<u>(\$225,019)</u>	<u>\$51,481</u>	<u>\$51,481</u>
Additional project information:				
Project Number	1900-050-10-GOGD			
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	\$0			
Revised Authorized Cost	\$276,500			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	0.00%			
Original target completion date	12/31/11			
Revised target completion date	06/30/12			

HADDONFIELD SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Elizabeth Haddon Partial Roof Replacement
From Inception and for the Fiscal Year ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
State sources - SCC Grant		\$84,580	\$84,580	\$84,580
Transfer from capital outlay		176,170	176,170	176,170
Total revenues		<u>260,750</u>	<u>260,750</u>	<u>260,750</u>
Expenditures and Other Financing Uses:				
Purchased professional services				
Construction services		\$260,750	260,750	260,750
		<u>260,750</u>	<u>260,750</u>	<u>260,750</u>
Excess (deficiency) or revenues over (under) expenditures		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Additional project information:				
Project Number	1900-080-10-1007			
Grant Date				
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$211,450			
Additional Authorized Cost	\$49,300			
Revised Authorized Cost	\$260,750			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	0.00%			
Original target completion date	06/30/12			
Revised target completion date	06/30/12			

HADDONFIELD SCHOOL DISTRICT
Capital Projects Fund
Summary Statement of Project Expenditures
Year Ended June 30, 2012

<u>Issue/Project Title</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Canceled</u>	<u>Unexpended Balance</u>
			<u>Prior Years</u>	<u>Current Year</u>		
Various Capital Improvements to School Facilities	9/26/2000	\$18,300,749	\$18,154,214			\$146,535
Various Capital Improvements to School Facilities	12/14/2004	13,687,694	13,609,927	\$25,000		52,767
Haddonfield Memorial High School Partial Roof Replacement	3/11/2011	276,500		225,019		51,481
Elizabeth Haddon Partial Roof Replacement		<u>260,750</u>		<u>260,750</u>		
Total		<u>\$32,525,693</u>	<u>\$31,764,141</u>	<u>\$510,769</u>	<u>-</u>	<u>\$250,783</u>

**Proprietary Funds
Detail Statements**

HADDONFIELD SCHOOL DISTRICT
Enterprise Funds
Statement of Net Assets
as of June 30, 2012 and 2011

	<u>Food Service</u>	<u>Community Education</u>	<u>2012</u>	<u>2011</u>
ASSETS:				
Current assets:				
Cash and cash equivalents	\$42,990	\$57,867	\$100,857	\$105,419
Accounts receivable:				
State	198		198	220
Federal	1,761		1,761	1,826
Interfund	15,177		15,177	2,815
Other	1,140		1,140	20,001
Inventories	26,635		26,635	15,047
Total current assets	<u>87,901</u>	<u>57,867</u>	<u>145,768</u>	<u>145,328</u>
Fixed assets:				
Equipment	299,438		299,438	299,438
Less Accumulated depreciation	<u>(299,438)</u>		<u>(299,438)</u>	<u>(299,438)</u>
Total fixed assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$87,901</u>	<u>\$57,867</u>	<u>\$145,768</u>	<u>\$145,328</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$14,595			\$48,653
Deferred revenue	2,685		\$2,685	6,756
Interfund payable	<u>3,038</u>		<u>3,038</u>	<u>3,038</u>
Total current liabilities	<u>20,318</u>	<u>-</u>	<u>5,723</u>	<u>58,447</u>
NET ASSETS				
Invested in capital assets net of related debt				6,449
Unrestricted	<u>67,583</u>	<u>\$57,867</u>	<u>125,450</u>	<u>110,867</u>
Total net assets	<u>\$67,583</u>	<u>\$57,867</u>	<u>\$125,450</u>	<u>\$117,316</u>

HADDONFIELD SCHOOL DISTRICT
Enterprise Funds
Comparative Statement of Revenues, Expenses and Changes in Fund Net Assets
for the Fiscal Years ended June 30, 2012 and 2011

	<u>Food Service</u>	<u>Community Education</u>	<u>2012</u>	<u>2011</u>
OPERATING REVENUES:				
Local sources:				
Daily sales-reimbursable programs:				
School lunch program	\$256,671		\$256,671	\$272,562
Total-daily sales-reimbursable programs	256,671		256,671	272,562
Program fees		\$80,861	80,861	83,732
Daily sales non-reimbursable programs	234,264		234,264	220,654
Total operating revenue	490,935	80,861	571,796	576,948
OPERATING EXPENSES:				
Salaries	208,012	72,207	280,219	269,118
Employee benefits	39,269		39,269	37,379
Supplies and materials	20,894		20,894	11,434
Depreciation				6,449
Management fee	25,332		25,332	24,714
Cost of Sales	240,539		240,539	230,149
Direct Expenses	20,385	9,634	30,019	35,084
Other	235		235	
Total operating expenses	554,666	81,841	636,507	614,327
Operating income (loss)	(63,731)	(980)	(64,711)	(37,379)
Non-operating revenues:				
State sources:				
State school lunch program	3,645		3,645	4,105
Federal sources:				
National school lunch program	32,831		32,831	36,263
Board subsidy				
U.S.D.A. commodities	31,339		31,339	14,010
Miscellaneous	3,245		3,245	218
Interest revenue	901	399	1,300	1,086
Total non-operating revenues	71,961	399	72,360	55,682
Net income (loss) before contributions and transfers	8,230	(581)	7,649	18,303
Cancellation of accounts receivable	(17,818)		(17,818)	
Change in net assets	(9,588)	(581)	(10,169)	18,303
Net assets - July 1	77,171	58,448	135,619	117,316
Net assets - June 30	\$67,583	\$57,867	\$125,450	\$135,619

HADDONFIELD SCHOOL DISTRICT
Enterprise Funds
Statement of Cash Flows
for the Fiscal Years ended June 30, 2012 and 2011

	<u>Food Service</u>	<u>Community Education</u>	<u>2012</u>	<u>2011</u>
Cash flows from operating activities:				
Cash receipts from customers	\$487,993	\$80,861	\$568,854	\$562,699
Cash payments to employees for services	(237,520)	(72,207)	(309,727)	(306,497)
Cash payments to suppliers for goods and services	<u>(282,801)</u>	<u>(9,634)</u>	<u>(292,435)</u>	<u>(336,537)</u>
Net cash used by operating activities	<u>(32,328)</u>	<u>(980)</u>	<u>(33,308)</u>	<u>(80,335)</u>
Cash flows from noncapital financing activities:				
Miscellaneous	3,246		3,246	218
Board subsidy				
Cash received from state and federal reimbursements	<u>24,200</u>		<u>24,200</u>	<u>37,612</u>
Net cash provided by noncapital financing activities	<u>27,446</u>		<u>27,446</u>	<u>37,830</u>
Cash flows from capital financing activities:				
Purchases of fixed assets				
Net cash used by capital financing activities				
Cash flows from investing activities:				
Interest on investments	<u>901</u>	<u>399</u>	<u>1,300</u>	<u>1,086</u>
Net cash provided by investing activities	<u>901</u>	<u>399</u>	<u>1,300</u>	<u>1,086</u>
Net increase (decrease) in cash and cash equivalents	(3,981)	(581)	(4,562)	(41,419)
Cash and cash equivalents, July 1	<u>46,971</u>	<u>58,448</u>	<u>105,419</u>	<u>146,838</u>
Cash and cash equivalents, June 30	<u>\$42,990</u>	<u>\$57,867</u>	<u>\$100,857</u>	<u>\$105,419</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	(\$61,548)	(\$980)	(\$62,528)	(\$49,311)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:				
Depreciation				10,343
Federal commodities	31,339		31,339	27,764
Board subsidy				
Cancellation of accounts payable				
Change in assets and liabilities:				
(Increase)/decrease in inventory	(11,588)		(11,588)	(3,929)
(Increase)/decrease in accounts receivable	(1,140)		(1,140)	(5,838)
Increase/(decrease) in accounts payable	14,595		14,595	3,782
Increase/(decrease) in deferred revenue	(3,986)		(3,986)	1,008
Increase/(decrease) in interfund payable				
Net cash used by operating activities	<u>(\$32,328)</u>	<u>(\$980)</u>	<u>(\$33,308)</u>	<u>(\$16,181)</u>

**Fiduciary Funds
Detail Statements**

HADDONFIELD SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Net Assets
June 30, 2012
(With comparative totals for June 30, 2011)

	<u>Agency Funds</u>		<u>Employee Benefit Trust Funds</u>		<u>Totals</u>	
	<u>Student Activity</u>	<u>Payroll</u>	<u>Flexible Benefits Program</u>	<u>Unemployment Compensation Insurance Fund</u>	<u>2012</u>	<u>2011</u>
ASSETS:						
Cash and cash equivalents	\$368,517	\$73,651	\$195,845	\$481,960	\$1,099,973	\$765,020
Interfund receivable			132,000	191,500	323,500	320,000
TOTAL ASSETS	\$368,517	\$73,651	\$327,845	\$653,460	\$1,423,473	\$1,085,020
LIABILITIES						
LIABILITIES:						
Accounts payable			\$95,510	\$28,508	\$124,018	
Payroll deductions and withholdings		\$59,427			59,427	\$2,550
Interfund payable		14,224			14,224	13,602
Due to student groups	\$368,517				368,517	326,091
Total liabilities	368,517	73,651	95,510	28,508	566,186	342,243
NET ASSETS						
Reserved for unemployment claims				\$624,952	624,952	526,793
Reserve for flex benefits			\$232,335		232,335	215,984
Total net assets	---	---	\$232,335	\$624,952	\$857,287	\$742,777

HADDONFIELD SCHOOL DISTRICT
Fiduciary Fund
Comparative Statement of Changes in Fiduciary Net Assets
for the Fiscal Years Ended June 30, 2012 and 2011

	<u>Employee Benefit Trust Funds</u>		<u>Totals</u>	
	<u>Flexible Benefits Program</u>	<u>Unemployment Compensation Insurance Fund</u>	<u>2012</u>	<u>2011</u>
REVENUES:				
Local sources:				
Board contributions	\$132,000	\$244,867	\$376,867	\$460,282
Employee contributions	56,805	31,002	87,807	119,891
Interest on Investments	2,058	4,165	6,223	4,379
Total Revenues	<u>190,863</u>	<u>280,034</u>	<u>470,897</u>	<u>584,552</u>
EXPENDITURES:				
Current Expense:				
Undistributed Expenditures:				
Unemployment claims		181,875	181,875	195,282
Flex benefit payments	174,512		174,512	280,062
Total Expenditures	<u>174,512</u>	<u>181,875</u>	<u>356,387</u>	<u>475,344</u>
Excess (deficiency) of revenues over (under) expenditures	16,351	98,159	114,510	109,208
Net Assets July 1	<u>215,984</u>	<u>526,793</u>	<u>742,777</u>	<u>633,569</u>
Net Assets June 30	<u>\$232,335</u>	<u>\$624,952</u>	<u>\$857,287</u>	<u>\$742,777</u>

HADDONFIELD SCHOOL DISTRICT
Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 for the Fiscal Year ended June 30, 2012

	<u>Balance June 30, 2011</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Accounts Payable June 30, 2012</u>	<u>Balance June 30, 2012</u>
JUNIOR/SENIOR HIGH SCHOOLS:					
Haddonfield:					
Activities	\$282,584	\$721,832	\$667,613		\$336,803
Athletic	<u>43,507</u>	<u>114,429</u>	<u>126,222</u>		<u>31,714</u>
Total	<u>\$326,091</u>	<u>\$836,261</u>	<u>\$793,835</u>	<u>-</u>	<u>\$368,517</u>

HADDONFIELD SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
for the Fiscal Year ended June 30, 2012

	<u>Balance June 30, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2012</u>
ASSETS:				
Cash and cash equivalents	<u>\$16,152</u>	<u>\$25,866,407</u>	<u>\$25,808,908</u>	<u>\$73,651</u>
Total assets	<u><u>\$16,152</u></u>	<u><u>\$25,866,407</u></u>	<u><u>\$25,808,908</u></u>	<u><u>\$73,651</u></u>
LIABILITIES:				
Payroll deductions and withholdings	\$2,550	\$12,522,435	\$12,465,558	\$59,427
Net payroll		13,336,780	13,336,780	
Interfund payable	<u>13,602</u>	<u>7,192</u>	<u>6,570</u>	<u>14,224</u>
Total liabilities	<u><u>\$16,152</u></u>	<u><u>\$25,866,407</u></u>	<u><u>\$25,808,908</u></u>	<u><u>\$73,651</u></u>

Long-Term Debt Schedules

HADDONFIELD SCHOOL DISTRICT
General Long-Term Debt Account Group
Statement of Serial Bonds
June 30, 2012

Issue	Date of Issue	Amount of Issue	Annual Maturities		Rate of Interest	Balance July 1, 2011	Issued	Retired	Balance June 30, 2012
			Date	Amount					
School Bonds	03/01/2000	\$3,761,000	03/01/13	\$335,000	5.40%	\$1,346,000		\$315,000	\$1,031,000
			03/01/14	345,000	5.40%				
			03/01/15	351,000	5.40%				
School Bonds	03/01/2005	6,889,000	03/01/13	100,000	4.000%	8,530,000		8,330,000	200,000
			03/01/14	100,000	4.000%				
Refunding Bonds	8/1/2005	11,025,000	08/01/12	775,000	3.500%	10,305,000		\$735,000	9,570,000
			08/01/13	805,000	4.000%				
			08/01/14	845,000	4.250%				
			08/01/15	885,000	4.250%				
			08/01/16	925,000	4.250%				
			08/01/17	975,000	4.250%				
			08/01/18	1,020,000	4.030%				
			08/01/19	1,060,000	4.000%				
			08/01/20	1,110,000	4.000%				
			08/01/21	1,170,000	4.000%				
Balance Forward						\$20,181,000	--	\$9,380,000	\$10,801,000

HADDONFIELD SCHOOL DISTRICT
General Long-Term Debt Account Group
Statement of Serial Bonds
June 30, 2012

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Rate of Interest</u>	<u>Balance July 1, 2011</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2012</u>
			<u>Date</u>	<u>Amount</u>					
Balance Brought Forward						\$20,181,000		\$9,380,000	\$10,801,000
Refunding Bonds	2/1/2012	\$8,000,000	02/15/15	\$90,000	3.000%		\$8,000,000		8,000,000
			02/15/16	365,000	3.000%				
			02/15/17	375,000	3.000%				
			02/15/18	380,000	4.000%				
			02/15/19	390,000	4.000%				
			02/15/20	415,000	4.000%				
			02/15/21	425,000	4.000%				
			02/15/22	425,000	4.000%				
			02/15/23	1,645,000	4.000%				
			02/15/24	1,710,000	4.000%				
			02/15/25	1,780,000	4.000%				
Total						<u>\$20,181,000</u>	<u>\$8,000,000</u>	<u>\$9,380,000</u>	<u>\$18,801,000</u>

HADDONFIELD SCHOOL DISTRICT
General Long-Term Debt Account Group
Statement of Obligations Under Capital Leases
June 30, 2012

<u>Series</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Amount Outstanding 6/30/2011</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding 6/30/2012</u>
2009 Club Wagon	7.19%	\$22,598	\$13,515		\$4,196	\$9,319
2011 Van	8.30%	21,831		\$21,631	4,892	16,739
			<u>\$13,515</u>	<u>\$21,631</u>	<u>\$9,088</u>	<u>\$26,058</u>

HADDONFIELD SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local sources:					
Local tax levy	\$1,919,491		\$1,919,491	\$1,919,491	
Miscellaneous					
Total revenues - local sources	<u>1,919,491</u>		<u>1,919,491</u>	<u>1,919,491</u>	
State sources:					
Debt service aid type II	81,769		81,769	81,769	
Total revenues - state sources	<u>81,769</u>		<u>81,769</u>	<u>81,769</u>	
Total Revenues	<u>2,001,260</u>		<u>2,001,260</u>	<u>2,001,260</u>	
EXPENDITURES:					
Regular debt service:					
Interest	856,924	\$874	857,798	857,798	
Redemption of principal	1,150,000		1,150,000	1,150,000	
Expenses of refunding bonds				84,949	(84,949)
Total Expenditures	<u>2,006,924</u>	<u>874</u>	<u>2,007,798</u>	<u>2,092,747</u>	<u>(84,949)</u>
Excess (Deficiency) of revenues over (under) expenditures	(5,664)	(874)	(6,538)	(91,487)	(84,949)
Other Financing Sources (Uses):					
Proceeds of refunding bonds				8,966,507	8,966,507
Payment to refunded bond payment agent				(8,881,558)	(8,881,558)
Operating transfer in				11,834	11,834
Total Other Financing Sources (Uses)				<u>96,783</u>	<u>96,783</u>
Net change in fund balance	(5,664)	(874)	(6,538)	5,296	11,834
Fund Balances, July 1	<u>9,162</u>		<u>9,162</u>	<u>9,162</u>	
Fund Balances, June 30	<u>\$3,498</u>	<u>(\$874)</u>	<u>\$2,624</u>	<u>\$14,458</u>	<u>\$11,834</u>

Statistical Section

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

Exhibit J-1

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities:										
Invested in capital assets, net of related debt	\$ 4,473,491	\$ 4,562,406	\$ (1,432,483)	\$ 7,871,425	\$ 8,220,049	\$ 8,368,520	\$ 8,623,475	\$ 8,892,527	\$ 9,072,224	\$ 9,578,232
Restricted for:										
Capital projects	593,912	332,642	10,811,112	888,135	278,152	166,480	148,066	224,422	700,923	1,150,903
Debt service	51,918	(238,097)	(343,687)	(35,658)	(68,453)	(147,685)	(256,515)	(308,351)	9,162	14,458
Other purposes	(4,967)	176,835	419,729	114,305	78,779	247,510	531,981	439,470	845,675	1,314,071
Unrestricted	(231,320)	(327,404)	(570,894)	(482,747)	(852,987)	(641,297)	(695,030)	(595,190)	(856,188)	(774,403)
Total governmental activities net assets	\$ 4,883,034	\$ 4,506,382	\$ 8,883,777	\$ 8,155,460	\$ 7,655,540	\$ 7,993,528	\$ 8,351,977	\$ 8,652,878	\$ 9,771,796	\$ 11,283,261
Business-type activities:										
Invested in capital assets, net of related debt	\$ 3,746	\$ 3,148	\$ 93,895	\$ 74,617	\$ 55,347	\$ 36,073	\$ 16,792	\$ 6,449	\$ -	\$ -
Unrestricted	\$ 37,803	\$ 63,127	\$ 65,520	\$ 52,227	\$ 61,259	\$ 84,296	\$ 85,033	\$ 110,867	\$ 135,619	\$ 125,450
Total business-type activities net assets	\$ 41,549	\$ 66,275	\$ 159,415	\$ 126,844	\$ 116,606	\$ 120,369	\$ 101,825	\$ 117,316	\$ 135,619	\$ 125,450
District-wide:										
Invested in capital assets, net of related debt	\$ 4,477,237	\$ 4,565,554	\$ (1,338,588)	\$ 7,746,042	\$ 8,275,396	\$ 8,404,593	\$ 8,640,267	\$ 8,898,976	\$ 9,072,224	\$ 9,578,232
Restricted:										
Capital projects	593,912	332,642	10,811,112	888,135	278,152	166,480	148,066	224,422	700,923	1,150,903
Debt service	51,918	(238,097)	(343,687)	(35,658)	(68,453)	(147,685)	(256,515)	(308,351)	9,162	14,458
Other purposes	(4,967)	176,835	419,729	114,305	78,779	247,510	531,981	439,470	845,675	1,314,071
Unrestricted	(193,517)	(264,277)	(505,374)	(430,520)	(791,728)	(557,001)	(609,937)	(484,323)	(720,569)	(648,953)
Total district net assets	\$ 4,924,583	\$ 4,572,657	\$ 9,043,182	\$ 8,282,304	\$ 7,772,148	\$ 8,113,697	\$ 8,453,802	\$ 8,770,194	\$ 9,907,415	\$ 11,408,711

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

Exhibit J-2

Fiscal Year Ending June 30,

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses:										
Governmental activities:										
Instruction:										
Regular	\$ 12,612,384	\$ 12,634,555	\$ 13,111,852	\$ 11,400,394	\$ 11,908,959	\$ 11,574,956	\$ 11,801,237	\$ 12,112,451	\$ 12,235,851	\$ 12,272,871
Special education	1,561,540	2,047,579	2,509,576	2,508,648	2,861,165	2,911,940	3,194,446	3,272,380	3,830,367	3,471,486
Other instruction	1,273,930	1,299,627	1,474,094	1,085,274	1,083,371	1,107,339	1,110,379	1,067,012	1,077,473	1,106,102
Support Services:										
Tuition	823,442	572,620	699,891	718,413	857,463	812,659	1,026,695	1,336,166	783,100	1,098,794
Student & instruction related services	3,147,138	3,677,467	3,565,386	2,685,344	2,830,341	3,088,294	3,007,417	3,234,708	3,087,241	3,131,429
School administrative services	1,303,379	1,403,735	1,783,812	1,529,049	1,584,250	1,571,552	1,466,637	1,419,354	1,458,967	1,450,604
General and business administrative services	1,219,888	1,309,606	1,674,335	1,248,872	1,233,266	1,191,444	1,209,743	1,212,177	1,202,954	1,130,714
Plant operations and maintenance	2,735,101	3,783,326	3,699,480	3,352,113	3,849,168	3,790,970	3,637,968	3,652,703	3,474,005	3,971,747
Pupil transportation	294,650	463,011	579,606	533,426	629,566	503,835	451,054	341,785	306,140	633,737
Unallocated employee benefits				6,106,206	7,127,822	7,692,787	7,202,600	7,230,953	7,053,656	7,661,323
Special schools	65,637	27,007	28,277	174,760	184,246	184,009	210,996	165,035	161,341	108,653
Charter schools										
Interest on long-term debt	1,022,993	921,429	921,503	1,021,670	1,037,066	1,100,838	1,022,744	989,475	862,025	834,991
Unallocated depreciation	50,471	52,790	71,955	87,617	81,248	76,661	75,040	50,455	58,682	87,635
Total governmental activities expenses	26,110,553	28,252,764	30,119,747	32,631,795	35,267,933	35,607,266	35,418,956	36,084,654	35,591,802	36,860,286
Business-type activities:										
Community Education	66,265	71,320	74,118	85,256	68,670	89,310	77,154	77,217	79,191	81,841
Food service	423,940	448,737	472,719	478,657	461,805	502,895	539,276	545,408	535,136	554,666
Total business-type activities expense	490,205	520,057	546,837	563,913	550,475	592,205	616,430	622,625	614,327	636,507
Total district expenses	\$ 26,600,758	\$ 28,772,811	\$ 30,666,584	\$ 33,195,708	\$ 35,818,408	\$ 36,199,491	\$ 36,033,386	\$ 36,707,279	\$ 36,206,129	\$ 37,496,793
Program Revenues:										
Governmental activities:										
Operating grants and contributions	\$ 3,609,077	\$ 2,342,199	\$ 2,602,975	2,931,133	3,912,700	4,033,993	3,088,834	3,181,308	3,501,365	3,727,388
Total governmental activities program revenues	3,609,077	2,342,199	2,602,975	2,931,133	3,912,700	4,033,993	3,088,834	3,181,308	3,501,365	3,727,388

(Continued)

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

Exhibit J-2

Fiscal Year Ending June 30,

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Business-type activities:										
Charges for services:										
Community Education	79,071	75,884	76,939	93,493	95,777	83,903	73,921	79,161	83,732	80,881
Food service	368,081	410,567	396,930	381,134	368,734	381,675	467,055	494,153	493,216	490,935
Operating grants and contributions	46,619	48,235	52,312	51,523	51,958	60,065	55,233	64,166	54,378	67,815
Capital grants and contributions										
Total business-type activities program revenues	<u>493,771</u>	<u>534,666</u>	<u>526,181</u>	<u>526,150</u>	<u>516,469</u>	<u>525,643</u>	<u>596,209</u>	<u>637,480</u>	<u>631,326</u>	<u>639,611</u>
Total district program revenues	<u>\$ 4,102,648</u>	<u>\$ 2,876,685</u>	<u>\$ 3,129,156</u>	<u>\$ 3,457,283</u>	<u>\$ 4,429,169</u>	<u>\$ 4,559,836</u>	<u>\$ 3,685,043</u>	<u>\$ 3,618,788</u>	<u>\$ 4,132,691</u>	<u>\$ 4,366,999</u>
Net (Expense)/Revenue:										
Governmental activities	\$ (22,501,476)	\$ (25,910,555)	\$ (27,516,772)	\$ (29,700,662)	\$ (31,355,233)	\$ (31,573,293)	\$ (32,328,122)	\$ (32,903,346)	\$ (32,090,437)	\$ (33,132,698)
Business-type activities	3,566	14,609	(20,656)	(37,783)	(34,006)	(66,562)	(20,221)	14,855	16,999	3,104
Total district-wide net expense	<u>\$ (22,497,910)</u>	<u>\$ (25,895,946)</u>	<u>\$ (27,537,428)</u>	<u>\$ (29,738,425)</u>	<u>\$ (31,389,239)</u>	<u>\$ (31,639,855)</u>	<u>\$ (32,348,343)</u>	<u>\$ (32,888,491)</u>	<u>\$ (32,073,438)</u>	<u>\$ (33,129,594)</u>
General Revenues and Other Changes in Net Assets:										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 20,669,643	\$ 21,971,339	\$ 23,576,737	\$ 25,332,545	\$ 26,645,049	\$ 27,758,553	\$ 28,835,895	\$ 29,267,620	\$ 30,299,125	\$ 30,826,248
Taxes levied for debt service	1,515,341	1,497,878	1,375,263	1,316,597	1,700,213	1,784,974	1,759,514	1,835,309	1,909,311	1,919,491
Unrestricted grants and contributions	61,555	1,939,557	1,709,019	1,632,349	1,647,924	1,681,342	1,605,934	1,495,619	359,785	1,024,049
State aid restricted for capital projects			4,707,694	-	-	-	-	-	-	-
Tuition	44,272	31,487	70,254	363,924	324,482	373,907	267,028	215,049	220,243	321,758
Miscellaneous income	688,752	435,988	455,200	326,930	537,645	349,962	218,200	370,650	420,891	562,817
Transfers						(37,457)				
Total governmental activities	<u>22,979,563</u>	<u>25,878,249</u>	<u>31,894,167</u>	<u>28,972,345</u>	<u>30,855,313</u>	<u>31,911,261</u>	<u>32,668,571</u>	<u>33,204,247</u>	<u>33,209,355</u>	<u>34,644,363</u>
Business-type activities:										
Investment earnings	542	512	2,414	3,120	5,961	4,094	987	543	1,096	1,300
Miscellaneous income		9,606	1,013	2,072	17,807	28,774	690	93	218	3,245
Cancellation of accounts receivable										(17,818)
Transfers						37,457				
Total business-type activities	<u>542</u>	<u>10,117</u>	<u>3,427</u>	<u>5,192</u>	<u>23,768</u>	<u>70,325</u>	<u>1,677</u>	<u>636</u>	<u>1,304</u>	<u>(13,273)</u>
Total district-wide	<u>\$ 22,980,105</u>	<u>\$ 25,888,366</u>	<u>\$ 31,897,594</u>	<u>\$ 28,977,537</u>	<u>\$ 30,879,081</u>	<u>\$ 31,981,606</u>	<u>\$ 32,688,248</u>	<u>\$ 33,204,883</u>	<u>\$ 33,210,659</u>	<u>\$ 34,631,090</u>
Change in Net Assets:										
Governmental activities	\$ 476,087	\$ (34,306)	\$ 4,377,395	\$ (728,317)	\$ (489,920)	\$ 337,988	\$ 358,449	\$ 300,901	\$ 1,118,918	\$ 1,511,465
Business-type activities	4,108	24,726	(17,229)	(32,571)	(10,238)	3,763	(18,544)	15,491	18,303	(10,169)
Total district-wide	<u>\$ 482,195</u>	<u>\$ (9,580)</u>	<u>\$ 4,360,166</u>	<u>\$ (760,888)</u>	<u>\$ (510,158)</u>	<u>\$ 341,751</u>	<u>\$ 339,905</u>	<u>\$ 316,392</u>	<u>\$ 1,137,221</u>	<u>\$ 1,501,296</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,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund:										
Reserved for:										
Capital reserve	\$ 108	\$ 110	\$ 111	\$ 112	\$ 116	\$ 118	\$ 119	\$ 120	\$ 200,121	\$ 900,120
Excess surplus		932,207	216,399	114,305	2,544	138,360	334,980	305,829	789,114	634,165
Excess surplus - designated for next year										679,906
Unreserved	913,522	104,638	767,884	497,065	488,420	705,063	766,590	693,792	669,318	635,917
Total general fund	\$ 913,630	\$ 1,036,955	\$ 984,394	\$ 611,482	\$ 491,080	\$ 843,541	\$ 1,101,689	\$ 999,741	\$ 1,658,553	\$ 2,850,108
All Other Governmental Funds										
Reserved:										
Encumbrances		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue fund	\$ (4,967)									
Capital projects fund	593,804	332,532	10,811,001	888,023	278,036	166,362	147,947	224,302	500,802	250,783
Debt service fund	51,918	90,255	92,958	328,197	280,204	184,028	62,215	18,430	9,162	14,458
Total all other governmental funds	\$ 640,755	\$ 422,787	\$ 10,903,959	\$ 1,216,220	\$ 558,240	\$ 350,390	\$ 210,162	\$ 242,732	\$ 509,964	\$ 265,241

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

Exhibit J-4

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Tax levy	\$ 22,184,984	\$ 23,469,217	\$ 24,952,000	\$ 26,649,142	\$ 28,345,262	\$ 29,543,527	\$ 30,595,409	\$ 31,122,929	\$ 32,208,436	\$ 32,745,739
Tuition charges	304,162	221,213	235,707	237,104	362,478	373,907	267,028	215,049	220,243	321,758
Miscellaneous	428,882	170,197	289,747	453,750	499,649	349,962	218,200	370,650	420,891	552,817
State sources	3,246,245	3,823,451	8,412,177	4,037,442	5,021,206	5,145,617	4,160,373	4,067,485	2,980,163	4,047,116
Federal sources	477,562	451,806	512,540	526,040	539,418	569,718	534,395	609,442	991,587	704,321
Total revenue	26,641,815	28,135,884	34,402,171	31,903,478	34,768,013	35,982,731	35,775,405	36,385,555	36,821,320	38,371,751
Expenditures										
Instruction										
Regular Instruction	9,756,561	9,866,941	9,957,266	10,683,035	11,019,941	11,070,891	11,247,319	11,704,775	11,605,322	11,670,436
Special education instruction	1,340,366	1,670,731	2,035,258	2,508,648	2,861,165	2,911,940	3,194,446	3,272,380	3,830,367	3,471,486
Other instruction	1,050,161	1,060,436	1,197,261	1,085,274	1,083,371	1,107,339	1,110,379	1,067,012	1,077,473	1,106,102
Support Services:										
Tuition	823,442	572,620	699,891	718,413	857,463	812,659	1,026,695	1,336,186	783,100	1,088,794
Student & instruction related services	2,670,011	3,000,645	2,891,927	2,865,344	2,830,341	3,088,294	3,007,417	3,159,054	3,087,241	3,131,429
School administrative services	1,048,763	1,145,384	1,349,029	1,425,689	1,492,869	1,490,271	1,386,430	1,419,354	1,366,859	1,364,459
General and business admin. services	982,866	993,404	1,358,892	1,248,872	1,233,266	1,191,444	1,209,743	1,212,177	1,202,954	1,130,714
Plant operations and maintenance	2,278,589	2,745,140	3,037,651	3,197,073	3,331,773	3,612,737	3,532,758	3,515,414	3,307,718	3,264,278
Pupil transportation	315,938	406,249	470,059	533,426	629,566	503,835	451,054	341,765	306,140	533,737
Other support services	4,168,111	4,673,525	5,147,975	6,106,206	7,127,822	7,692,787	7,202,600	7,230,953	7,053,656	7,681,323
Special Schools	65,637	27,007	28,277	174,760	184,246	184,009	210,996	165,035	161,341	108,853
Capital outlay	1,862,752	524,087	3,261,682	10,029,734	953,252	18,102	86,921	72,045	109,119	875,710
Debt service:										
Principal	804,000	680,000	728,000	290,000	820,000	905,000	955,000	1,000,000	1,115,000	1,150,000
Interest and other charges	1,022,993	935,423	813,210	1,107,875	1,142,266	1,117,783	1,035,727	981,352	888,986	942,747
				137,123	-					
Total expenditures	28,190,210	28,306,592	32,976,378	42,111,472	35,567,341	35,707,091	35,657,485	36,477,502	35,895,276	37,509,868
Excess (Deficiency) of revenues over (under) expenditures	(1,548,395)	(170,708)	1,425,793	(10,207,994)	(799,328)	275,640	117,920	(91,947)	926,044	861,883
Other Financing sources (uses)										
Proceeds from borrowing	-	76,065	9,002,818	214,976	20,946			22,569	-	8,966,507
Payment to bond payment agent										(8,881,558)
Cancellation of accounts receivable				(246)	-	(93,572)				
Transfers in					118,315	45,382	11,603	5,664	169,285	188,004
Transfers out					(118,315)	(82,839)	(11,603)	(5,664)	(169,285)	(188,004)
Total other financing sources (uses)	-	76,065	9,002,818	214,730	20,946	(131,029)	-	22,569	-	84,949
Net change in fund balances	\$ (1,548,395)	\$ (94,643)	\$ 10,428,611	\$ (9,993,264)	\$ (778,382)	\$ 144,611	\$ 117,920	\$ (69,378)	\$ 926,044	\$ 946,832
Debt service as a percentage of noncapital expenditures	6.94%	5.81%	5.19%	4.36%	5.67%	5.67%	5.60%	5.44%	5.60%	5.71%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

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

Exhibit J-5

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Transportation</u>	<u>Preschool</u> <u>Program Fees</u>	<u>Prior Year</u> <u>Refunds</u>	<u>Rentals</u>	<u>Summer</u> <u>Enrichment</u>	<u>Reading</u> <u>Recovery</u> <u>Program Fees</u>	<u>Student</u> <u>Activity</u> <u>Fee</u>	<u>Miscellaneous</u>	<u>Total</u>
2003	\$44,272	\$315,006			\$89,178	\$64,431				\$94,625	\$607,512
2004	31,487	221,213			21,185	31,225				27,563	332,673
2005	70,254	235,707			76,185	26,599				44,870	453,615
2006	157,159	237,104			38,828	9,050				28,542	470,683
2007	206,534	362,478		\$ 45,455	68,733	18,654				42,325	744,179
2008	140,777	323,555		50,352	104,481	22,090				37,232	678,487
2009	59,814	267,028	\$ 16,893	58,525	41,835	9,720	\$ 9,815			11,995	473,625
2010	15,398	215,049		66,557	77,855	25,720	34,830	\$ 67,687		584	503,680
2011	24,268	220,243		65,416	250,451	27,895	21,640	5,250		22,585	637,748
2012	55,987	321,758		77,198	299,168	66,411	34,490	-		7,729	862,741
	<u>\$ 805,950</u>	<u>\$ 2,719,141</u>	<u>\$ 16,893</u>	<u>\$ 361,503</u>	<u>\$ 1,067,899</u>	<u>\$ 301,795</u>	<u>\$ 100,775</u>	<u>\$ 72,937</u>	<u>\$ -</u>	<u>\$ 318,050</u>	<u>\$ 5,764,943</u>

Source: District records

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

Exhibit J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities a	Not Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate b	Estimated Actual (County Equalized) Value
2003	\$ 2,989,700	\$ 887,815,400			\$ 105,759,400		\$ 6,214,200	\$ 1,002,778,700	\$ 5,234,748	\$ 1,008,013,448	\$ 148,565,200	\$ 2.330	\$ 1,292,942,496
2004	3,118,100	891,844,600			105,340,600		6,214,200	1,006,517,500	4,600,879	1,011,118,379	150,700,500	2.470	1,409,362,073
2005	2,709,900	900,204,200			105,631,300		6,214,200	1,014,759,600	4,061,304	1,018,820,904	151,157,000	2.620	1,571,028,304
2006	3,451,900	912,781,000			104,609,600		6,225,800	1,027,068,300	3,349,075	1,030,417,375	151,676,500	2.751	1,773,385,690
2007	2,849,400	920,345,300			106,420,600		5,949,600	1,035,564,900	3,023,543	1,038,588,443	151,571,800	2.844	2,003,446,434
2008 R	12,511,200	2,007,692,800			220,959,500		14,107,700	2,255,271,200	6,620,595	2,261,891,795	256,639,000	1.352	2,185,536,682
2009	12,449,200	2,011,863,200			218,652,200		14,012,200	2,256,976,800	7,235,354	2,264,212,154	257,249,300	1.375	2,221,502,914
2010	9,781,500	2,020,185,900			217,053,900		14,007,200	2,261,028,500	8,323,964	2,269,352,464	257,442,700	1.420	2,240,311,617
2011	9,265,400	2,016,563,800			214,971,600		13,990,900	2,254,791,700	7,550,383	2,262,342,083	255,691,100	1.447	2,281,045,590
2012	7,912,600	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	c

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	
2003	\$ 2.180	\$ 0.150	\$ 2.330	\$ 0.510			\$ 1.160	\$ 4.000
2004	2.320	0.150	2.470	0.580			1.150	4.200
2005	2.490	0.130	2.620	0.640			1.190	4.450
2006	2.631	0.120	2.751	0.709			1.302	4.762
2007	2.679	0.165	2.844	0.767	\$ 0.010		1.271	4.892
2008	1.273	0.079	1.352	0.377	0.005		0.576	2.310
2009	1.300	0.075	1.375	0.391	0.005		0.567	2.338
2010	1.335	0.085	1.420	0.423	0.004		0.604	2.451
2011	1.362	0.085	1.447	0.408	0.005	\$ 0.033	0.677	2.570
2012	1.363	0.085	1.448	0.435	0.008	0.033	0.720	2.642

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

110

Taxpayer	2011-2012	
	Taxable Assessed Value	% of Total District Net Assessed Value
Verizon	\$ 12,461,583	0.55%
One Centennial Square	9,550,000	0.42%
95 Grove Street Partnership	7,989,400	0.35%
Gerald & Erica Levin	5,590,000	0.25%
Tommar LLC	4,150,000	0.18%
Laurie Industries (ACME Markets)	3,894,400	0.17%
807 Haddon Properties	3,530,000	0.16%
Thirty-Five Kings Highway East	3,250,000	0.14%
110 Kings Highway East	2,945,200	0.13%
Thirty Washington LLC	2,870,000	0.13%
Total	\$ 56,230,583	2.49%

Taxpayer	2002-2003	
	Taxable Assessed Value	% of Total District Net Assessed Value
One Centennial Square	\$ 4,950,000	0.50%
95 Grove Street Partnership	3,359,200	0.34%
Elzey/Zemi Realty/King's Road Assoc.	3,212,600	0.32%
110 Kings Highway East Assoc.	3,082,300	0.31%
Verizon	3,017,000	0.30%
Individual Taxpayer	3,010,100	0.30%
Park Lane Properties	2,446,000	0.25%
ACME	2,350,000	0.24%
United Medical Corporation	1,950,600	0.20%
Chestnut House, LLC	1,500,000	0.15%
Total	\$ 28,877,800	2.91%

Source: Municipal Tax Assessor

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

Exhibit J-9

Fiscal Year Ended June 30,	Taxes Levied for the Calendar Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2003	\$ 22,184,984	\$ 22,184,984	100.00%	-
2004	23,469,217	23,469,217	100.00%	-
2005	24,952,000	24,952,000	100.00%	-
2006	26,649,142	26,649,142	100.00%	-
2007	28,345,262	28,345,262	100.00%	-
2008	29,543,527	29,543,527	100.00%	-
2009	30,595,409	30,595,409	100.00%	-
2010	31,122,929	31,122,929	100.00%	-
2011	32,208,436	32,208,436	100.00%	-
2012	32,745,739	32,745,739	100.00%	-

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		Percentage of Personal Income ^a	Per Capita ^b
	General Obligation Bonds	Unfunded Pension Liability	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2003	\$ 17,268,000	\$ -	\$ 79,783	\$ -	\$ -	\$ 17,347,783	4.44%	1,500
2004	16,588,000	-	120,976	-	-	16,708,976	4.14%	1,448
2005	28,840,000	-	108,408	-	-	28,948,408	6.91%	2,509
2006	24,976,000	-	135,906	-	-	25,111,906	5.64%	2,183
2007	24,156,000	-	103,113	-	-	24,259,113	5.25%	2,112
2008	23,251,000	-	64,833	-	-	23,315,833	4.85%	2,036
2009	22,296,000	-	24,893	-	-	22,320,893	4.71%	1,950
2010	21,296,000	-	21,894	-	-	21,317,894	4.30%	1,839
2011	20,181,000	-	13,515	-	-	20,194,515	c	1,744
2012	18,801,000	-	26,058	-	-	18,827,058	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

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
2003	\$ 17,268,000	\$ -	\$ 17,268,000	1.71%	1,493
2004	16,588,000	-	16,588,000	1.64%	1,437
2005	28,840,000	-	28,840,000	2.83%	2,499
2006	24,976,000	-	24,976,000	2.42%	2,171
2007	24,156,000	-	24,156,000	2.33%	2,103
2008	23,251,000	-	23,251,000	1.03%	2,030
2009	22,296,000	-	22,296,000	0.98%	1,948
2010	21,296,000	-	21,296,000	0.94%	1,837
2011	20,181,000	-	20,181,000	0.89%	1,742
2012	18,801,000	-	18,801,000	0.83%	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, 2011**

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Borough of Haddonfield	\$ 13,412,278	100.000%	\$ 13,412,278
Camden County General Obligation Debt	211,014,203	5.457%	11,515,045
			24,927,323
Subtotal, overlapping debt			24,927,323
Haddonfield School District Direct Debt			19,446,000
Total direct and overlapping debt			\$ 44,373,323

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 2012

	Equalized valuation basis	
	2011	\$ 2,235,344,205
	2010	2,275,363,289
	2009	2,223,403,409
	[A]	<u>\$ 6,734,110,903</u>
Average equalized valuation of taxable property	[A/3]	\$ 2,244,703,634
Debt limit (4% of average equalized valuation)	[B]	89,788,145 ^a
Net bonded school debt	[C]	<u>18,801,000</u>
Legal debt margin	[B-C]	<u>\$ 70,987,145</u>

Fiscal Year

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
	\$ 47,070,561	\$ 51,130,550	\$ 56,349,059	\$ 62,556,697	\$ 70,343,859	\$ 78,196,006	\$ 84,351,635	\$ 87,595,927	\$ 89,423,817	\$ 89,788,145
Total net debt applicable to limit	<u>17,268,000</u>	<u>16,588,000</u>	<u>24,840,000</u>	<u>24,976,000</u>	<u>23,896,000</u>	<u>23,251,000</u>	<u>22,296,000</u>	<u>21,296,000</u>	<u>20,181,000</u>	<u>18,801,000</u>
Legal debt margin	<u>\$ 29,802,561</u>	<u>\$ 34,542,550</u>	<u>\$ 31,509,059</u>	<u>\$ 37,580,697</u>	<u>\$ 46,447,859</u>	<u>\$ 54,945,006</u>	<u>\$ 62,055,635</u>	<u>\$ 66,299,927</u>	<u>\$ 69,242,817</u>	<u>\$ 70,987,145</u>
Total net debt applicable to the limit as a percentage of debt limit	36.69%	32.44%	44.08%	39.93%	33.97%	29.73%	26.43%	24.31%	22.57%	20.94%

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>
2003	11,569	\$ 390,708,268	\$ 33,772	1.9%
2004	11,541	403,415,655	34,955	1.6%
2005	11,539	418,854,161	36,299	2.8%
2006	11,505	444,909,855	38,671	2.9%
2007	11,488	462,506,880	40,260	2.7%
2008	11,454	480,976,368	41,992	3.6%
2009	11,448	474,015,888	41,406	5.7%
2010	11,592	495,210,240	42,720	6.0%
2011	11,582	e	e	5.9%
2012	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 Seven Fiscal Years**

Exhibit J-16

Function/Program	2006	2007	2008	2009	2010	2011	2012
Instruction							
Regular	194	169	173	188	172	172	172
Special education	26	28	40	40	34	34	34
Other special education					55	55	55
Vocational							
Other instruction					24	24	26
Support Services:							
Student & instruction related services	9	9	9	9	40	40	42
School administrative services	15	15	15	15	19	19	16
General and business administrative services	6	6	6	6	6	6	6
Plant operations and maintenance	9	9	9	9	12	12	13
Pupil transportation	7	7	5	4	8	8	8
Business and other support services	3	3	3	3			
Special Schools							
Food Service							
Child Care							
Total	269	246	260	274	370	370	372

Source: District Personnel Records

This schedule does not contain ten years of information as GASB #44 was implemented during this fiscal year ending June 30, 2006.

Haddonfield School District
 Operating Statistics,
 Last Seven 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				
2006	2,379	\$ 30,546,740	\$ 12,840.16	6.42%	220	1:23	1:17	1:17	2,394	2,278	1.95%	95.15%
2007	2,432	32,651,823	13,425.91	5.69%	197	1:23	1:17	1:17	2,350	2,250	-1.84%	95.74%
2008	2,388	33,666,206	14,099.08	5.01%	213	1:23	1:17	1:17	2,385	2,287	1.49%	95.89%
2009	2,412	33,620,970	13,939.04	-1.13%	228	1:20	1:21	1:20	2,410	2,315	1.04%	96.06%
2010	2,449	34,424,105	14,056.39	0.84%	208	1:20	1:21	1:20	2,451	2,352	1.70%	95.96%
2011	2,454	33,782,171	13,766.17	-2.06%	208	1:20	1:21	1:20	2,465	2,371	0.57%	96.19%
2012	2,503	34,541,411	13,800.00	0.24%	206	1:20	1:21	1:20	2,503	2,416	1.54%	96.52%

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).

This schedule does not contain ten years of information as GASB #44 was implemented during this fiscal year ending June 30, 2006.

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

Exhibit J-18

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<u>District Building</u>							
Elizabeth Haddon Elementary School (1965)							
Square Feet	47,000	47,000	47,000	47,000	47,000	47,000	47,000
Capacity (students)	450	450	450	450	450	450	450
Enrollment	401	398	380	379	360	348	327
JF Tatem Elementary School (1923)							
Square Feet	46,000	46,000	46,000	46,000	46,000	46,000	46,000
Capacity (students)	490	490	490	490	490	490	490
Enrollment	406	409	405	426	447	481	511
Central Elementary School (1947)							
Square Feet	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Capacity (students)	350	350	350	350	350	350	350
Enrollment	272	268	277	286	314	316	350
Haddonfield Middle School (1965)							
Square Feet	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Capacity (students)	700	700	700	700	700	700	700
Enrollment	562	556	531	543	555	555	562
Memorial High School (1926)							
Square Feet	190,000	190,000	190,000	190,000	190,000	190,000	190,000
Capacity (students)	975	975	975	975	975	975	975
Enrollment	777	775	792	776	775	765	753

Number of Schools at June 30, 2012

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-18

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

* School Facilities	Project # (s)	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Total
High School	SP#201155	\$ 154,072	\$ 261,518	\$ 272,915	\$ 272,475	\$ 294,413	\$ 305,809	\$ 313,699	\$ 494,029	\$ 459,096	\$ 445,380	\$ 3,273,406
Middle School	SP#201156	119,281	202,466	211,250	210,951	245,345	254,842	261,417	236,275	205,128	213,008	2,159,963
J. Frithian Tatem Elementary School	SP#201154	74,551	126,541	132,015	131,842	147,206	152,904	156,849	118,137	107,448	106,504	1,253,997
Elizabeth Haddon Elementary School	SP#201157	74,551	126,541	132,015	131,842	147,206	152,904	156,849	118,137	107,448	106,504	1,253,997
Central Elementary School	SP#201158	74,551	126,541	132,015	131,842	147,206	152,904	156,849	107,399	97,680	96,822	1,223,809
Total School Facilities		\$ 497,006	\$ 843,607	\$ 880,210	\$ 878,952	\$ 981,376	\$ 1,019,363	\$ 1,045,663	\$ 1,073,977	\$ 976,800	\$ 968,218	\$ 9,165,172

120

* 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, 2012**

Exhibit J-20

	<u>Coverage</u>	<u>Self Insured Retention</u>	<u>Deductible</u>
School Package Policy (1)			
Building and Contents (All Locations)			
Limits of liability per occurrence	\$ 150,000,000	\$ 250,000	\$ 500
General and Automobile Liability	10,000,000	250,000	
Workers' Compensation	Statutory	250,000	
Crime Coverage - Blanket Surety Coverage	500,000	200,000	500
School Board Legal Liability	10,000,000	100,000	
Pollution Legal Liability	3,000,000		25,000
Mold Legal Liability	1,000,000		50,000
Boiler and Machinery	100,000,000		1,000
Student Accident (2)	1,000,000		
Catastrophic Student Accident (2)	6,000,000		
Surety Bonds (3)			
Treasurer	300,000		
Board Secretary	100,000		

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

Source: District records

Single Audit Section

INVERSO & STEWART, LLC

**Certified Public Accountants
Registered Municipal Accountants**

12000 Lincoln Drive West, Suite 402
Marlton, New Jersey 08053
(856) 983-2244
Fax (856) 983-6674
E-Mail: iscpas@concentric.net

-Member of-
American Institute of CPAs
New Jersey Society of CPAs

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

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

Compliance

We have audited Haddonfield School District (School District), in the County of Camden, State of New Jersey's compliance with the types of compliance requirements described in the *OMB Circular A-133 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, 2012. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

We conducted our 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; *OMB Circular A-133 Audits of State, Local Governments, and Non-Profit Organizations*; audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; and State of New Jersey Circular 04-04-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and OMB Circular A-133 and State of New Jersey Circular 04-04-OMB, require that we 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 we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School District's compliance with those requirements.

In our opinion, the Haddonfield School District, in the County of Camden, State of New Jersey complied, in all material respects, with the 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, 2012. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and State of New Jersey Circular 04-04-OMB and which are described in the accompanying Schedule of Findings and Questioned Costs as items #2012-1 and #2012-2.

Internal Control Over Compliance

Management of the Haddonfield School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and State of New Jersey Circular 04-04-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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.

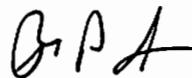
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Haddonfield School District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit School District's response and, accordingly, we express no opinion on the responses

This report is intended solely for the information and use of the management of the School District, the Division of Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Public School Accountant

Marlton, New Jersey
September 14, 2012

HADDONFIELD SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2012

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period	June 30, 2011			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years' Balances	June 30, 2012		
					Accounts Receivable	Deferred Revenue	Due to Grantor at						Accounts Receivable	Deferred Revenue	Due to Grantor at
U.S. Department of Education															
General Fund															
Education Jobs Fund	84.410A	N/A	\$52,173	9/1/11 - 8/31/12				\$50,588	(\$50,588)						
Total General Fund					---	---	---	50,588	(50,588)	---	---	---	---	---	
Special Revenue Fund:															
No Child Left Behind(N.C.L.B.)															
Title II - Part A	84.367	NCLB-1900-12	45,813	9/1/11 - 8/31/12					(39,092)			(\$39,092)			
Individuals With Disabilities Act (I.D.E.I.A.)															
Part B - Basic	84.027	FT-1900-12	538,328	9/1/11 - 8/31/12					(519,773)			(519,773)			
Part B - Basic - Prior Year	84.027	FT-1900-11	525,346	9/1/10 - 8/31/11	(\$480,971)			503,772	(22,801)						
ARRA - Part B - Basic	84.391	ARRA-1900-10	567,256	7/1/09 - 6/30/11	(439,845)			567,256	(48,092)					\$81,319	
Part B - Preschool	84.173	PS-1900-12	25,775	9/1/11 - 8/31/12					(25,775)			(25,775)			
Part B - Preschool - Prior Year	84.173	PS-1900-11	27,901	9/1/10 - 8/31/11	(22,277)			22,277							
ARRA - Part B - Preschool	84.392A	ARRA-1900-10	20,531	7/1/09 - 6/30/11	(17,640)			20,531	(200)					2,691	
Total Special Revenue Fund					(960,733)	---	---	1,113,836	(653,733)	---	---	(584,640)	---	84,010	
U.S. Department of Agriculture															
Enterprise Fund:															
Food Distribution Program	10.550	N/A	31,339	9/1/11 - 6/30/12				31,339	(31,339)						
National School Lunch Program	10.555	N/A	32,831	9/1/11 - 8/30/12				31,070	(32,831)			(\$1,761)			
National School Lunch Program	10.555	N/A	32,103	9/1/10 - 6/30/11	(1,826)			1,826							
Total Enterprise Fund					(1,826)	---	---	64,235	(64,170)	---	---	(1,761)	---	---	
Total Federal Awards					(\$962,559)	---	---	\$1,228,659	(\$768,491)	---	---	(\$588,401)	---	\$84,010	

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, 2012

State Grantor / Program Title	Grant or State Project Number	Program Award Amount	Grant Period	June 30, 2011			Caryover (Waikover) Amount	Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years' Balances	June 30, 2012		
				Accounts Receivable	Deferred Revenue	Due to Grantor at						(Accounts Receivable)	Deferred Revenue	Due to Grantor at
State Department of Education														
General Fund:														
Extraordinary Aid	12-100-034-5120-044	\$273,134	7/1/11 - 6/30/12											
Extraordinary Aid	11-100-034-5120-044	231,487	7/1/10 - 6/30/11	(\$231,487)				\$231,487						
Special Education Categorical Aid	12-495-034-5120-089	637,597	7/1/11 - 6/30/12					612,701	(637,597)				(24,896)	
Security Aid	12-495-034-5120-084	68	7/1/11 - 6/30/12					65	(68)				(3)	
Adjustment Aid	12-495-034-5120-085	228	7/1/11 - 6/30/12					219	(228)				(9)	
Anti Bullying Aid	N/A	2,761	7/1/11 - 6/30/12					2,761	(2,761)					
On Behalf TPAF Non-Contributory Insurance	12-495-034-5095-007	502,757	7/1/11 - 6/30/12					502,757	(502,757)					
On Behalf TPAF Post Retirement Medical	12-495-034-5095-001	1,010,670	7/1/11 - 6/30/12					1,010,670	(1,010,670)					
Reimbursed TPAF Social Security Contributions	12-495-034-5095-002	1,172,830	7/1/11 - 6/30/12					1,062,796	(1,172,830)				(110,034)	
Reimbursed TPAF Social Security Contributions	11-495-034-5095-002	1,138,011	7/1/10 - 6/30/11	(5,076)				5,076						
Total General Fund				(238,563)	---	---	---	3,428,532	(3,600,045)	---	---	(408,076)	---	---
Special Revenue Fund														
N.J. Nonpublic Aid:														
Textbook Aid	12-100-034-5120-064	20,530	7/1/11 - 6/30/12					20,530	(20,530)					
Nursing Aid	12-100-034-5120-070	29,325	7/1/11 - 6/30/12					29,325	(29,325)					
Nursing Aid	11-100-034-5120-070	29,769	7/1/10 - 6/30/11			\$298						(\$298)		
Auxiliary Services:														
Compensatory Education	12-100-034-5120-067	80,306	7/1/11 - 6/30/12					80,306	(39,645)					\$40,661
Compensatory Education	11-100-034-5120-067	97,967	7/1/10 - 6/30/11			28,687						(28,687)		
E.S.L	12-100-034-5120-067	2,586	7/1/11 - 6/30/12					2,586						2,586
E.S.L	11-100-034-5120-067	2,561	7/1/10 - 6/30/11			2,561						(2,561)		
Transportation	12-100-034-5120-068	165,613	7/1/11 - 6/30/12					165,613	(99,724)					65,689
Transportation	11-100-034-5120-068	6,262	7/1/10 - 6/30/11			3,215						(3,215)		
Home Instruction	12-100-034-5120-067	2,960	7/1/11 - 6/30/12						(2,960)				(2,960)	
Home Instruction	11-100-034-5120-067	3,925	7/1/10 - 6/30/11	(3,925)				3,925						
Handicapped Services:														
Examination & Classification	12-100-034-5120-066	58,272	7/1/11 - 6/30/12					58,272	(42,984)					15,288
Examination & Classification	11-100-034-5120-066	41,942	7/1/10 - 6/30/11			7,182						(7,182)		
Corrective Speech	12-100-034-5120-066	41,388	7/1/11 - 6/30/12					41,388	(44,155)	\$2,767			(7,445)	
Corrective Speech	11-100-034-5120-066	42,245	7/1/10 - 6/30/11			7,445						(7,445)		
Supplemental Instruction	12-100-034-5120-066	28,762	7/1/11 - 6/30/12					28,762	(28,306)					2,456
Supplemental Instruction	11-100-034-5120-066	29,252	7/1/10 - 6/30/11			3,289						(3,289)		
Total Special Revenue Fund				(3,925)	---	52,677	---	430,707	(305,629)	2,767	(52,677)	(2,960)	---	128,880

(Continued)

HADDONFIELD SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2012

State Grantor / Program Title	Grant or State Project Number	Program Award Amount	Grant Period	June 30, 2011			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years' Balances	June 30, 2012		
				Accounts Receivable	Deferred Revenue	Due to Grantor at						(Accounts Receivable)	Deferred Revenue	Due to Grantor at
New Jersey Economic Development Authority														
<u>Capital Projects Fund</u>														
Memorial High School	SP#1900-050-04-OAML	\$1,887,520	7/01/04 - 6/30/08	(\$1,123,074)				\$1,123,074						
Memorial High School	SP#1900-050-04-OAMM	325,966	7/01/04 - 6/30/08	(14,669)				14,669						
Central Elementary School	SP#1900-070-04-OAMN	1,100,576	7/01/04 - 6/30/08	(654,843)				561,953		\$92,690				
Memorial High School	SP#1900-050-10-1004	110,800	3/21/11 - 6/30/12	(110,600)								(\$110,600)		
Elizabeth Haddon School	SP#1900-050-10-1007	84,580	7/01/11 - 6/30/12						(\$84,580)				(\$84,580)	
Total Capital Projects Fund				(1,803,186)				1,699,696	(84,580)	92,690			(195,180)	
<u>Debt Service Fund</u>														
Debt Service Aid Type II	12-495-034-5120-125	81,769	7/1/11 - 6/30/12	---				\$81,769	(\$81,769)					
State Department of Agriculture														
<u>Enterprise Fund:</u>														
State School Lunch Program	12-100-010-3350-023	3,645	9/1/11 - 6/30/12					3,447	(3,645)				(198)	
State School Lunch Program	11-100-010-3350-023	4,105	9/1/10 - 6/30/11	(220)				220						
Total Enterprise Fund				(220)				3,667	(3,645)				(198)	
Total State Financial Assistance				(\$2,143,894)	---	\$52,677	---	\$5,644,371	(\$4,075,668)	\$95,657	(\$52,677)	(\$606,414)	---	\$126,880

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, 2012**

1. GENERAL

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

2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*; therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is (\$24,908) for the general fund and \$-0- for the special revenue fund. See Exhibit C-3, Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Expenditures from awards and financial assistance revenues are reported in the School District's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 50,588	\$ 3,575,137	\$ 3,625,725
Special Revenue Fund	653,733	305,629	959,362
Capital Projects Fund		84,580	84,580
Debt Service Fund		81,769	81,769
Food Service Fund	<u>64,170</u>	<u>3,645</u>	<u>67,815</u>
Total Awards & Financial Assistance	<u>\$ 768,491</u>	<u>\$ 4,050,760</u>	<u>\$ 4,819,251</u>

**Haddonfield School District
Notes to the Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2012
(Continued)**

4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2012. 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, 2012.

6. MAJOR PROGRAMS

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

7. ADJUSTMENTS

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

	State	Federal
Refund due from Camden County Educational Services Commission	\$ 2,767	\$
Accounts Receivable Canceled	92,890	
	\$ 95,657	-

**HADDONFIELD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Section I --Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: UNQUALIFIED

Internal control over financial reporting:

- 1) Material weakness(es) identified? yes X no
- 2) Significant deficiencies identified? 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? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133 ? X yes no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.127</u>	<u>I.D.E.A. Part B</u>
<u>84.410A</u>	<u>Education Jobs Fund</u>
<u>84.391</u>	<u>ARRA - IDEA - Basic</u>
<u>84.392A</u>	<u>ARRA - Preschool</u>
<u>10.555</u>	<u>National School Lunch Program</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? X yes no

**HADDONFIELD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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 Division of 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, 2012**

**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 OMB Circular A-133 and New Jersey Circular Letter 04-04.

FEDERAL AWARDS:

Finding #2012-1

Information on the federal program:

Education Jobs Fund - CFDA No. 84.410; U. S. Department of Education; Passed-through State of New Jersey, Department of Education

Criteria or specific requirement:

Under the Education Jobs Fund (Ed Jobs) requirements, an LEA should make direct charges to the program.

Condition:

Expenditures charged to the Ed Jobs Fund were transfers from the General Fund. Direct charges should have been made to the program.

Questioned Costs:

None.

Context:

All the expenditures charged to the Ed Jobs Fund were transfers from the General Fund.

Effect:

The district is not in compliance with the Ed Jobs requirements.

Cause:

Oversight.

Recommendation:

That all expenditures be directly charged to federal programs.

Management's response:

Management agrees with the above finding and will address the matter as part of their corrective action plan.

**HADDONFIELD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

FEDERAL AWARDS:

Finding #2012-2

Information on the federal programs:

ARRA IDEA - Part B - CFDA No. 84.391; ARRA IDEA Preschool – CFDA No. 84.392A: U. S. Department of Education; Passed-through State of New Jersey, Department of Education

Criteria or specific requirement:

Federal regulations require that only cash expenditures be requested for reimbursement.

Condition:

The District requested \$81,319 for ARRA IDEA – Part B and \$2,691 for ARRA IDEA Preschool in excess of cash expenditures.

Questioned Costs:

None.

Context:

The District received federal funds of \$84,010 for which they were not entitled.

Effect:

The District must refund \$81,319 for ARRA IDEA – Part B and \$2,691 for ARRA IDEA Preschool to the State Department of Education.

Cause:

Oversight.

Recommendation:

That federal funds be requested only for the amount of cash expenditures.

Management's response:

Management agrees with the above finding and will address the matter as part of their corrective action plan.

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
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

This section identifies the status of prior year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, USOMB Circular A-133 and State of NJOMB Circular 04-04.

FINANCIAL STATEMENT FINDINGS

There were no prior year audit findings

FEDERAL AWARDS

There were no prior year audit findings.

STATE AWARDS

There were no prior year audit findings.