

**SCHOOL DISTRICT  
OF  
HADDONFIELD**

Haddonfield Board of Education  
Haddonfield, New Jersey

Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2007

# **Comprehensive Annual Financial Report**

**of the**

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

**For the Fiscal Year Ended June 30, 2007**

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 ext. 215 FAX: (856) 429-6015  
E-Mail: ahall@haddonfield.k12.nj.us

W. Andrew Hall  
Business Administrator/Board Secretary

September 30, 2007

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, 2007, 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.

## **1. REPORTING ENTITY AND ITS SERVICES (Continued):**

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 2006-2007 fiscal year with an average daily enrollment of 2,406 students, which is an increase of 12 students from the previous year's enrollment.

### **Annual Financial Report**

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

### **Average Daily Enrollment**

<b><u>Fiscal Year</u></b>	<b><u>Student Enrollment</u></b>	<b><u>Percent Change</u></b>	
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	%
2001-02	2292.0	1.0	%
2000-01	2269.0	2.9	%
1999-00	2201.0	2.2	%
1998-99	2155.4	2.5	%
1997-98	2102.2	3.1	%

**2. ECONOMIC CONDITION AND OUTLOOK:** Haddonfield is a small historic community located ten miles east of Philadelphia in Camden County, New Jersey. Haddonfield is 2.6 square miles in area, and its population was 11,659 in the 2000 National 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. Real estate values are high, and 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).

The quality of the schools has attracted families with school-age children, which has resulted in a slight enrollment increase over the past few years. This slight increase in enrollment, combined with very limited financial support from either the state of New Jersey or the Federal Government, has resulted in an average school tax increase of over 5% a year over the past five years.

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 285 full-time and 41 part-time positions. Our five schools are:

- Three elementary schools serving grades pre-kindergarten through five: Central Elementary School; Elizabeth Haddon Elementary School; Tatem Elementary School
- One middle school serving grades six through eight: Haddonfield Middle School
- One comprehensive high school serving grades nine through twelve: Haddonfield Memorial High School

Student enrollment is currently 2,406 students in total, with 2,378 students enrolled in Haddonfield public schools, with an additional 28 special education students sent on a tuition basis to private and public school special education programs. The total number of enrolled students includes 40 out of district students who pay tuition to Haddonfield School District to attend our excellent schools. The current demographic projections still indicate a slight increase in future student enrollment, as senior citizens sell their Haddonfield homes to younger families with children.

The future outlook indicates a slight enrollment increase. The primary reason for the increase is the turnover of homes from senior citizens to younger families with children.

**3. MAJOR INITIATIVES:** The largest challenge facing Haddonfield School District is to maintain the excellent quality of Haddonfield schools, while having to finance approximately 93% of the entire school district budget through the collection of local taxes – with only token support from the state of New Jersey and/or the Federal Government. This fiscal mission has led to the development of a new tuition paying source of revenue for Haddonfield School District – as we have begun to charge \$2,000.00 tuition for placement in our inclusive pre-school program at Tatem Elementary School. This program is expected to generate approximately \$60,000.00 of new revenue annually.

These tuition monies, coupled with our long-standing tuition program for student from neighboring counties who wish to attend either Haddonfield Middle School or Haddonfield Memorial High School, helped to fund some of the outstanding programs we have in Haddonfield schools. Together, the tuition monies amount to close to \$300,000.00 annually.

While our fiscal initiative remain a high priority, there are also other major initiatives ongoing, such as the building renovation projects at Haddonfield Memorial High School. This summer two bathrooms at the high school were renovated along with 80% of the building being painted and drainage systems repaired. A new track is being installed and will be completed in November.

There are always major curricular improvements being made in Haddonfield schools. Last year the development of a district field trip program, a comprehensive curricular audit of our English/Language Arts curriculum, and a similar curricular review of our world language program – with a special emphasis on exploring an elementary language program were completed. This year a K-12 social studies audit, K-12 health/pe audit and a K-12 music audit are under way.

Haddonfield School District has developed an exemplary professional staff development program featuring scores of different educational experiences for our professional staff members and for many of our 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 being invited to take part in our professional development program each February. During this four day period, Haddonfield School District teachers and administrators develop and present professional learning opportunities on a wide variety of topics predicated upon teacher and district needs.

The students of Haddonfield School District remain our best and most valued product – and Haddonfield students continue to demonstrate an extraordinary degree of excellence in all forms of academic and artistic achievement. Haddonfield's musical and dramatic productions are among the best in the state, and feature outstanding student musicians and performers in every concert, play, and presentation. Academically, Haddonfield students continue to earn scores on standardized tests (SAT; GEPA; NJASK; Advanced Placement Tests) that are among the highest in the county – 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.

One hundred percent of the Haddonfield Memorial High School Class of 2007 took the SAT. Ninety-six percent of the students from the Class of 2006 took the SAT. The Class of 2006 achieved a mean score of 1,708 (577 Math, 565 Writing, and 566 Critical Reading), and the Class of 2007 had a mean score of 1,684 (562 Math, 556 Writing, and 566 Critical Reading). The Class of 2006 sent 96% of the class on to further collegiate education, while the Class of 2007 had 97% of the graduating seniors continue their education in college or university – with 90% of the seniors attending a four year college or university.

**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, 2007.

**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.

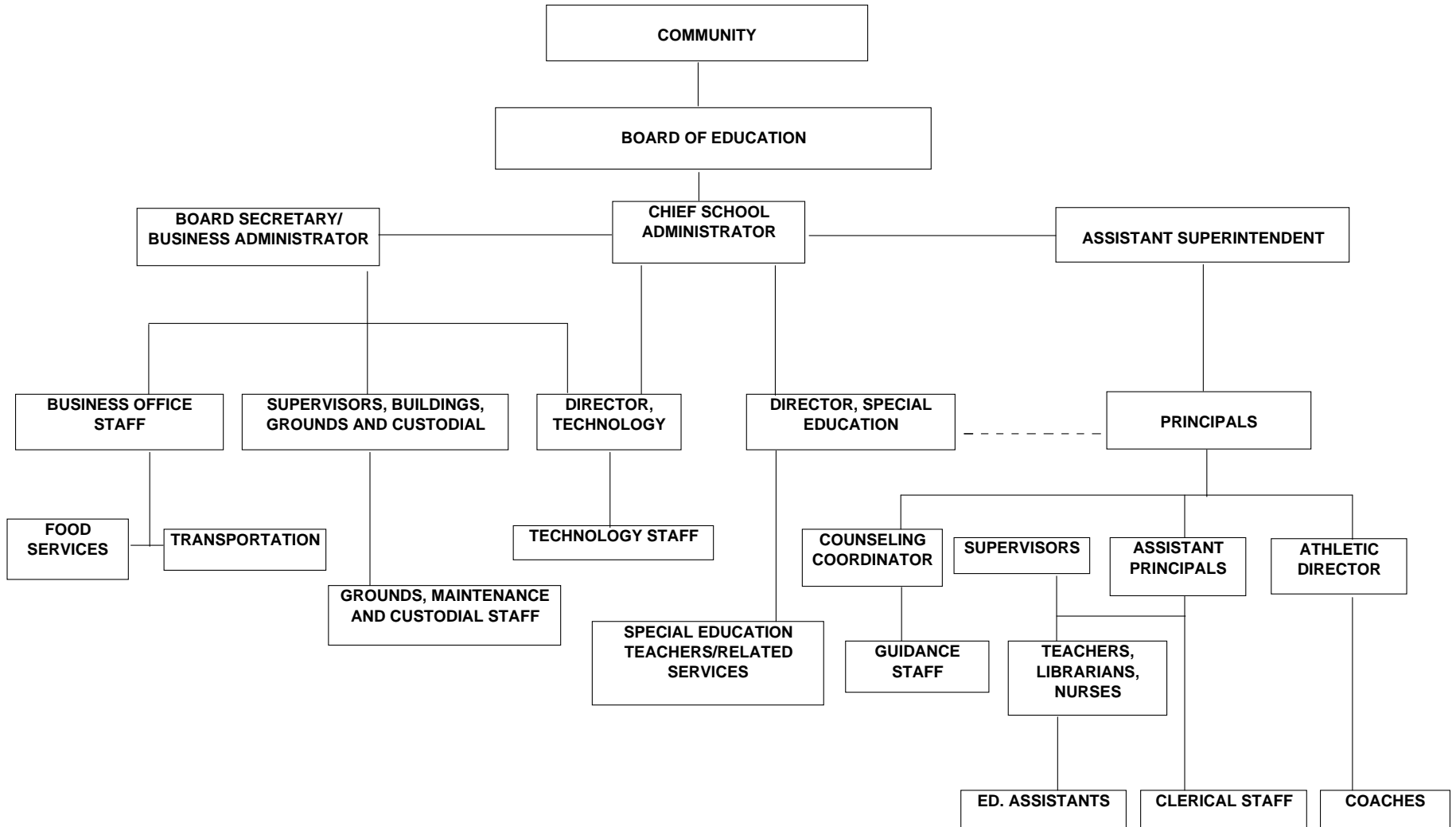
**9. ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Haddonfield Board of Education in providing fiscal accountability to the citizens and taxpayers of the Borough of Haddonfield.

Respectfully submitted,

W. Andrew Hall  
Business Administrator/  
Board Secretary

# HADDONFIELD PUBLIC SCHOOLS

## Organizational Chart



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

**ROSTER OF OFFICIALS  
JUNE 30, 2007**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Steven D. Weinstein, President	2010
Joseph Ehrhardt, Vice-President	2010
Lawrence Berger	2008
Lynn Biehn	2009
Kathy Burmaster	2008
Patricia M. Haines	2008
Cheryl Laney	2010
Marsha Marshall	2009
Michael Joseph Mercanti-Anthony	2009

**Other Officials**

Joseph O'Brien, Superintendent of Schools  
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

**Fiscal Agent**

The Bank of New York  
385 Rifle Camp Road  
West Patterson, NJ 07424-0403

**Official Depository**

Commerce Bank  
100 Haddon Avenue  
Haddonfield, NJ 08033

**Financial Section**

# ***INVERSO & STEWART, LLC***

**Certified Public Accountants  
Registered Municipal Accountants**

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

## **Independent Auditor's Report**

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

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 Board of Education of the Haddonfield School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2007, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Haddonfield 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 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, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the 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 August 17, 2007 on our consideration of the Haddonfield School District'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 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 primarily 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 introductory section, and other supplementary information, such as, the combining and individual fund financial statements, long-term debt schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt 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 section and statistical tables 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.

The accompanying schedules 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 New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,

*INVERSO & STEWART, LLC*  
Certified Public Accountants

Robert P. Inverso  
Public School Accountant

Marlton, New Jersey  
August 17, 2007

# ***INVERSO & STEWART, LLC***

**Certified Public Accountants  
Registered Municipal Accountants**

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**-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 Board of Education of the Haddonfield School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2007, and have issued our report thereon dated August 17, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

### **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 Haddonfield School District's internal control over financial reporting. Accordingly, we do not express an opinion of the effectiveness of the Haddonfield School District's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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.

However, we noted certain matters that we reported to the Board of Education of the Haddonfield School District in a separate report entitled, *Auditors Management Report on Administrative Findings - Financial, Compliance and Performance* dated August 17, 2007.

This report is intended solely for the information and use of the audit committee, management, the Haddonfield School District, the New Jersey State Department of Education and other 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  
August 17, 2007

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, 2007**

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, 2007. 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 \$7,772,146 (*net assets*).
- Governmental activities have an unrestricted net assets deficit of \$852,987. The accounting treatments in the governmental funds for compensated absences payable, and the last state aid payment, 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 decreased by \$510,158, or a 6.1% decrease from the prior fiscal year-end balance. The majority of this decrease is attributable to depreciation expense.
- Fund balance of the School District's governmental funds decreased by \$778,382 resulting in an ending fund balance of \$1,049,320. This decrease is largely due to expenditures in the capital projects fund.
- Business-type activities have unrestricted net assets of \$61,258, 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 \$603,411 which is the result of an increase of compensated absences and a decrease in capital leases and serial bond debt.

**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 2007. 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 2007.

The assets of the primary government activities exceeded liabilities by \$7,655,540 with an unrestricted deficit balance of \$852,987. The net assets of the primary government do not include internal balances.

A net investment of \$8,220,149 in land, improvements, buildings, equipment and vehicles which provide the services to the School District's 2,406 public school students, represents over 100% of the School District's net assets. Net assets of \$278,152 have been restricted to provide resources for future capital expansion and renovation projects while \$224,404 has been restricted for budget appropriation.

As mentioned earlier, deficit unrestricted net assets are primarily due to the accounting treatment for compensated absences payable and the last state aid payment, 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, 2007 and 2006**

	Governmental Activities		Business-Type Activities		District-Wide	
	2007	2006	2007	2006	2007	2006
<b>Assets:</b>						
Current assets	\$ 4,758,770	\$ 8,360,762	\$ 144,349	\$ 131,278	\$ 4,903,119	\$ 8,492,040
Capital assets	<u>32,479,142</u>	<u>32,783,331</u>	<u>55,347</u>	<u>74,617</u>	<u>32,534,489</u>	<u>32,857,948</u>
Total assets	<u>37,237,912</u>	<u>41,144,093</u>	<u>199,696</u>	<u>205,895</u>	<u>37,437,608</u>	<u>41,349,988</u>
<b>Liabilities:</b>						
Current Liabilities	4,718,174	7,446,765	83,090	79,051	4,801,264	7,525,816
Noncurrent Liabilities	<u>24,864,198</u>	<u>25,541,868</u>			<u>24,864,198</u>	<u>25,541,868</u>
Total liabilities	<u>29,582,372</u>	<u>32,988,633</u>	<u>83,090</u>	<u>79,051</u>	<u>29,665,462</u>	<u>33,067,684</u>
Net assets	<u>\$ 7,655,540</u>	<u>\$ 8,155,460</u>	<u>\$ 116,606</u>	<u>\$ 126,844</u>	<u>\$ 7,772,146</u>	<u>\$ 8,282,304</u>
<b>Net assets consist of:</b>						
<b>Invested in capital</b>						
Assets	\$ 8,220,049	\$ 7,671,425	\$ 55,347	\$ 74,617	\$ 8,275,396	\$ 7,746,042
Restricted net assets	288,478	966,782			288,478	966,782
Unrestricted net assets	<u>(852,987)</u>	<u>(482,747)</u>	<u>61,259</u>	<u>52,227</u>	<u>(791,728)</u>	<u>(430,520)</u>
Net assets	<u>\$ 7,655,540</u>	<u>\$ 8,155,460</u>	<u>\$ 116,606</u>	<u>\$ 126,844</u>	<u>\$ 7,772,146</u>	<u>\$ 8,282,304</u>

**Haddonfield School District**  
**Comparative Schedule of Changes in Net Assets**  
**As of and for the Fiscal Year Ended June 30, 2007 and 2006**

	Governmental Activities		Business-Type Activities		District-Wide	
	2007	2006	2007	2006	2007	2006
<b>Revenues:</b>						
<b>Program Revenues</b>						
Charges for services			\$ 464,511	\$ 474,627	\$ 464,511	\$ 474,627
Operating grants and Contributions	\$ 3,912,700	\$ 2,931,133	51,958	51,523	3,964,658	2,982,656
<b>General Revenues:</b>						
Property Taxes	28,345,262	26,649,142			28,345,262	26,649,142
Unrestricted State Aid	1,647,924	1,632,349			1,647,924	1,632,349
Tuition	362,478	237,104			362,478	237,104
Other Revenues	499,649	453,750	23,768	5,192	523,417	458,942
<b>Total Revenues</b>	<b>34,768,013</b>	<b>31,903,478</b>	<b>540,237</b>	<b>531,342</b>	<b>35,308,250</b>	<b>32,434,820</b>
<b>Expenses:</b>						
<b>Governmental Activities:</b>						
Instruction	15,853,495	14,994,316			15,853,495	14,994,316
Tuition	857,463	718,413			857,463	718,413
Related Services	2,830,341	2,865,344			2,830,341	2,865,344
Administrative Services	2,354,016	2,319,341			2,354,016	2,319,341
Central Services	463,500	458,580			463,500	458,580
Operations and Maintenance	3,849,168	3,352,113			3,849,168	3,352,113
Transportation	629,566	533,426			629,566	533,426
Special Schools	184,246	174,760			184,246	174,760
Employee benefits	7,127,822	6,106,206			7,127,822	6,106,206
Interest on long-term Debt	1,037,068	1,021,679			1,037,068	1,021,679
Other	81,248	87,617			81,248	87,617
<b>Business-Type Activities:</b>						
Food Service Operations			461,805	478,657	461,805	478,657
Community Education			88,670	85,256	88,670	85,256
<b>Total Expenses</b>	<b>35,267,933</b>	<b>32,631,795</b>	<b>550,475</b>	<b>563,913</b>	<b>35,818,408</b>	<b>33,195,708</b>
<b>Increase in net assets</b>						
Before transfers	(499,920)	(728,317)	(10,238)	(32,571)	(510,158)	(760,888)
Transfers						
<b>Changes in net assets</b>	<b>(499,920)</b>	<b>(728,317)</b>	<b>(10,238)</b>	<b>(32,571)</b>	<b>(510,158)</b>	<b>(760,888)</b>
Net assets, July 1,	8,155,460	8,883,777	126,844	159,415	8,282,304	9,043,192
<b>Net assets, June 30,</b>	<b>\$ 7,655,540</b>	<b>\$ 8,155,460</b>	<b>\$ 116,606</b>	<b>\$ 126,844</b>	<b>\$ 7,772,146</b>	<b>\$ 8,282,304</b>

## **Governmental Activities**

Governmental activities decreased the net assets of the School District by \$778,382 during the current fiscal year. Key elements of the \$499,920 net decrease in net assets for governmental activities are as follows:

- Net decrease of \$603,411 in long term debt.
- Fixed assets decreased by \$304,189.

## **Business-type Activities**

Business-type activities decreased the School District's net assets by \$10,238. Key elements of the decrease in net assets for governmental activities are as follows:

- The Food Service Fund had a net loss of \$18,611 and the Community Education Program had net income of \$8,373.

## **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 \$1,049,320 a decrease of \$778,382 in comparison with the prior year. This decrease is primarily attributable to the Capital Projects Fund.

The unreserved fund balance for the School District at the end of the fiscal year includes a combination of an unreserved fund balance for the General Fund of \$412,185 and \$134,579 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 \$278,152, 2) \$224,404 appropriated as a revenue source in the subsequent year's budget.

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

## **General Fund Budgetary Highlights**

The difference between the original budget and the final amended budget was \$402,993 or an increase of 1.39%. The increase to the budget was funded with unreserved fund balance and extraordinary aid.

At the end of the current fiscal year, unreserved fund balance (budgetary basis) of the general fund was \$473,884 while total fund balance (budgetary basis) was \$552,779. 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 \$29,178,500. Unreserved fund balance (budgetary basis) represents 1.62% of expenditures while total fund balance (budgetary basis) represents 1.89% 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, 2007, totaled \$32,534,489 (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 \$323,459 or a .98% decrease. The decrease is primarily due to construction in progress and depreciation expense.

#### Capital Asset (net of accumulated depreciation) June 30, 2007 and 2006

	Governmental Activities		Business-Type Activities		District-Wide	
	2007	2006	2007	2005	2007	2005
Land	\$ 1,898,592	\$ 1,898,592			\$ 1,898,592	\$ 1,898,592
Construction in progress	10,910,628	10,301,008			10,910,628	10,301,008
Buildings and Building Improvements	19,111,882	19,749,683			19,111,882	19,749,683
Equipment	558,040	834,048	\$ 55,347	\$ 74,617	613,387	908,665
<b>Net assets</b>	<b>\$ 32,479,142</b>	<b>\$ 32,783,331</b>	<b>\$ 55,347</b>	<b>\$ 74,617</b>	<b>\$ 32,534,489</b>	<b>\$ 32,857,948</b>

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

*Long-term debt* – During the fiscal year ended June 30, 2007, the School District had \$24,156,000 in serial bonds payable, \$103,093 in capital leases, and \$1,548,365 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 \$70,343,859. The available amount as of June 30, 2007 is \$46,447,859.

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 2007-08 fiscal year.

- For 2007-08 fiscal year the School District will be receiving a slight increase in state aid. The local tax levy in the General Fund increased by \$1,113,504 or 4.2%. Salaries continue to increase contractually; however, the District has managed to control costs. The 2007-08 General Fund Budget is \$857,140 greater than the previous year or a 2.9% increase.
- The tax rate increased from \$2.751 in 2006 to \$2.844 in 2007 or a \$ .093 increase.

### **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

The statement of net assets and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business type activities of the District.

**HADDONFIELD SCHOOL DISTRICT**  
**Statement of Net Assets**  
**June 30, 2007**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS:</b>			
Cash and cash equivalents	\$1,685,063	\$128,204	\$1,813,267
Receivables, net	2,790,398	7,622	2,798,020
Inventory		8,523	8,523
Restricted assets:			
Capital reserve account - cash	116		116
Deferred bond issuance costs - net	283,193		283,193
Capital assets, net (Note 4)	32,479,142	55,347	32,534,489
Total assets	<u>37,237,912</u>	<u>199,696</u>	<u>37,437,608</u>
<b>LIABILITIES:</b>			
Accounts payable	459,407	86,723	546,130
Contracts payable	415,342		415,342
Payable to state government	35,272		35,272
Deferred revenue	12,603		12,603
Internal balances	3,633	(3,633)	
Grant anticipation note payable	2,500,000		2,500,000
Accrued interest	348,657		348,657
Noncurrent liabilities (Note 6):			
Due within one year	943,260		943,260
Due beyond one year	24,864,198		24,864,198
Total liabilities	<u>29,582,372</u>	<u>83,090</u>	<u>29,665,462</u>
<b>NET ASSETS:</b>			
Invested in capital assets, net of related debt	8,220,049	55,347	8,275,396
Restricted for:			
Debt Service Fund	(68,453)		(68,453)
Capital Projects	278,152		278,152
Other Purposes	78,779		78,779
Unrestricted	(852,987)	61,259	(791,728)
Total net assets	<u>\$7,655,540</u>	<u>\$116,606</u>	<u>\$7,772,146</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, 2007**

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	\$11,908,959		\$268,988	(\$11,639,971)		(\$11,639,971)
Special education	2,861,165		482,130	(2,379,035)		(2,379,035)
Other instruction	1,083,371			(1,083,371)		(1,083,371)
Support Services:						
Tuition	857,463			(857,463)		(857,463)
Student & instruction related services	2,830,341		27,070	(2,803,271)		(2,803,271)
General administrative services	769,766			(769,766)		(769,766)
School administrative services	1,584,250			(1,584,250)		(1,584,250)
Central services	463,500			(463,500)		(463,500)
Plant operations and maintenance	3,849,168		17,883	(3,831,285)		(3,831,285)
Pupil transportation	629,566			(629,566)		(629,566)
Special schools	184,246			(184,246)		(184,246)
Unallocated employee benefits	7,127,822		3,020,884	(4,106,938)		(4,106,938)
Interest on long-term debt	1,037,068		95,745	(941,323)		(941,323)
Unallocated depreciation and amortization	81,248			(81,248)		(81,248)
Total governmental activities	<u>35,267,933</u>		<u>3,912,700</u>	<u>(31,355,233)</u>		<u>(31,355,233)</u>
Business-type activities:						
Community Education	88,670	\$95,777			\$7,107	7,107
Food service	461,805	368,734	51,958		(41,113)	(41,113)
Total business-type activities	<u>550,475</u>	<u>464,511</u>	<u>51,958</u>		<u>(34,006)</u>	<u>(34,006)</u>
Total primary government	<u>\$35,818,408</u>	<u>\$464,511</u>	<u>\$3,964,658</u>	<u>(\$31,355,233)</u>	<u>(\$34,006)</u>	<u>(\$31,389,239)</u>
General revenues:						
Taxes:						
Property taxes, levied for general purposes, net				26,645,049		26,645,049
Taxes levied for debt service				1,700,213		1,700,213
Federal and State aid not restricted				1,647,924		1,647,924
Tuition revenue				362,478		362,478
Investment earnings				324,482	5,961	330,443
Miscellaneous income				175,167	17,807	192,974
Transfer in/out						
Total general revenues, special items, extraordinary items and transfers				<u>30,855,313</u>	<u>23,768</u>	<u>30,879,081</u>
Change in Net Assets				(499,920)	(10,238)	(510,158)
Net Assets--July 1				8,155,460	126,844	8,282,304
Net Assets--June 30				<u>\$7,655,540</u>	<u>\$116,606</u>	<u>\$7,772,146</u>

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

## Fund Financial Statements

The Individual Fund statements and schedules present more detailed information for the Individual Fund in a format that segregates information by fund type.

**HADDONFIELD SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2007**

<b>ASSETS</b>	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$498,954	\$22,363	\$895,020	\$268,726	\$1,685,063
Receivables, net	237,185	25,533	2,522,334		2,785,052
Interfund receivables, net	5,346	3,731		11,478	20,555
Restricted cash and cash equivalents	116				116
<b>Total assets</b>	<b>\$741,601</b>	<b>\$51,627</b>	<b>\$3,417,354</b>	<b>\$280,204</b>	<b>\$4,490,786</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	240,157	6,752	212,498		459,407
Contracts payable			415,342		415,342
Interfund payable	7,364		11,478		18,842
Intergovernmental payable:					
State		35,272			35,272
Deferred revenues	3,000	9,603			12,603
Grant anticipation note payable			2,500,000		2,500,000
<b>Total liabilities</b>	<b>250,521</b>	<b>51,627</b>	<b>3,139,318</b>	<b>-</b>	<b>3,441,466</b>
Fund Balances:					
Reserved for:					
Excess surplus - designated for subsequent year's expenditures	2,544				2,544
Capital reserve account	116				116
Unreserved	412,185		278,036	134,579	824,800
Unreserved - designated for subsequent year's expenditures	76,235			145,625	221,860
<b>Total fund balances</b>	<b>491,080</b>		<b>278,036</b>	<b>280,204</b>	<b>1,049,320</b>
<b>Total liabilities and fund balances</b>	<b>\$741,601</b>	<b>\$51,627</b>	<b>\$3,417,354</b>	<b>\$280,204</b>	

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 \$406,689 and the accumulated amortization is \$123,496.	283,193
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$47,447,252 and the accumulated depreciation is \$14,968,110.	32,479,142
Accrued interest is not due and payable in the current period and therefore is not reported as a liability in the funds.	(348,657)
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.	<u>(25,807,458)</u>
<b>Net assets of governmental activities</b>	<b><u>\$7,655,540</u></b>

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

**HADDONFIELD SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**for the Fiscal Year Ended June 30, 2007**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$26,645,049			\$1,700,213	\$28,345,262
Tuition charges	362,478				362,478
Miscellaneous	381,701		117,948		499,649
Total revenues-local sources	27,389,228		117,948	1,700,213	29,207,389
State sources	4,668,808	\$256,653		95,745	5,021,206
Federal sources		539,418			539,418
Total revenues	32,058,036	796,071	117,948	1,795,958	34,768,013
<b>EXPENDITURES:</b>					
Current expense:					
Regular instruction	10,750,953	268,988			11,019,941
Special education instruction	2,379,035	482,130			2,861,165
Other instruction	1,083,371				1,083,371
Support services and undistributed costs:					
Tuition	857,463				857,463
Student & instruction related services	2,803,271	27,070			2,830,341
General administrative services	769,766				769,766
School administrative services	1,492,869				1,492,869
Central services	463,500				463,500
Plant operations and maintenance	3,331,773				3,331,773
Pupil transportation	629,566				629,566
Unallocated employee benefits	7,127,822				7,127,822
Special schools	184,246				184,246
Capital outlay	325,749	17,883	609,620		953,252
Debt service:					
Principal				820,000	820,000
Interest and other charges				1,142,266	1,142,266
Total expenditures	32,199,384	796,071	609,620	1,962,266	35,567,341
Excess (deficiency) of revenues over (under) expenditures	(141,348)		(491,672)	(166,308)	(799,328)
Other Financing Sources (Uses):					
Capital leases (non-budgeted)	20,946				20,946
Operating transfer out			(118,315)		(118,315)
Operating transfer in				118,315	118,315
Total other financing sources (uses)	20,946		(118,315)	118,315	20,946
Net change in fund balance	(120,402)		(609,987)	(47,993)	(778,382)
Fund balances, July 1	611,482		888,023	328,197	1,827,702
Fund balances, June 30	\$491,080	---	\$278,036	\$280,204	\$1,049,320

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, 2007**

Total net change in fund balances - governmental funds (from B-2)		(\$778,382)
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	(\$913,809)	
Capital outlay	609,620	(304,189)
<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>		
		820,000
<p style="margin-left: 40px;">Governmental funds report the issuance of capital lease debt as an other financing source. In the governmental activities, however, the issuance of debt is reflected as a reduction of liabilities.</p>		
		(20,946)
<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>		
		53,779
<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>		
		(35,937)
<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>		
		15,177
<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		(249,422)
Change in net assets of governmental activities		(\$499,920)

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, 2007**

	<b>Business-type Activities</b>		<b>Total</b>
	<b>Enterprise Funds</b>		
	<b>Food Service Program</b>	<b>Community Education</b>	
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$70,237	\$57,967	\$128,204
Accounts receivable	7,622		7,622
Interfund receivable	3,633		3,633
Inventories	8,523		8,523
Total current assets	<u>90,015</u>	<u>57,967</u>	<u>147,982</u>
Noncurrent assets:			
Equipment	299,438		299,438
Less accumulated depreciation	<u>(244,091)</u>		<u>(244,091)</u>
Total noncurrent assets	<u>55,347</u>		<u>55,347</u>
Total assets	<u><u>\$145,362</u></u>	<u><u>\$57,967</u></u>	<u><u>\$203,329</u></u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts Payable	<u>\$86,723</u>		<u>\$86,723</u>
Total liabilities	<u>86,723</u>		<u>86,723</u>
<b>NET ASSETS</b>			
Invested in net assets net of related debt	55,347		55,347
Unrestricted	<u>3,292</u>	<u>\$57,967</u>	<u>61,259</u>
Total net assets	<u><u>\$58,639</u></u>	<u><u>\$57,967</u></u>	<u><u>\$116,606</u></u>

**HADDONFIELD SCHOOL DISTRICT**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Proprietary Funds**  
**for the Fiscal Year Ended June 30, 2007**

	<b>Business-type Activities</b>		<b>Total</b>
	<b>Enterprise Funds</b>		
	<u>Food Service Program</u>	<u>Community Education</u>	
<b>Operating revenues:</b>			
Charges for services:			
Daily sales-reimbursable programs	\$208,348		\$208,348
Daily sales-non-reimbursable programs	160,386		160,386
Program fees		\$95,777	95,777
Total operating revenue	<u>368,734</u>	<u>95,777</u>	<u>464,511</u>
<b>Operating expenses:</b>			
Salaries	168,629	19,000	187,629
Employee benefits	39,091		39,091
Supplies and materials	37,224		37,224
Depreciation	19,270		19,270
Management Fee			0
Direct expenses	8,417	69,670	78,087
Cost of sales	172,823		172,823
Other costs	16,351		16,351
Total operating expenses	<u>461,805</u>	<u>88,670</u>	<u>550,475</u>
Operating income (loss)	<u>(93,071)</u>	<u>7,107</u>	<u>(85,964)</u>
<b>Nonoperating revenues (expenses):</b>			
State sources:			
State school lunch program	4,696		4,696
Federal sources:			
National school lunch program	34,270		34,270
U.S.D.A. commodities	12,992		12,992
Local sources:			
Miscellaneous	17,807		17,807
Interest revenue	4,695	1,266	5,961
Total nonoperating revenues (expenses)	<u>74,460</u>	<u>1,266</u>	<u>75,726</u>
Change in net assets	(18,611)	8,373	(10,238)
Total net assets - July 1	<u>77,250</u>	<u>49,594</u>	<u>126,844</u>
Total net assets - June 30	<u><u>\$58,639</u></u>	<u><u>\$57,967</u></u>	<u><u>\$116,606</u></u>

**HADDONFIELD SCHOOL DISTRICT**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**for the Fiscal Year Ended June 30, 2007**

	<b>Business-type Activities</b>		<b>Total</b>
	<b>Enterprise Funds</b>		
	<u>Food Service Program</u>	<u>Community Education</u>	
<b>Cash flows from operating activities:</b>			
Receipts from customers	\$368,809	\$95,777	464,586
Payments to employees	(156,514)	(19,000)	(175,514)
Payments to suppliers	(267,096)	(69,670)	(336,766)
Net cash used for operating activities	<u>(54,801)</u>	<u>7,107</u>	<u>(47,694)</u>
<b>Cash flows from noncapital financing activities:</b>			
Miscellaneous	17,807		17,807
State sources	3,489		3,489
Federal sources	26,677		26,677
Net cash provided by non-capital financing activities	<u>47,973</u>		<u>47,973</u>
<b>Cash flows from capital activities:</b>			
Purchases of fixed assets			
<b>Cash flows from investing activities:</b>			
Interest and dividends	4,695	1,266	5,961
Net cash provided by investing activities	<u>4,695</u>	<u>1,266</u>	<u>5,961</u>
Net increase in cash and cash equivalents	(2,133)	8,373	6,240
Balances - beginning of year	<u>72,370</u>	<u>49,594</u>	<u>121,964</u>
Balances - end of year	<u><u>\$70,237</u></u>	<u><u>\$57,967</u></u>	<u><u>\$128,204</u></u>
Reconciliation of operating loss to net cash provided (used) by operating activities:			
Operating income (loss)	(\$93,071)	\$7,107	(\$85,964)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	19,270		19,270
Federal commodities	12,992		12,992
(Increase) decrease in inventories	(1,740)		(1,740)
(Increase) decrease in accounts receivable	76		76
Increase (decrease) in accounts payable	7,672		7,672
Total adjustments	<u>38,270</u>		<u>38,270</u>
Net cash provided by (used for) operating activities	<u><u>(\$54,801)</u></u>	<u><u>\$7,107</u></u>	<u><u>(\$47,694)</u></u>

**HADDONFIELD SCHOOL DISTRICT**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2007**

	Flexible Benefits Account	Unemployment Compensation Insurance Trust	Agency Fund
<b>ASSETS:</b>			
Cash and cash equivalents	<u>\$113,514</u>	<u>\$51,821</u>	<u>\$226,741</u>
Total assets	<u>\$113,514</u>	<u>\$83,170</u>	<u>\$226,741</u>
<b>LIABILITIES:</b>			
Payroll deductions and withholdings			259
Interfund payable			5,346
Due to student groups			<u>221,136</u>
Total liabilities			<u><u>\$226,741</u></u>
<b>NET ASSETS:</b>			
Held in trust for flexible benefits	<u><u>\$113,514</u></u>		
Held in trust for unemployment claims and other purposes		<u><u>\$83,170</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, 2007**

	Flexible Benefits Account	Unemployment Compensation Insurance Trust
ADDITIONS:		
Contributions:		
Board contributions	\$164,145	
Employee contributions	34,628	\$50,329
Total Contributions	198,773	50,329
Investment earnings:		
Interest	4,805	2,371
Net investment earnings	4,805	2,371
Total additions	203,578	52,700
DEDUCTIONS:		
Unemployment claims		18,980
Flex benefit payments	233,788	
Total deductions	233,788	18,980
Change in net assets	(30,210)	33,720
Net assets - July 1	143,723	49,450
Net assets - June 30	\$113,513	\$83,170

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, 2007**

**1. DESCRIPTION OF SCHOOL DISTRICT AND 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, 2007 of 2,406 students.

**A. Reporting Entity**

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the basic financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Haddonfield School District, this includes general operations, food service, and student related activities of the District.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*, is the degree of oversight responsibility maintained by the 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 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, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The 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 District's accounting policies are described below.

**A. Basis of Presentation**

The district's basic financial statements consists of district-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.

**District-wide Statements** - The Statement of Net Assets and the Statement of Activities display information about the 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 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 District at year end. Eliminations have been made to minimize the double counting of internal activities. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities and for each business-type activities of the District.

**Haddonfield School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2007**

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

**District-wide Statements (Cont'd)** - 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 District is not to allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of 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 in support of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the 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 District.

**Fund Financial Statements** - During the fiscal year, the District segregates transactions related to certain 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 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 District uses funds to maintain its financial records during the 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.

**B. Fund Accounting**

**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 District's major governmental funds:

**General Fund** - The General Fund is the general operating fund of the 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 noninstructional equipment classified in the Capital Outlay sub-fund.

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenues from the State and Federal Government, other than major capital projects, debt service, or the enterprise funds, and local appropriations that are legally restricted to expenditures for specified purposes.

**Capital Projects Fund** - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities, 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.

**Haddonfield School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2007**

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

**B. Fund Accounting (Continued)**

**Debt Service Fund** - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general-long-term debt principal, interest and related costs.

**Proprietary Funds** - Proprietary funds focus on the determination of changes in net assets, financial position and cash flows and are classified as either enterprise or internal service. They are used to account for the District's ongoing activities, which are similar to those found in the private sector. The District reports the following major proprietary funds:

**Enterprise Fund** – This fund is used to account for all activity for which a fee is charged to external users for the cost of providing goods or services to the students on a continuing basis. The District's major enterprise funds are:

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

**Community Education Fund** – This fund accounts for the financial transactions pertaining to the community education operations of the District.

**Fiduciary Funds** - Fiduciary Fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations and other governments. The Fiduciary Funds are maintained by the District and are not included in the district-wide financial statements:

**Employee Benefit Trust Fund** - An Employee Benefit Trust Fund is accounted for in essentially the same manner as governmental fund types, using the same measurement focus and basis of accounting. Employee Benefit Trust Funds account for assets where both the principal and interest may be spent. Employee Benefit Trust Funds include the Unemployment Compensation Insurance Fund and the Flexible Benefits Fund.

**Private Purpose Trust Fund** - A Private Purpose Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby both the principal and interest may be spent. The measurement focus and basis of accounting is similar to Proprietary Funds. The District does not maintain any Private Purpose Trust Funds.

**Agency Funds** - Agency funds are used to account for the assets held by the District in a trustee capacity. They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency funds include Payroll and Student Activities Funds.

**C. Measurement Focus**

**District-wide Financial Statements** - The district-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the 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 Balance 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 district-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the district-wide statements and the statements for governmental funds.

**Haddonfield School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2007**

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

**C. Measurement Focus (Continued)**

**Fund Financial Statements** - Like the district-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 District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

**D. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. District-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 Nonexchange 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 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 District, available means expected to be received within thirty days of fiscal year end.

Nonexchange transactions, in which the 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 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 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 the 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 year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at 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 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.

**Haddonfield School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2007**

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

**E. Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. 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. 6:23-2.2(g)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year; however, any transfer from an advertised line item in excess of 10% of the original budgeted amount must be approved by the County Superintendent of Schools. In addition, any transfer to administrative cost line items in excess of 10% of the original budgeted amount or any transfer to or from Capital Outlay must also be approved by the County Superintendent of Schools.

Formal budgetary integration into the accounting system is employed as a management control device during the 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 last state aid payment for budgetary purposes only and the special revenue fund, as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

The budget, as detailed on Exhibit C-1 and C-2, 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 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 last state aid payment.

**F. Encumbrance Accounting**

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances 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 the special revenue fund, for which the District has received advances, 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.

**Haddonfield School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2007**

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

**G. Cash and Cash Equivalents**

Cash and cash equivalents 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. 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 governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. The Act 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 the State of New Jersey or state or federally chartered banks, savings banks or associations located in another state with 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.

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.

**H. Tuition Receivable**

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

**I. Tuition Payable**

Tuition charges for the fiscal years ended June 30, 2006 and 2007 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**J. Inventories and Prepaid Expenses**

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 in the proprietary fund types, if any, are valued at cost, which approximates market. The costs are determined on a first-in, first-out method.

Inventory in the Food Service Fund at June 30, 2007 consisted of the following:

Food	\$6,604
Supplies	<u>1,919</u>
	<u><u>\$8,523</u></u>

**Haddonfield School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2007**

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

**J. Inventories and Prepaid Expenses (Continued)**

Prepaid expenses recorded in the governmental fund types, which benefit future periods, are recorded as an expenditure during the year of purchase. Prepaid expenses on the district-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2007.

**K. 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 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 Interfunds Receivable and/or Interfunds Payable.

**L. Restricted Assets**

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets include bond proceeds to be used for capital construction and amounts set-aside to create a reserve for future capital projects.

**M. Deferred Charges**

On the District-wide financial statements, bond issuance costs are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. In governmental funds, these costs are reported as expenditures when the related liability is incurred.

**N. 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 District-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 District-wide Statement of Net Assets and the Proprietary Fund Statement of Assets.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are valued at their estimated fair market value as of the date received. The District maintains a capitalization threshold of \$2,000.00. The District does not possess any infrastructure. Improvements are capitalized; the cost of normal repairs and maintenance that do not add to the value of the asset or materially extend assets' life are not. All reported capital assets except land, land improvements 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>Asset Class</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business -Type Activities Estimated Lives</u>
Site Improvements	10-20 years	N/A
Building and Building Improvements	10-50 years	N/A
Furniture and Equipment	5-20 years	12 years
Vehicles	5-10 years	N/A

**Haddonfield School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2007**

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

**O. Compensated Absences**

The District reports compensated absences as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for 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 District and the employees, is accrued as 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 District and the 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.

District employees are granted vacation and sick leave in varying amounts in accordance with the District's personnel policies. Unused sick leave may be accumulated and carried forward to subsequent years. Certain twelve month employees are permitted to carry-over unused vacation days from one fiscal year to the subsequent year. Benefits paid in any future year will be calculated according to formulas outlined in the Districts' agreements with the various employee unions and employee contracts and included in the current years' budget.

The liability for vested compensated absences is recorded within those funds as the benefits accrued to employees. As of June 30, 2007, the liability for compensated absences in the governmental and proprietary fund types was \$1,548,365 and \$-0- respectively.

**P. Deferred Revenue**

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

**Q. Accrued Liabilities and Long-term Obligations**

All payables, accrued liabilities, and long-term obligations are reported on the district-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, contractually required pension contributions, special termination benefits and compensated absences 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.

**R. 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 borrowing used for 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 District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**Haddonfield School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2007**

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

**S. Fund Balance Reserves**

The District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund balance that is available for appropriation in future periods. Fund balance reserves have been established for encumbrances, legally restricted appropriations, excess surplus and capital reserve program.

**T. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are sales for food service, tuition for the before and after school program and tuition for the adult education program. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund.

**U. Interfund Activity**

Transfers between governmental and business-type activities on the district-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 presented on the financial statements.

**V. 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.

**3. CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk** – Custodial credit is the risk that, in the event of a bank failure, the District’s deposits may not be returned to it. The District’s formal policy regarding custodial credit risk is in compliance with N.J.S.A. 17:9-41. et seq. and requires the District to deposit all public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA), as described in Note 1. As of June 30, 2007 the District’s bank balance of \$1,475,173 was insured or collateralized as follows:

Insured by depository insurance	\$	200,000
Collateralized under GUDPA		1,275,173

**4. INVESTMENTS**

**Custodial Credit Risk** – For an investment, custodial credit is the risk that, in the event the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the District, and are held by either the counterparty’s trust department or agent but not in the District’s name.

**Haddonfield School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2007**

**4. INVESTMENTS (Continued)**

**Interest Rate Risk** – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair losses arising from increasing interest rates.

**Credit Risk** – Credit risk is the risk that an insurer or counterparty to an investment will not fulfill its obligations. N.J.S.A. 18A:20-37 limits the investments that the District may purchase such as Treasury securities in order to limit the exposure of governmental units to credit risk. The District has no investment policy that would further limit its investment choices.

**Concentration of Credit Risk** – The District does not place a limit on the amount that may be invested in any one insurer. All of the investments are in New Jersey ARM.

<u>Investment</u>	<u>Maturities</u>	<u>Credit Rating</u>	<u>Fair Value</u>
Money Market Fund	Less than 1 Year	AAA	\$1,673,032

**5. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2007, was as follows:

	<u>Balance</u> <u>June 30, 2006</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2007</u>
<b>Governmental Activities:</b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$1,898,592			\$1,898,592
Construction in progress	10,301,008	\$609,620		10,910,628
Total capital assets, not being				
Depreciated	12,199,600	609,620		12,809,220
<i>Capital Assets, being depreciated:</i>				
Site Improvements	461,699			461,699
Building and Building Improvements	28,233,180			28,233,180
Equipment	5,943,153			5,943,153
Totals at historical cost	34,638,032			34,638,032
<i>Less Accumulated Depreciation:</i>				
Site Improvements	(312,220)	(\$19,579)		(331,799)
Building and Building Improvements	(8,632,976)	(618,222)		(9,251,198)
Equipment	(5,109,105)	(276,008)		(5,385,113)
Totals accumulated depreciation	(14,054,301)	(913,809)		(14,968,110)
Total Capital Assets, being				
depreciated, net	21,617,334	(913,809)		19,669,922
Governmental Activities Capital				
Assets, Net	\$32,783,331	(\$304,189)	---	\$32,479,142
 <b><u>Business-Type Activities:</u></b>				
<i>Capital Assets, being depreciated:</i>				
Equipment	\$299,438			\$299,438
Less accumulated depreciation	(224,821)	(\$19,270)		(244,091)
Business-Type Activities Capital				
Assets, Net	\$74,617	(\$19,270)	---	\$55,347

**Haddonfield School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2007**

**5. CAPITAL ASSETS (Continued)**

Depreciation expense in the amount of \$913,809 was charged to governmental functions as follows:

Function	Amount
Regular Instruction	\$639,596
Plant Operations and Maintenance	137,521
Administration	91,381
Unallocated	45,311
Total depreciation expense	\$913,809

**6. 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:

	General Fund	Capital Projects Fund	Special Revenue Funds	Proprietary Fund	Total
State Aid	\$235,586	\$2,522,334	\$4,829	\$886	\$2,763,635
Federal Aid				6,524	6,524
Other	6,945		20,705		27,650
Total Accounts Receivable	\$242,531	\$2,522,334	\$25,534	\$7,410	\$2,797,809

**7. LONG-TERM OBLIGATIONS**

During the fiscal year ended June 30, 2007, the following changes occurred in long-term obligations:

	Principal Outstanding July 1, 2006	Additions	Reductions	Principal Outstanding June 30, 2007	Amounts Due Within One Year
Compensated Absences	\$1,298,943	\$249,422		\$1,548,365	
Capital Lease Payable	135,926	20,946	\$53,779	103,093	\$38,260
General Obligation Bonds	24,976,000		820,000	24,156,000	905,000
	\$26,410,869	\$270,368	\$873,779	\$25,807,458	\$943,260

**Haddonfield School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2007**

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

**A. 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 \$2,461,000 due in annual installments through March 1, 2015 bearing an interest rate of 5.40%.

2000 General Obligation Bonds dated December 1, 2000 in the amount of \$820,000 due in annual installments through December 1, 2021 bearing interest rates ranging from 4.875% - 5.10%.

2001 General Obligation Bonds dated February 1, 2001 in the amount of \$920,000 due in annual installments through February 1, 2022 bearing interest rates ranging from 4.00% - 4.80%.

2007 General Obligation Bonds dated March 1, 2007 in the amount of \$8,930,000 due in annual installments through February 15, 2025 bearing interest rates ranging from 4.00% - 4.20%.

2007 Refunding Bonds dated August 1, 2007 in the amount of \$11,025,000 due in annual installments through August 1, 2021 bearing interest rates ranging from 4.875% - 5.100%.

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>
2008	\$905,000	\$1,011,828	\$1,916,828
2009	955,000	966,889	1,921,889
2010	1,000,000	919,352	1,919,352
2011	1,115,000	873,599	1,988,599
2012	1,150,000	829,377	1,979,377
2012-2016	6,331,000	3,362,043	9,693,043
2017-2021	7,475,000	1,918,501	9,393,501
2022-2026	<u>5,225,000</u>	<u>442,415</u>	<u>5,667,415</u>
	<u>\$24,156,000</u>	<u>\$10,324,004</u>	<u>\$ 34,480,004</u>

As of June 30, 2007 the District had no authorized but not issued bonds.

**C. Long-Term Debt Defeasance**

On August 1, 2007 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 2009 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, 2007**

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

**C. Capital Leases Payable**

As of June 30, 2007, the District had the following capital leases:

<u>Equipment</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Total Value</u>
One Bus	July 1, 2008	3.300%	76,065
Ford Pickup	August 5, 2009	5.100%	22,818
One Passenger Bus	September 30, 2009	4.640%	77,583
One Van	September 7, 2010	7.050%	20,946

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, 2007:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$38,260	\$4,801	\$43,061
2008	39,940	3,122	43,062
2009	20,429	1,363	21,792
2010	<u>4,464</u>	<u>315</u>	<u>4,779</u>
	<u>\$103,093</u>	<u>\$9,601</u>	<u>\$ 112,694</u>

**8. OPERATING LEASES**

At June 30, 2007, the District had operating lease agreements in effect for the following:

Copiers

Total operating lease payments made during the year ended June 30, 2006 and 2007 was \$60,732 and \$45,299 respectively. Future minimum lease payments are as follows:

<u>Year Ended</u>	<u>Amount</u>
June 30, 2008	\$34,188
June 30, 2009	<u>5,927</u>
Total future minimum lease payments	<u><u>\$40,115</u></u>

**9. PENSION PLANS**

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

**Haddonfield School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2007**

**9. PENSION PLANS (Continued)**

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

The Teachers' Pension and Annuity Fund is a single-employer contributory defined benefit pension plan which was established on January 1, 1955. 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:6C.

The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114, and 115, P.L. 1997, plan members enrolled in the TPAF are required to contribute 5% of their annual covered salary. N.J.S.A. 43:15A-24 authorizes the reduction in member rates based on the existence of surplus pension assets in the retirement system. The contribution rate for TPAF members effective January 1, 2004 was 5%.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the District and all other related non-contributing employers. No normal or accrued liability contribution has been required over the several preceding fiscal years.

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

The Public Employees' Retirement System (PERS) 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 62, P.L. 1994, plan members enrolled in the Public Employees Retirement System are required to contribute 5% of their annual covered salary. N.J.S.A. 43:15A-24 authorizes the reduction in member rates based on the existence of surplus pension assets in the retirement system. The contribution rate for PERS members effective January 1, 2004 was 5%. The District is billed annually for its normal contribution plus any accrued liability. The District's contributions, equal to the required contribution for each year were as follows:

**Public Employees Retirement System**

<b><u>Fiscal Year</u></b>	<b><u>Normal Contribution</u></b>	<b><u>Accrued Liability</u></b>	<b><u>Total Liability</u></b>	<b><u>Funded by State</u></b>	<b><u>Paid by District</u></b>
2007	\$122,091	\$63,399	\$185,490	\$74,196	\$111,294
2006	112,259	30,878	143,137	85,882	57,255
2005	96,109	1,335	97,444	77,955	19,489

During the year ended June 30, 2007, the State of New Jersey contributed \$1,950,490 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66, the State of New Jersey reimbursed the District \$1,070,394 during the fiscal year ended June 30, 2007 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. These amounts have been included in the basic financial statements, and the combining and individual fund statements and schedules as a revenue and expenditure in accordance with GASB 24.

**Haddonfield School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2007**

**10. POST-RETIREMENT BENEFITS**

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and 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. As of June 30, 2006 there were 71,719 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 with an additional contribution beginning in fiscal year 1996 to maintain a medical reserve of one half of one percent of the active State payroll.

The State made post-retirement (PRM) contributions of \$555.3 million for TPAF and \$211.5 million for PERS in Fiscal Year 2006.

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 \$100.7 million toward Chapter 126 benefits for 10,777 eligible retired members in Fiscal Year 2006.

**11. DEFERRED COMPENSATION**

The 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, which are administered by the plan administrators approved by the District, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. The District has very little administrative involvement, performs no investing function, and has no fiduciary responsibility for these plans. All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, are solely the property and rights of the participants and are not subject to claims of the District's creditors. Accordingly, the plan assets are not reported as a part of these financial statements.

**12. RISK MANAGEMENT**

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

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

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

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

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

**Haddonfield School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2007**

**12. RISK MANAGEMENT (CONT'D)**

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>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2006-2007	\$50,329	\$2,371	\$18,980	\$83,170
2005-2006	8,692	1,810		49,450
2004-2005	20,571	399		38,948
2003-2004	8,500	83		17,977
2002-2003	6,384	166	\$26,733	9,394

**13. 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 Ameriflex 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 Ameriflex 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>
2006-2007	\$164,145	\$4,805	\$34,628	\$233,788	\$113,513
2005-2006	168,654	4,520	53,501	220,057	143,723
2004-2005	178,079	1,816	53,736	184,405	137,105
2002-2003	158,581	419	61,414	188,523	67,257
2002-2003	158,581	419	61,414	188,523	67,257

**14. CONTINGENCIES**

The District participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Management believes that the amount from future audits, if any, would not be material.

The District is dependent on the State of New Jersey for a substantial portion of its operating funds. Due to funding uncertainties at the State level, funding for school districts may be reduced. The ultimate effect of this possible reduction in funding on the District's future operation is not yet determinable.

**Haddonfield School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2007**

**15. INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances were recorded on the various balance sheets as of June 30, 2007:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 5,346	\$ 7,364
Special Revenue	3,731	
Capital Projects		11,478
Debt Service	11,478	
Proprietary	3,633	
Fiduciary		5,346
	<u>\$ 24,188</u>	<u>\$ 24,188</u>

All interfund balances are expected to be paid or received within the subsequent year.

**16. CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the 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). Upon submission of the LRFP to the New Jersey Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general budget certified for taxes. A 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. 6:23A-5.1(d)7, 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, 2006 to June 30, 2007 fiscal year is as follows:

Balance – July 1, 2006	\$112
Add:	
Interest earned	<u>4</u>
Balance – June 30, 2007	<u>\$116</u>

The June 30, 2007 LRFP balance of local support costs of uncompleted capital projects at June 30, 2007 is \$5,700,000.

**17. DEFICIT UNRESTRICTED NET ASSETS**

As reflected on Exhibit A-1, Statement of Net Assets, a deficit in unrestricted net assets of \$852,987 existed as of June 30, 2007 for governmental activities. The primary causes of this deficit are the District not recognizing the receivable for the last state aid payment and the recording of the long-term liability for compensated absences. In accordance with full accrual accounting, which is the basis of accounting for Exhibit A-1, Statement of Net Assets, such liabilities are required to be recorded in the period in which they are incurred. However, in accordance with the rules and regulations that govern the District in the formulation of their annual budget (see Note 1), compensated absences that relate to future services, or that are contingent on a specific event outside the control of the District and its employees, are funded in the period in which such services are rendered or in which such events take place. Therefore, this deficit in unrestricted net assets for governmental activities does not indicate that the District is facing financial difficulties.

**Haddonfield School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2007**

**18. FUND BALANCES APPROPRIATED**

**General Fund** – Of the \$491,080 General Fund balance at June 30, 2007, \$116 has been reserved in the Capital Reserve Account; \$2,544 is reserved for excess surplus in accordance with N.J.S.A. 18A:7F-7(\$2,544 has been appropriated and included as anticipated revenue for the year ending June 30, 2007); \$76,235 has been appropriated and included as anticipated revenue for the year ending June 30, 2007 and \$412,185 is unreserved and undesignated.

**Debt Service Fund** – Of the \$280,204 Debt Service Fund balance at June 30, 2007, \$145,625 has been appropriated and included as anticipated revenue for the year ending June 30, 2007); and \$134,579 is unreserved and undesignated.

**19. LITIGATION**

The District is involved in one legal proceeding in which they are actively defending. The outcome of this litigation is unknown at this time.

Required Supplementary Information - Part II

Budgetary Comparison Schedules

**HADDONFIELD BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2007**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$26,645,049		\$26,645,049	\$26,645,049	
Tuition	470,000		470,000	362,478	(\$107,522)
Unrestricted miscellaneous revenue	115,000		115,000	381,701	266,701
<b>Total local sources</b>	<b>27,230,049</b>		<b>27,230,049</b>	<b>27,389,228</b>	<b>159,179</b>
State sources:					
Special education aid	1,354,448		1,354,448	1,354,448	
Consolidated Aid	163,551		163,551	163,551	
Additional Formula Aid	45,540		45,540	45,540	
Extraordinary Aid		\$55,000	55,000	85,518	30,518
Teacher Mentoring Aid				2,809	2,809
On-behalf TPAF pension contributions (non-budgeted)				1,950,490	1,950,490
Reimbursed TPAF social security contributions (non-budgeted)				1,070,394	1,070,394
<b>Total state sources</b>	<b>1,563,539</b>	<b>55,000</b>	<b>1,618,539</b>	<b>4,672,750</b>	<b>3,054,211</b>
<b>TOTAL REVENUES</b>	<b>28,793,588</b>	<b>55,000</b>	<b>28,848,588</b>	<b>32,061,978</b>	<b>3,213,390</b>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE:</b>					
Regular Programs - Instruction:					
Salaries of teachers					
Pre-K/Kindergarten	324,851	(10,964)	313,887	310,949	2,938
Grades 1-5	3,636,264	82,816	3,719,080	3,718,505	575
Grades 6-8	2,222,138	78,830	2,300,968	2,300,690	278
Grades 9-12	3,362,238	100,737	3,462,975	3,461,675	1,300
<b>Total Instruction</b>	<b>9,545,491</b>	<b>251,419</b>	<b>9,796,910</b>	<b>9,791,819</b>	<b>5,091</b>
Regular Programs - Home Instruction:					
Salaries of teachers	42,827	7,214	50,041	50,041	
<b>Total Home Instruction</b>	<b>42,827</b>	<b>7,214</b>	<b>50,041</b>	<b>50,041</b>	

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

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**HADDONFIELD BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2007**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Regular Programs - Undistributed Instruction:					
Other salaries for instruction	\$444,414	(\$16,271)	\$428,143	\$428,055	\$88
Purchased professional - educ services	33,500	(730.00)	32,770	29,192	3,578
General supplies	549,215	(201,562)	347,653	340,702	6,951
Textbooks	126,643	(22,318)	104,325	99,430	4,895
Other objects	21,900	(2,106)	19,794	11,714	8,080
Total Undistributed Instruction	<u>1,175,672</u>	<u>(242,987)</u>	<u>932,685</u>	<u>909,093</u>	<u>23,592</u>
Total - Regular Programs - Instruction	<u>10,763,990</u>	<u>15,646</u>	<u>10,779,636</u>	<u>10,750,953</u>	<u>28,683</u>
Special Educ Instruction: Multiple Disabilities					
Salaries of teachers	41,280	16,671	57,951	57,951	
General supplies	6,000	(5,950)	50	50	
Textbooks	1,000		1,000		1,000
Total Multiple Disabilities	<u>48,280</u>	<u>10,721</u>	<u>59,001</u>	<u>58,001</u>	<u>1,000</u>
Special Educ Instruction: Res. Room/Res. Center					
Salaries of teachers	1,349,809	(12,773)	1,337,036	1,336,256	780
Other salaries for instruction	240,685	67,473	308,158	306,112	2,046
General supplies	14,420	496	14,916	12,531	2,385
Textbooks	7,600	(1,752)	5,848	3,973	1,875
Total Resource Room/Resource Center	<u>1,612,514</u>	<u>53,444</u>	<u>1,665,958</u>	<u>1,658,872</u>	<u>7,086</u>
Special Educ Instruction: Autism					
Salaries of teachers	71,583		71,583	71,380	203
Other salaries for instruction	144,862	98,868	243,730	243,730	
Total Autism	<u>216,445</u>	<u>98,868</u>	<u>315,313</u>	<u>315,110</u>	<u>203</u>
Special Educ Instruction: Preschool Disabilities - PT					
Salaries of teachers	157,136	63,950	221,086	221,086	
Other salaries for instruction	116,506	8,946	125,452	125,452	
General supplies	1,500		1,500	461	1,039
Textbooks	250		250	53	197
Total Preschool Disabilities - Part-Time	<u>275,392</u>	<u>72,896</u>	<u>348,288</u>	<u>347,052</u>	<u>1,236</u>
Total Special Education - Instruction	<u>2,152,631</u>	<u>235,929</u>	<u>2,388,560</u>	<u>2,379,035</u>	<u>9,525</u>
Basic Skills/Remedial - Instruction					
Salaries of teachers					
General supplies	495		495		495
Total Basic Skills/Remedial - Instruction	<u>495</u>		<u>495</u>		<u>495</u>
School-Sponsored Cocurricular Act - Inst.					
Salaries	256,410	22,003	278,413	277,942	471
Supplies and materials	49,322	(24,532)	24,790	23,790	1,000
Total School-Sponsored Cocurr. Act. - Inst	<u>305,732</u>	<u>(2,529)</u>	<u>303,203</u>	<u>301,732</u>	<u>1,471</u>
School-Sponsored Athletics - Inst.					
Salaries	485,816	33,455	519,271	516,411	2,860
Purchased services (300-500)	97,985	(18,994)	78,991	78,991	
Supplies and materials	78,972	(2,231)	76,741	76,741	
Other objects	14,000	(12,230)	1,770	1,770	
Total School-Sponsored Athletics - Inst	<u>676,773</u>	<u>(12,230)</u>	<u>676,773</u>	<u>673,913</u>	<u>2,860</u>

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, 2007**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Instructional Programs - Instruction					
Salaries	\$108,900		\$108,900	\$107,726	\$1,174
Total Other Instructional Programs - Inst.	108,900		108,900	107,726	1,174
Undistributed Expenditures - Instruction					
Tuition to CSSD & reg. day schools	62,020	(\$62,020)			
Tuition to priv. sch. for the disabled w/i state	764,888	7,020	771,908	760,390	11,518
Tuition to priv. sch. for the disabled and other lea's - out-stste		97,073	97,073	97,073	
Tuition - state facilities	40,000	(40,000)			
Total Undistributed Expenditures - Instruction	866,908	2,073	868,981	857,463	11,518
Undistributed Expenditures - Attend. and Social Work					
Salaries	30,218	2,500	32,718	31,504	1,214
Total Undistributed Expenditures - Attendance	30,218	2,500	32,718	31,504	1,214
Undistributed Expenditures - Health Services					
Salaries	239,525	9,719	249,244	248,260	984
Purchased prof. and technical services	1,000		1,000		1,000
Supplies and materials	21,700	(7,456)	14,244	12,407	1,837
Total Undistributed Expenditures - Health Svcs.	262,225	2,263	264,488	260,667	3,821
Undist. Expend. - Other Supp. Serv. Stud. - Rel. Serv.					
Salaries	343,293	44,252	387,545	387,545	
Purchased prof. and educational services	130,000	7,544	137,544	137,544	
Supplies and materials	6,000		6,000	5,976	24
Total Undst. Expend. - Other Supp. Serv. Stud. - Rel. Serv.	479,293	51,796	531,089	531,065	24
Undist. Expend. - Other Supp. Serv. Stud. - Extra. Serv.					
Purchased prof. and educational services	104,000	24,629	128,629	128,578	51
Total Undst. Expend. - Other Supp. Serv. Stud. - Extra. Serv.	104,000	24,629	128,629	128,578	51
Undist. Expend. - Other Supp. Serv. Stud. - Regular					
Salaries of other professional staff	639,243	31,052	670,295	670,295	
Salaries of secretarial and clerical assistants	43,491	837	44,328	44,328	
Supplies and materials	1,650	(1,650)			
Other objects	22,625	(6,233)	16,392	16,221	171
Total Undst. Expend. - Other Supp. Serv. Stud. - Regular	707,009	24,006	731,015	730,844	171
Undist. Expend. - Other Supp. Serv. Stud. - Special					
Salaries of other professional staff	589,448	(36,828)	552,620	552,419	201
Salaries of secretarial and clerical assistants	87,910	1,911	89,821	89,821	
Supplies and materials	17,800	3,615	21,415	21,415	
Total Undst. Expend. - Other Supp. Serv. Stud. - Special	695,158	(31,302)	663,856	663,655	201

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, 2007**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Improvement of Instr. Services					
Salaries of supervisor of instruction					
Salaries of other professional staff	\$74,086	\$190	\$74,276	\$74,276	
Other purchased services (400-500)	2,000	512	2,512	2,512	
Other objects	123,980	1,032	125,012	121,028	\$3,984
<b>Total Undst. Expend. - Improvement of Instr. Services</b>	<b>200,066</b>	<b>1,734</b>	<b>201,800</b>	<b>197,816</b>	<b>3,984</b>
Undist. Expend. - Educ. Media Serv./Sch. Library					
Salaries	177,950	19,658	197,608	197,249	359
Other purchased services (400-500)	2,300	(440)	1,860	304	1,556
Supplies and materials	75,678	(1,538)	74,140	61,589	12,551
<b>Total Undst. Expend. - Educ. Media Serv./Sch. Library</b>	<b>255,928</b>	<b>17,680</b>	<b>273,608</b>	<b>259,142</b>	<b>14,466</b>
Undist. Expend. - Instructional Staff Training Services					
Other purchased services	13,640	(3,609)	10,031	10,031	10,031
<b>Total Undst. Expend. - Instr. Staff Training Services</b>	<b>13,640</b>	<b>(3,609)</b>	<b>10,031</b>	<b>10,031</b>	<b>10,031</b>
Undist. Expend. - Supp. Serv. General Admin.					
Salaries	471,155	15,000	486,155	484,928	1,227
Legal services	110,000	(15,550)	94,450	89,834	4,616
Other purchased professional services	21,000	6,050	27,050	27,050	
Purchased technical services	18,000	(5,500)	12,500	6,387	6,113
Communications / telephone	102,800	(22,784)	80,016	77,132	2,884
Other purchased services (400-500)	22,200	8,689	30,889	30,889	
General Supplies	7,200		7,200	5,262	1,938
Miscellaneous expenditures	42,000	6,284	48,284	48,284	
<b>Total Undst. Expend. - Supp. Serv. General Admin.</b>	<b>794,355</b>	<b>(7,811)</b>	<b>786,544</b>	<b>769,766</b>	<b>16,778</b>
Undist. Expend. - Supp. Serv. School Admin.					
Salaries of principals/assist. principals	774,924	29,301	804,225	803,700	525
Salaries of other professional staff	70,860	9,226	80,086	80,086	
Salaries of secretarial and clerical assistants	378,953	24,667	403,620	402,253	1,367
Other purchased services	12,983	2,194	15,177	15,177	
Supplies and materials	145,309	28,908	174,217	173,906	311
Other objects	18,163	782	18,945	17,747	1,198
<b>Total Undst. Expend. - Supp. Serv. School Admin.</b>	<b>1,401,192</b>	<b>95,078</b>	<b>1,496,270</b>	<b>1,492,869</b>	<b>3,401</b>
Undist. Expend. - Central Services					
Salaries	373,696	15,150	388,846	388,846	
Purchased technical services	22,000	669	22,669	22,669	
Supplies and materials	6,500	2,739	9,239	9,239	
Other objects		42,806	42,806	42,746	60
Miscellaneous expenditures	23,000	(23,000)			
<b>Total Undst. Expend. - Supp. Serv. School Admin.</b>	<b>425,196</b>	<b>38,364</b>	<b>463,560</b>	<b>463,500</b>	<b>60</b>

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

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**HADDONFIELD BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2007**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Required Maint. Sch. Facilities					
Salaries	\$521,176		\$521,176	\$521,088	\$88
Cleaning, repair, and maintenance services	310,523	(\$101,329)	209,194	208,760	434
General supplies	247,000	4,028	251,028	251,028	
Other objects	4,000	(2,843)	1,157	500	657
<b>Total Undst. Expend. - Required Maint. Sch. Facilities</b>	<b>1,082,699</b>	<b>(100,144)</b>	<b>982,555</b>	<b>981,376</b>	<b>1,179</b>
Undist. Expend. - Other Oper. & Maint. of Plant					
Salaries	1,312,393	(144,526)	1,167,867	1,167,477	390
Purchased professional & tech. services	6,500	1,000	7,500	7,312	188
Rental of land & bldg. oth. than lease purch. agrmt.	141,000	7,500	148,500	148,434	66
Other purchased property services	73,900	(7,000)	66,900	65,736	1,164
Insurance	111,000	(30,000)	81,000	69,438	11,562
Energy (heat & electricity)	704,800	188,127	892,927	892,000	927
<b>Total Undst. Expend. - Other oper. &amp; Maint. of Plant</b>	<b>2,349,593</b>	<b>15,101</b>	<b>2,364,694</b>	<b>2,350,397</b>	<b>14,297</b>
<b>Total Undst. Expend. - Oper. &amp; Maint. of Plant Services</b>	<b>3,432,292</b>	<b>(85,043)</b>	<b>3,347,249</b>	<b>3,331,773</b>	<b>15,476</b>
Undist. Expend. - Student Trans. Services					
Salaries for pupil trans (other than bet home & sch)	83,160	68,315	151,475	151,407	68
Cleaning, repair, and maintenance services	13,000	73	13,073	13,073	
Lease payments	55,000	5,900	60,900	60,299	601
Contr. serv. (other than bet. home & sch.) - vendors	39,419	8,168	47,587	45,409	2,178
Contr. serv. (sp ed stds) - ESC's & CTSA's	355,930	3,448	359,378	359,378	
<b>Total Undst. Expend. - Student Trans. Services</b>	<b>546,509</b>	<b>85,904</b>	<b>632,413</b>	<b>629,566</b>	<b>2,847</b>
Unallocated Benefits - Employee Benefits					
Social security contributions	434,000	25,000	459,000	458,542	458
Unemployment compensation	40,000	(33,831)	6,169	5,780	389
Workmen's compensation	154,400	(13,000)	141,400	140,000	1,400
Health benefits	3,652,319	(367,287)	3,285,032	3,284,177	855
Tuition reimbursement	55,000		55,000	39,380	15,620
Other employee benefits	152,480	30,000	182,480	179,059	3,421
<b>Total Unallocated Benefits - Employee Benefits</b>	<b>4,488,199</b>	<b>(359,118)</b>	<b>4,129,081</b>	<b>4,106,938</b>	<b>22,143</b>
On-behalf TPAF pension contributions (non-budgeted)				1,950,490	(1,950,490)
Reimbursed TPAF social security contributions (non-budgeted)				1,070,394	(1,070,394)
<b>Total Undistributed Expenditures - TPAF</b>				<b>3,020,884</b>	<b>(3,020,884)</b>

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

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**HADDONFIELD BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2007**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Total Undistributed Expenditures	\$14,702,188	(\$140,856)	\$14,561,332	\$17,476,030	(\$2,914,698)
Total General Current Expense	28,710,709	108,190	28,818,899	31,689,389	(2,870,490)
<b>EXPENDITURES:</b>					
<b>CAPITAL OUTLAY:</b>					
Equipment:					
Operation and maintenance of plant services					
Other support services	10,000	5,954	15,954	15,954	
Total Equipment	10,000	5,954	15,954	15,954	
Facilities Acquisition and Construction Services:					
Construction services		288,849	288,849	288,849	
Total Facilities Acquisition and Construction Services		288,849	288,849	288,849	
Assets acquired under Capital Leases (non-budgeted):					
Capital Outlay					
Transportation				20,946	(20,946)
Total Assets Acquired Under Capital Leases (non-budgeted)				20,946	(20,946)
Total Capital Outlay	10,000	294,803	304,803	325,749	(20,946)
<b>SPECIAL SCHOOLS:</b>					
<b>SUMMER SCHOOL:</b>					
Summer School - Instruction:					
Salaries of Teachers	184,140		184,140	184,082	58
General Supplies	500		500	164	336
Total Special Schools	184,640		184,640	184,246	394
Total Expenditures	\$28,905,349	\$402,993	\$29,308,342	\$32,199,384	(\$2,891,042)
Excess (Deficiency) of Revenues					
Over (Under) Expenditures:	(111,761)	(347,993)	(459,754)	(137,406)	322,348
Other Financing Sources (Uses):					
Capital Leases (non-budgeted)				20,946	20,946
Total Other Financing Sources				20,946	20,946
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):					
	(111,761)	(347,993)	(459,754)	(116,460)	343,294
Fund Balance, July 1	669,239		669,239	669,239	
Fund Balance, June 30	\$557,478	(\$347,993)	\$209,485	\$552,779	\$343,294
Recapitulation of Fund Balance					
Reserve for Capital Reserve				\$116	
Excess Surplus - Designated for Subsequent Years Expenditures				2,544	
Unreserved - Designated for Subsequent Years Expenditures				76,235	
Unreserved Fund Balance				473,884	
				552,779	
Reconciliation on Governmental Fund Statements (GAAP):					
Less: State Aid Payment Not Recognized on GAAP Basis				(61,699)	
Fund Balance per Government Fund (GAAP)				\$491,080	

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

**HADDONFIELD SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**Fiscal Year Ended June 30, 2007**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
State sources	\$289,702		\$289,702	\$256,653	(\$33,049)
Federal sources	549,021		549,021	539,418	(9,603)
Total revenues	<u>838,723</u>		<u>838,723</u>	<u>796,071</u>	<u>(42,652)</u>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of teachers	3,680		3,680	3,679	1
Purchased professional - educ. services	192,536		192,536	172,923	19,613
Purchased professional - tech. services	44,087		44,087	43,727	360
Other purchased services	387,279		396,279	394,853	1,426
General supplies	31,919		22,919	22,756	163
Textbooks	26,454		26,454	25,903	551
Total instruction	<u>685,955</u>		<u>685,955</u>	<u>663,841</u>	<u>22,114</u>
Support services:					
Other salaries for instruction	6,237		6,237	2,581	3,656
Purchased professional - educ. services	31,305		31,305	23,379	7,926
Purchased professional and technical services	95,099		95,099	87,277	7,822
Other purchased services	1,167		1,167	1,110	57
Total support services	<u>133,808</u>		<u>133,808</u>	<u>114,347</u>	<u>19,461</u>
Facilities acquisition and construction services:					
Instructional equipment	18,960		18,960	17,883	1,077
Noninstructional equipment					
Total facilities acq. and const. services	<u>18,960</u>		<u>18,960</u>	<u>17,883</u>	<u>1,077</u>
Total expenditures	<u>838,723</u>		<u>838,723</u>	<u>796,071</u>	<u>42,652</u>
Total outflows	<u>838,723</u>		<u>838,723</u>	<u>796,071</u>	<u>42,652</u>
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>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 32,061,978	\$ 796,071
Difference - budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	57,757	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(61,699)</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 32,058,036</u>	<u>\$ 796,071</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 32,199,384	\$ 796,071
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>\$ 32,199,384</u>	<u>\$ 796,071</u>

Other Supplementary Information

Special Revenue Fund  
Detail Statements

The Special Revenue Fund is used to account for proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted for specific purposes.

**HADDONFIELD SCHOOL DISTRICT**  
**Special Revenue Fund**  
Combining Statement of Revenues and Expenditures  
Budgetary Basis  
for the Fiscal Year ended June 30, 2007  
(With comparative totals for June 30, 2006)

	Brought Forward	Brought Forward	Brought Forward	Totals	
	(Exh. E-1B)	(Exh. E-1C)	(Exh. E-1D)	2007	2006
<b>REVENUES:</b>					
State sources	\$172,083		\$84,570	\$256,653	\$234,434
Federal sources		\$539,418		539,418	526,040
Total revenues	<u>172,083</u>	<u>539,418</u>	<u>84,570</u>	<u>796,071</u>	<u>760,474</u>
<b>EXPENDITURES:</b>					
<u>Instruction:</u>					
Salaries of teachers		3,679		\$3,679	\$14,100
Purchased professional educational services	172,083		840	172,923	149,534
Purchased professional and technical services		8,884	34,843	43,727	441,325
Other purchased services		394,853		394,853	
General supplies		22,756		22,756	3,784
Textbooks			25,903	25,903	28,749
Total instruction	<u>172,083</u>	<u>430,172</u>	<u>61,586</u>	<u>663,841</u>	<u>637,492</u>
<u>Support services:</u>					
Other salaries for instruction			2,581	2,581	2,924
Personal services-employee benefits					439
Purchased professional and educational services		20,859	2,520	23,379	
Purchased professional and technical services		87,277		87,277	87,922
Other purchased services		1,110		1,110	2,835
Supplies and materials					11,106
Other objects					
Total support services		<u>109,246</u>	<u>5,101</u>	<u>114,347</u>	<u>105,226</u>
<u>Facilities acquisition &amp; construction services</u>					
Instructional equipment			17,883	17,883	17,756
Total facilities acquisition & construction services			<u>17,883</u>	<u>17,883</u>	<u>17,756</u>
Total expenditures	<u>172,083</u>	<u>539,418</u>	<u>84,570</u>	<u>796,071</u>	<u>760,474</u>
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, 2007

	<u>Nonpublic Auxiliary Services</u>			<u>Nonpublic Handicapped Services</u>			Carried Forward (Exh. E-1A)
	<u>Compensatory Education</u>	<u>Home Instruction</u>	<u>Transportation</u>	<u>Exam, &amp; Classification</u>	<u>Corrective Speech</u>	<u>Suppl. Instruction</u>	
<b>REVENUES:</b>							
State sources	\$37,185	\$1,092	\$23,828	\$36,453	\$46,016	\$27,509	\$172,083
Federal sources							
Total revenues	<u>\$37,185</u>	<u>\$1,092</u>	<u>\$23,828</u>	<u>\$36,453</u>	<u>\$46,016</u>	<u>\$27,509</u>	<u>\$172,083</u>
<b>EXPENDITURES:</b>							
<i><u>Instruction:</u></i>							
Salaries of teachers							
Other salaries for instruction							
Purchased professional educational services	\$37,185	\$1,092	\$23,828	\$36,453	\$46,016	\$27,509	\$172,083
Purchased professional and technical services							
Tuition							
General supplies							
Textbooks							
Total instruction	<u>37,185</u>	<u>1,092</u>	<u>23,828</u>	<u>36,453</u>	<u>46,016</u>	<u>27,509</u>	<u>172,083</u>
<i><u>Support services:</u></i>							
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	---	---	---	---	---	---	---
<i><u>Facilities acquisition &amp; construction services</u></i>							
Instructional equipment							
Noninstructional equipment							
Total facilities acquisition & construction services	---	---	---	---	---	---	---
Total expenditures	<u>\$37,185</u>	<u>\$1,092</u>	<u>\$23,828</u>	<u>\$36,453</u>	<u>\$46,016</u>	<u>\$27,509</u>	<u>\$172,083</u>
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, 2007

	E.S.E.A as amended by No Child Left Behind (N.C.L.B.)			(IDEIA)		Carried Forward (Exh. E-1A)
	Title II - Part A Current Year	Title IV Current Year	Title V Current Year	Basic Current Yr.	Preschool Current Yr.	
<b>REVENUES:</b>						
State sources						
Federal sources	\$26,413	\$8,119	\$22,756	\$465,360	\$16,770	\$539,418
Total revenues	\$26,413	\$8,119	\$22,756	\$465,360	\$16,770	\$539,418
<b>EXPENDITURES:</b>						
<i>Instruction:</i>						
Salaries of teachers	\$3,679					\$3,679
Other salaries for instruction						
Purchased professional educational services						8,884
Purchased professional and technical services	765	8,119				394,853
Other purchased services				387,279	7,574	22,756
General supplies			22,756			
Textbooks						
Total instruction	4,444	8,119	22,756	387,279	7,574	430,172
<i>Support services:</i>						
Other salaries for instruction						
Personal services-employee benefits						
Purchased professional educational services	20,859					20,859
Purchased professional and technical services				78,081	9,196	87,277
Purchased property services						
Travel						
Other purchased services	1,110					1,110
Supplies and materials						
Other objects						
Total support services	21,969			78,081	9,196	109,246
<i>Facilities acquisition &amp; construction services</i>						
Instructional equipment						
Noninstructional equipment						
Total facilities acquisition & construction services	---	---	---	---	---	---
Total expenditures	\$26,413	\$8,119	\$22,756	\$465,360	\$16,770	\$539,418
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, 2007

	Autism Grant	Nonpublic Textbooks	Nonpublic Nursing	Nonpublic Technology	Carried Forward (Exh. E-1A)
<b>REVENUES:</b>					
State sources	\$5,941	\$25,903	\$34,843	\$17,883	\$84,570
Federal sources					
Total revenues	<u>\$5,941</u>	<u>\$25,903</u>	<u>\$34,843</u>	<u>\$17,883</u>	<u>\$84,570</u>
<b>EXPENDITURES:</b>					
<i>Instruction:</i>					
Salaries of teachers					
Other salaries for instruction					
Purchased professional educational services	\$840				\$840
Purchased professional and technical services			\$34,843		34,843
Tuition					
General supplies					
Textbooks		\$25,903			25,903
	<u>840</u>	<u>25,903</u>	<u>34,843</u>	<u>---</u>	<u>61,586</u>
<i>Support services:</i>					
Other salaries for instruction	2,581				2,581
Personal services-employee benefits					
Purchased professional educational services	2,520				2,520
Purchased professional and technical services					
Purchased property services					
Travel					
Other purchased services					
Supplies and materials					
Total support services	<u>5,101</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>5,101</u>
<i>Facilities acquisition &amp; construction services</i>					
Instructional equipment					
Non-instructional equipment				17,883	17,883
Total facilities acquisition & construction services	<u>---</u>	<u>---</u>	<u>---</u>	<u>17,883</u>	<u>17,883</u>
Total expenditures	<u>\$5,941</u>	<u>\$25,903</u>	<u>\$34,843</u>	<u>\$17,883</u>	<u>\$84,570</u>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)					

Capital Projects Fund  
Detail Statements

The Capital Projects Fund is used to account for the acquisition, construction and/or renovation of major facilities and equipment purchase other than those financed by Proprietary Funds.

**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, 2007**

**Revenues and Other Financing Sources:**

Interest earned on investments	\$117,948
Total revenues and other financing sources	117,948

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

Construction services	609,620
Transfer to debt service	118,315
Total expenditures and other financing (uses)	727,935
Excess (deficiency) or revenues over (under) expenditures	(609,987)
Fund Balance - July 1, 2006	888,023
Fund Balance - June 30, 2007	\$278,036

**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, 2007**

	Prior Periods	Current Year	Total	Revised Authorized Costs
<b>Revenues and Other Financing Sources:</b>				
State sources - SCC Grant	\$120,120		\$120,120	\$120,120
Transfer from capital reserve				
Bond proceeds	186,366		186,366	186,366
<b>Total revenues</b>	<b>306,486</b>		<b>306,486</b>	<b>306,486</b>
<b>Expenditures and Other Financing Uses:</b>				
Purchased professional services	35,036		35,036	35,036
Construction services	245,797	(\$1,638)	244,159	244,159
	<b>280,833</b>	<b>(1,638)</b>	<b>279,195</b>	<b>279,195</b>
<b>Excess (deficiency) or revenues over (under) expenditures</b>	<b>\$25,653</b>	<b>\$1,638</b>	<b>\$27,291</b>	<b>\$27,291</b>
<b>Additional project information:</b>				
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	(\$32,000)			
Revised Authorized Cost	\$306,486			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	90.00%			
Original target completion date	12/31/06			
Revised target completion date	Unknown			

**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, 2007**

	Prior Periods	Current Year	Total	Revised Authorized Costs
<b>Revenues and Other Financing Sources:</b>				
State sources - SCC Grant	\$303,357		\$303,357	\$303,357
Transfer from capital reserve				
Bond proceeds	530,928		530,928	530,928
<b>Total revenues</b>	<b>834,285</b>		<b>834,285</b>	<b>834,285</b>
<b>Expenditures and Other Financing Uses:</b>				
Purchased professional services	65,426		65,426	65,426
Construction services	764,070	(\$873)	763,197	763,197
	<b>829,496</b>	<b>(873)</b>	<b>828,623</b>	<b>828,623</b>
Excess (deficiency) or revenues over (under) expenditures	<b>\$4,789</b>	<b>\$873</b>	<b>\$5,662</b>	<b>\$5,662</b>
<b>Additional project information:</b>				
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	\$32,000			
Revised Authorized Cost	\$834,285			
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, 2007**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
<b>Revenues and Other Financing Sources:</b>				
State sources - SCC Grant	\$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>
<b>Expenditures and Other Financing Uses:</b>				
Purchased professional services	56,889		56,889	56,889
Construction services	657,498	(\$1,102)	656,396	656,396
	<u>714,387</u>	<u>(1,102)</u>	<u>713,285</u>	<u>713,285</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$2,715</u>	<u>\$1,102</u>	<u>\$3,817</u>	<u>\$3,817</u>
<b>Additional project information:</b>				
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, 2007**

	Prior Periods	Current Year	Total	Revised Authorized Costs
<b>Revenues and Other Financing Sources:</b>				
State sources - SCC Grant	\$62,944		\$62,944	\$62,944
Transfer from capital reserve				
Bond proceeds	135,212		135,212	135,212
<b>Total revenues</b>	<b>198,156</b>		<b>198,156</b>	<b>198,156</b>
<b>Expenditures and Other Financing Uses:</b>				
Purchased professional services	15,265		15,265	15,265
Construction services	180,989	(\$1,883)	179,106	179,106
	<b>196,254</b>	<b>(1,883)</b>	<b>194,371</b>	<b>194,371</b>
Excess (deficiency) or revenues over (under) expenditures	<b>\$1,902</b>	<b>\$1,883</b>	<b>\$3,785</b>	<b>\$3,785</b>
<b>Additional project information:</b>				
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	\$15,000			
Revised Authorized Cost	\$198,156			
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, 2007**

	Prior Periods	Current Year	Total	Revised Authorized Costs
<b>Revenues and Other Financing Sources:</b>				
State sources - SCC Grant	\$1,100,576		\$1,100,576	\$1,100,576
Transfer from capital reserve				
Bond proceeds	1,514,325		1,514,325	1,514,325
Total revenues	2,614,901		2,614,901	2,614,901
<b>Expenditures and Other Financing Uses:</b>				
Purchased professional services	285,646		285,646	285,646
Construction services	2,266,701	\$62,554	2,329,255	2,329,255
	2,552,347	62,554	2,614,901	2,614,901
Excess (deficiency) or revenues over (under) expenditures	\$62,554	(\$62,554)	\$0	\$0
<b>Additional project information:</b>				
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, 2007**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
<b>Revenues and Other Financing Sources:</b>				
State sources - SCC Grant	\$665,740		\$665,740	\$665,740
Transfer from capital reserve				
Bond proceeds	1,140,871		1,140,871	1,140,871
Total revenues	<u>1,806,611</u>		<u>1,806,611</u>	<u>1,806,611</u>
<b>Expenditures and Other Financing Uses:</b>				
Purchased professional services	131,924		131,924	131,924
Construction services	1,623,497	\$40,987	1,664,484	1,664,484
	<u>1,755,421</u>	<u>40,987</u>	<u>1,796,408</u>	<u>1,796,408</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$51,190</u>	<u>(\$40,987)</u>	<u>\$10,203</u>	<u>\$10,203</u>
<b>Additional project information:</b>				
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, 2007**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
<b>Revenues and Other Financing Sources:</b>				
State sources - SCC Grant	\$1,887,520		\$1,887,520	\$1,887,520
Transfer from capital reserve				
Bond proceeds	3,071,998		3,071,998	3,071,998
Total revenues	<u>4,959,518</u>		<u>4,959,518</u>	<u>4,959,518</u>
<b>Expenditures and Other Financing Uses:</b>				
Purchased professional services	409,191		409,191	409,191
Construction services	4,514,610	\$35,717	4,550,327	4,550,327
	<u>4,923,801</u>	<u>35,717</u>	<u>4,959,518</u>	<u>4,959,518</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$35,717</u>	<u>(\$35,717)</u>	<u>\$0</u>	<u>\$0</u>
<b>Additional project information:</b>				
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	\$55,000			
Revised Authorized Cost	\$4,924,801			
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, 2007**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
<b>Revenues and Other Financing Sources:</b>				
State sources - SCC Grant	\$325,966		\$325,966	\$325,966
Transfer from capital reserve				
Bond proceeds	1,924,668		1,924,668	1,924,668
<b>Total revenues</b>	<u>2,250,634</u>		<u>2,250,634</u>	<u>2,250,634</u>
<b>Expenditures and Other Financing Uses:</b>				
Purchased professional services	184,166		184,166	184,166
Construction services	1,590,362	\$475,858	2,066,220	2,066,220
	<u>1,774,528</u>	<u>475,858</u>	<u>2,250,386</u>	<u>2,250,386</u>
<b>Excess (deficiency) or revenues over (under) expenditures</b>	<u>\$476,106</u>	<u>(\$475,858)</u>	<u>\$248</u>	<u>\$248</u>
<b>Additional project information:</b>				
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	0.00%			
Percentage Completion	91.00%			
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**  
**ADA Elevator Installation in Haddonfield Memorial High School**  
**From Inception and for the Fiscal Year ended June 30, 2007**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
<b>Revenues and Other Financing Sources:</b>				
State sources - SCC Grant	\$74,454		\$74,454	\$74,454
Transfer from capital outlay	112,050		112,050	112,050
Bond proceeds				
Total revenues	<u>186,504</u>		<u>186,504</u>	<u>186,504</u>
<b>Expenditures and Other Financing Uses:</b>				
Purchased professional services				
Construction services	186,137		186,137	186,137
Unexpended balance canceled		\$367	367	367
	<u>186,137</u>	<u>367</u>	<u>186,504</u>	<u>186,504</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$367</u>	<u>(\$367)</u>	<u>\$0</u>	<u>\$0</u>
<b>Additional project information:</b>				
Project Number	SP#1900-050-03-1340			
Grant Date	02/11/04			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$186,750			
Additional Authorized Cost	\$0			
Revised Authorized Cost	\$186,504			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	100.00%			
Original target completion date	12/31/05			
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 Renovations**  
**From Inception and for the Fiscal Year ended June 30, 2007**

	Prior Periods	Current Year	Total	Revised Authorized Costs
<b>Revenues and Other Financing Sources:</b>				
State sources - SCC Grant	\$351,172		\$351,172	\$351,172
Transfer from capital reserve				
Bond proceeds	526,758		526,758	526,758
	<u>877,930</u>	<u>          </u>	<u>877,930</u>	<u>877,930</u>
<b>Expenditures and Other Financing Uses:</b>				
Purchased professional services				
Construction services	650,901		650,901	650,901
	<u>650,901</u>	<u>          </u>	<u>650,901</u>	<u>650,901</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$227,029</u>	<u>          </u>	<u>\$227,029</u>	<u>\$227,029</u>
<b>Additional project information:</b>				
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**  
 Summary Statement of Project Expenditures  
 Year Ended June 30, 2007

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<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	\$18,073,720			\$227,029
ADA Elevator Installation in the High School	12/09/2003	186,504	186,137		\$367	
Various Capital Improvements to School Facilities	12/14/2004	<u>13,687,694</u>	<u>13,027,067</u>	<u>\$609,620</u>		<u>\$51,007</u>
Total		<u>\$32,174,947</u>	<u>\$31,286,924</u>	<u>\$609,620</u>	<u>\$367</u>	<u>\$278,036</u>

## Proprietary Funds Detail Statements

Proprietary 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 District's Board is that the costs of providing goods or services be financed through user fees.

Food Service Fund - This fund provides for the operation of food services in all schools within the school district.

Community Education Fund - This fund provides for the operation of the Community Education program provided by the school district.

**HADDONFIELD SCHOOL DISTRICT**  
**Enterprise Funds**  
Statement of Net Assets  
as of June 30, 2007 and 2006

	Food Service	Community Education	2007	2006
<b>ASSETS:</b>				
Current assets:				
Cash and cash equivalents	\$70,237	\$57,967	\$128,204	\$121,964
Accounts receivable:				
State	886		886	287
Federal	6,524		6,524	1,957
Other	212		212	288
Interfund	3,633		3,633	
Inventories	8,523		8,523	6,782
Total current assets	<u>90,015</u>	<u>57,967</u>	<u>147,982</u>	<u>131,278</u>
Fixed assets:				
Equipment	299,438		299,438	299,438
Less Accumulated depreciation	<u>(244,091)</u>		<u>(244,091)</u>	<u>(224,821)</u>
Total fixed assets	<u>55,347</u>		<u>55,347</u>	<u>74,617</u>
Total assets	<u>\$145,362</u>	<u>\$57,967</u>	<u>\$203,329</u>	<u>\$205,895</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$86,723		\$86,723	\$79,051
Interfund payable				
Total current liabilities	<u>86,723</u>		<u>86,723</u>	<u>79,051</u>
<b>NET ASSETS</b>				
Invested in capital assets net of related debt	55,347		55,347	74,617
Unrestricted	<u>3,292</u>	<u>\$57,967</u>	<u>61,259</u>	<u>52,227</u>
Total net assets	<u>\$58,639</u>	<u>\$57,967</u>	<u>\$116,606</u>	<u>\$126,844</u>

**HADDONFIELD SCHOOL DISTRICT**  
**Enterprise Funds**  
Comparative Statement of Revenues, Expenses and Changes in Fund Net Assets  
for the Fiscal Years ended June 30, 2007 and 2006

	<u>Food Service</u>	<u>Community Education</u>	<u>2007</u>	<u>2006</u>
<b>OPERATING REVENUES:</b>				
Local sources:				
Daily sales-reimbursable programs:				
School lunch program	\$208,348		\$208,348	\$205,651
Total-daily sales-reimbursable programs	208,348		208,348	205,651
Program fees				
Daily sales non-reimbursable programs	160,386	\$95,777	160,386	175,483
Total operating revenue	<u>368,734</u>	<u>95,777</u>	<u>464,511</u>	<u>474,627</u>
<b>OPERATING EXPENSES:</b>				
Salaries	168,629	19,000	187,629	185,666
Employee benefits	39,091		39,091	28,389
Supplies and materials	37,224		37,224	16,829
Depreciation	19,270		19,270	19,278
Management fee				19,290
Cost of Sales	172,823		172,823	189,781
Direct Expenses	8,417	69,670	78,087	102,972
Other	16,351		16,351	1,708
Total operating expenses	<u>461,805</u>	<u>88,670</u>	<u>550,475</u>	<u>563,913</u>
Operating income (loss)	<u>(93,071)</u>	<u>7,107</u>	<u>(85,964)</u>	<u>(89,286)</u>
<b>Non-operating revenues:</b>				
State sources:				
State school lunch program	4,696		4,696	4,573
Federal sources:				
National school lunch program	34,270		34,270	30,799
U.S.D.A. commodities	12,992		12,992	16,151
Miscellaneous	17,807		17,807	2,072
Interest revenue	4,695	1,266	5,961	3,120
Total non-operating revenues	<u>74,460</u>	<u>1,266</u>	<u>75,726</u>	<u>56,715</u>
Net income (loss)	(18,611)	8,373	(10,238)	(32,571)
Net assets - July 1	<u>77,250</u>	<u>49,594</u>	<u>126,844</u>	<u>159,415</u>
Net assets - June 30	<u>\$58,639</u>	<u>\$57,967</u>	<u>\$116,606</u>	<u>\$126,844</u>

**HADDONFIELD SCHOOL DISTRICT**  
**Enterprise Funds**  
Statement of Cash Flows  
for the Fiscal Years ended June 30, 2007 and 2006

	<u>Food Service</u>	<u>Community Education</u>	<u>2007</u>	<u>2006</u>
Cash flows from operating activities:				
Cash receipts from customers	\$368,809	\$95,777	\$464,586	\$474,980
Cash payments to employees for services	(156,514)	(19,000)	(175,514)	(178,869)
Cash payments to suppliers for goods and services	<u>(267,096)</u>	<u>(69,670)</u>	<u>(336,766)</u>	<u>(296,069)</u>
Net cash used by operating activities	<u>(54,801)</u>	<u>7,107</u>	<u>(47,694)</u>	<u>42</u>
Cash flows from noncapital financing activities:				
Miscellaneous	17,807		17,807	2,072
Cash received from state and federal reimbursements	<u>30,166</u>		<u>30,166</u>	<u>35,392</u>
Net cash provided by noncapital financing activities	<u>47,973</u>		<u>47,973</u>	<u>37,464</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>4,695</u>	<u>1,266</u>	<u>5,961</u>	<u>3,120</u>
Net cash provided by investing activities	<u>4,695</u>	<u>1,266</u>	<u>5,961</u>	<u>3,120</u>
Net increase (decrease) in cash and cash equivalents	(2,133)	8,373	6,240	40,626
Cash and cash equivalents, July 1	<u>72,370</u>	<u>49,594</u>	<u>121,964</u>	<u>81,338</u>
Cash and cash equivalents, June 30	<u>\$70,237</u>	<u>\$57,967</u>	<u>\$128,204</u>	<u>\$121,964</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	(\$93,071)	\$7,107	(\$85,964)	(\$89,286)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:				
Depreciation	19,270		19,270	19,278
Federal commodities	12,992		12,992	16,151
Change in assets and liabilities:				
(Increase)/decrease in inventory	(1,740)		(1,740)	2,406
(Increase)/decrease in accounts receivable	76		76	352
Increase/(decrease) in accounts payable	<u>7,672</u>		<u>7,672</u>	<u>51,141</u>
Net cash used by operating activities	<u>(54,801)</u>	<u>7,107</u>	<u>(47,694)</u>	<u>\$42</u>

## Fiduciary Funds Detail Statements

Fiduciary Funds are used to account for funds received by the district for a specific purpose.

Unemployment Compensation Insurance Fund - This fiduciary fund is used to pay unemployment compensation claims.

Agency Funds are used to account for assets held by the district as an agent for individuals, private organizations, or other governments and/or other funds.

Payroll Fund - This agency fund is used to account for the payroll transactions of the district.

Student Activity Fund - This agency fund is used to account for the funds held by the district to be used for student related projects.

**HADDONFIELD SCHOOL DISTRICT**  
**Fiduciary Funds**  
Combining Statement of Net Assets  
June 30, 2007  
(With comparative totals for June 30, 2006)

	Agency Funds		Employee Benefit Trust Funds		Totals	
	Student Activity	Payroll	Flexible Benefits Program	Unemployment Compensation Insurance Fund	2007	2006
<b>ASSETS:</b>						
Cash and cash equivalents	\$221,136	\$5,605	\$113,514	\$83,170	\$423,425	\$441,002
<b>TOTAL ASSETS</b>	<b>\$221,136</b>	<b>\$5,605</b>	<b>\$113,514</b>	<b>\$83,170</b>	<b>\$423,425</b>	<b>\$441,002</b>
<b>LIABILITIES</b>						
<b>LIABILITIES:</b>						
Payroll deductions and withholdings		\$259			\$259	\$22,082
Interfund payable		5,346			5,346	12,901
Due to student groups	\$221,136				221,136	212,846
<b>Total liabilities</b>	<b>221,136</b>	<b>5,605</b>	<b>---</b>	<b>---</b>	<b>226,741</b>	<b>247,829</b>
<b>NET ASSETS</b>						
Reserved for unemployment claims				\$83,170	83,170	49,450
Reserve for flex benefits			\$113,514		113,514	143,723
<b>Total net assets</b>	<b>---</b>	<b>---</b>	<b>\$113,514</b>	<b>\$83,170</b>	<b>\$196,684</b>	<b>\$193,173</b>

**HADDONFIELD SCHOOL DISTRICT**  
**Fiduciary Fund**  
Comparative Statement of Changes in Fiduciary Net Assets  
for the Fiscal Years Ended June 30, 2007 and 2006

	Employee Benefit Trust Funds		Totals	
	Flexible Benefits Program	Unemployment Compensation Insurance Fund	2007	2006
<b>REVENUES:</b>				
Local sources:				
Board contributions	\$164,145		\$164,145	\$168,654
Employee contributions	34,628	\$50,329	84,957	62,193
Interest on Investments	4,805	2,371	7,176	6,330
Total Revenues	<u>203,578</u>	<u>52,700</u>	<u>256,278</u>	<u>237,177</u>
<b>EXPENDITURES:</b>				
Current Expense:				
Undistributed Expenditures:				
Unemployment claims		18,980		
Flex benefit payments	233,788		233,788	220,057
Total Expenditures	<u>233,788</u>	<u>18,980</u>	<u>233,788</u>	<u>220,057</u>
Excess (deficiency) of revenues over (under) expenditures)	(30,210)	33,720	22,490	17,120
Net Assets July 1	<u>143,723</u>	<u>49,450</u>	<u>193,173</u>	<u>176,053</u>
Net Assets June 30	<u><u>\$113,513</u></u>	<u><u>\$83,170</u></u>	<u><u>\$215,663</u></u>	<u><u>\$193,173</u></u>

**HADDONFIELD SCHOOL DISTRICT**  
**Student Activity Agency Fund**  
 Schedule of Receipts and Disbursements  
 for the Fiscal Year ended June 30, 2007

	<u>Balance June 30, 2006</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Accounts Payable June 30, 2007</u>	<u>Balance June 30, 2007</u>
<b>JUNIOR/SENIOR HIGH SCHOOLS:</b>					
Haddonfield:					
Activities	\$210,733	\$669,249	\$659,479		\$220,503
Athletic	<u>2,113</u>	<u>93,255</u>	<u>94,735</u>		<u>633</u>
Total	<u>\$212,846</u>	<u>\$762,504</u>	<u>\$754,214</u>	<u>---</u>	<u>\$221,136</u>

**HADDONFIELD SCHOOL DISTRICT**  
**Payroll Agency Fund**  
Schedule of Receipts and Disbursements  
for the Fiscal Year ended June 30, 2007

	<u>Balance</u> <u>June 30, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2007</u>
<b>ASSETS:</b>				
Cash and cash equivalents	\$34,983	\$22,086,721	\$22,116,099	\$5,605
Total assets	<u>\$34,983</u>	<u>\$22,086,721</u>	<u>\$22,116,099</u>	<u>\$5,605</u>
<b>LIABILITIES:</b>				
Payroll deductions and withholdings	\$22,082	\$8,605,698	\$8,627,521	\$259
Net payroll		13,461,887	13,461,887	
Interfund payable	12,901	19,136	26,691	5,346
Total liabilities	<u>\$34,983</u>	<u>\$22,086,721</u>	<u>\$22,116,099</u>	<u>\$5,605</u>

## Long-Term Debt Schedules

The Long-Term Debt Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

**HADDONFIELD SCHOOL DISTRICT**  
**General Long-Term Debt Account Group**  
Statement of Serial Bonds  
June 30, 2007

Issue	Date of Issue	Amount of Issue	Annual Maturities		Rate of Interest	Balance July 1, 2006	Issued	Retired	Balance June 30, 2007
			Date	Amount					
School Bonds	03/01/2000	3,761,000	03/01/08	255,000	5.40%	\$2,701,000		\$240,000	\$2,461,000
			03/01/09	275,000	5.40%				
			03/01/10	285,000	5.40%				
			03/01/11	300,000	5.40%				
			03/01/12	315,000	5.40%				
			03/01/13	335,000	5.40%				
			03/01/14	345,000	5.40%				
			03/01/15	351,000	5.40%				
School Bonds	12/01/2000	\$6,200,000	12/01/07	260,000	4.875%	1,070,000		250,000	820,000
			12/01/08	270,000	4.875%				
			12/01/09	290,000	4.875%				
School Bonds	02/01/2001	6,889,000	02/01/08	290,000	4.750%	1,200,000		280,000	920,000
			02/01/09	310,000	4.750%				
			02/01/10	320,000	4.750%				
Balance Forward						\$4,971,000	---	\$770,000	\$4,201,000

**HADDONFIELD SCHOOL DISTRICT**  
**General Long-Term Debt Account Group**  
Statement of Serial Bonds  
June 30, 2007

Issue	Date of Issue	Amount of Issue	Annual Maturities		Rate of Interest	Balance July 1, 2006	Issued	Retired	Balance June 30, 2007
			Date	Amount					
Balance Brought Forward						\$4,971,000		\$770,000	\$4,201,000
School Bonds	03/01/2005	\$6,889,000	03/01/08	100,000	4.000%	8,980,000		50,000	8,930,000
			03/01/09	100,000	4.000%				
			03/01/10	100,000	4.000%				
			03/01/11	100,000	4.000%				
			03/01/12	100,000	4.000%				
			03/01/13	100,000	4.000%				
			03/01/14	100,000	4.000%				
			03/01/15	100,000	4.000%				
			03/01/16	375,000	4.000%				
			03/01/17	390,000	4.150%				
			03/01/18	400,000	4.150%				
			03/01/19	410,000	4.150%				
			03/01/20	435,000	4.150%				
			03/01/21	445,000	4.150%				
			03/01/22	450,000	4.150%				
			03/01/23	1,670,000	4.150%				
			03/01/24	1,740,000	4.150%				
			03/01/25	1,815,000	4.200%				
Refunding Bonds	8/1/2005	11,025,000	08/01/09	5,000	3.000%	\$11,025,000			11,025,000
			08/01/10	715,000	3.250%				
			08/01/11	735,000	3.375%				
			08/01/12	775,000	3.500%				
			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%				
Total						<u>\$24,976,000</u>		<u>\$820,000</u>	<u>\$24,156,000</u>

**HADDONFIELD SCHOOL DISTRICT**  
**General Long-Term Debt Account Group**  
Statement of Obligations Under Capital Leases  
June 30, 2007

Series	Interest Rate Payable	Amount of Original Issue	Amount Outstanding 6/30/2006	Issued Current Year	Retired Current Year	Amount Outstanding 6/30/2007
One School Bus	5.127%	\$73,430	\$15,725		\$15,725	
One School Bus	5.127%	76,065	45,674		14,733	\$30,941
Pick Up Truck	5.100%	22,818	13,688		4,331	9,357
One Passenger School Bus	4.640%	77,863	60,839		14,191	46,648
2007 Ford Freestar	7.050%	20,946		<u>\$20,946</u>	<u>4,779</u>	<u>16,167</u>
			<u>\$135,926</u>	<u>\$20,946</u>	<u>\$53,759</u>	<u>\$103,113</u>

**HADDONFIELD SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**Fiscal Year Ended June 30, 2007**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$1,700,213		\$1,700,213	\$1,700,213	
Miscellaneous					
Total revenues - local sources	<u>1,700,213</u>		<u>1,700,213</u>	<u>1,700,213</u>	
State sources:					
Debt service aid type II	95,745		95,745	95,745	
Total revenues - state sources	<u>95,745</u>		<u>95,745</u>	<u>95,745</u>	
Total Revenues	<u>1,795,958</u>		<u>1,795,958</u>	<u>1,795,958</u>	
<b>EXPENDITURES:</b>					
Regular debt service:					
Interest	1,158,530		1,158,530	1,142,266	\$16,264
Redemption of principal	820,000		820,000	820,000	
Total Expenditures	<u>1,978,530</u>		<u>1,978,530</u>	<u>1,962,266</u>	<u>16,264</u>
Excess (Deficiency) of revenues over (under) expenditures	(182,572)		(182,572)	(166,308)	16,264
Other Financing Sources (Uses):					
Operating transfer in				118,315	118,315
Total Other Financing Sources (Uses)				<u>118,315</u>	<u>118,315</u>
Net change in fund balance	(182,572)		(182,572)	(47,993)	134,579
Fund Balances, July 1	<u>328,197</u>		<u>328,197</u>	<u>328,197</u>	
Fund Balances, June 30	<u>\$145,625</u>	---	<u>\$145,625</u>	<u>\$280,204</u>	<u>\$134,579</u>

**Statistical Section**

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

**Exhibit J-1**

	Fiscal Year Ending June 30,				
	2003	2004	2005	2006	2007
Governmental activities:					
Invested in capital assets, net of related debt	\$ 4,473,491	\$ 4,562,406	\$ (1,432,483)	\$ 7,671,425	\$ 8,220,049
Restricted for:			-	-	-
Capital projects	593,912	332,642	10,811,112	888,135	278,152
Debt service	51,918	(238,097)	(343,687)	(35,658)	(68,453)
Other purposes	(4,967)	176,835	419,729	114,305	78,779
Unrestricted	(231,320)	(327,404)	(570,894)	(482,747)	(852,987)
Total governmental activities net assets	<u>\$ 4,883,034</u>	<u>\$ 4,506,382</u>	<u>\$ 8,883,777</u>	<u>\$ 8,155,460</u>	<u>\$ 7,655,540</u>
Business-type activities:					
Invested in capital assets, net of related debt	\$ 3,746	\$ 3,148	\$ 93,895	\$ 74,617	\$ 55,347
Unrestricted	\$ 37,803	63,127	65,520	52,227	61,259
Total business-type activities net assets	<u>\$ 41,549</u>	<u>\$ 66,275</u>	<u>\$ 159,415</u>	<u>\$ 126,844</u>	<u>\$ 116,606</u>
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
Restricted:					
Capital projects	593,912	332,642	10,811,112	888,135	278,152
Debt service	51,918	(238,097)	(343,687)	(35,658)	(68,453)
Other purposes	(4,967)	176,835	419,729	114,305	78,779
Unrestricted	(193,517)	(264,277)	(505,374)	(430,520)	(791,728)
Total district net assets	<u>\$ 4,924,583</u>	<u>\$ 4,572,657</u>	<u>\$ 9,043,192</u>	<u>\$ 8,282,304</u>	<u>\$ 7,772,146</u>

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

**Exhibit J-2**

	Fiscal Year Ending June 30,				
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Expenses:</b>					
Governmental activities:					
Instruction:					
Regular	\$ 12,612,384	\$ 12,694,555	\$ 13,111,852	\$ 11,400,394	\$ 11,908,959
Special education	1,561,540	2,047,579	2,509,576	2,508,648	2,861,165
Other instruction	1,273,930	1,299,627	1,474,094	1,085,274	1,083,371
Support Services:					
Tuition	823,442	572,620	699,891	718,413	857,463
Student & instruction related services	3,147,138	3,677,467	3,565,386	2,865,344	2,830,341
School administrative services	1,303,379	1,403,735	1,783,812	1,529,049	1,584,250
General and business administrative services	1,219,888	1,309,608	1,674,335	1,248,872	1,233,266
Plant operations and maintenance	2,735,101	3,783,326	3,699,460	3,352,113	3,849,168
Pupil transportation	294,650	463,011	579,606	533,426	629,566
Unallocated employee benefits				6,106,206	7,127,822
Special schools	65,637	27,007	28,277	174,760	184,246
Charter schools				-	-
Interest on long-term debt	1,022,993	921,429	921,503	1,021,679	1,037,068
Unallocated depreciation	50,471	52,790	71,955	87,617	81,248
Total governmental activities expenses	<u>26,110,553</u>	<u>28,252,754</u>	<u>30,119,747</u>	<u>32,631,795</u>	<u>35,267,933</u>
Business-type activities:					
Community Education	66,265	71,320	74,118	85,256	88,670
Food service	423,940	448,737	472,719	478,657	461,805
Total business-type activities expense	<u>490,205</u>	<u>520,057</u>	<u>546,837</u>	<u>563,913</u>	<u>550,475</u>
Total district expenses	<u>\$ 26,600,758</u>	<u>\$ 28,772,811</u>	<u>\$ 30,666,584</u>	<u>\$ 33,195,708</u>	<u>\$ 35,818,408</u>
<b>Program Revenues:</b>					
Governmental activities:					
Operating grants and contributions	\$ 3,609,077	\$ 2,342,199	\$ 2,602,975	2,931,133	3,912,700
Total governmental activities program revenues	<u>3,609,077</u>	<u>2,342,199</u>	<u>2,602,975</u>	<u>2,931,133</u>	<u>3,912,700</u>

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

**Exhibit J-2**

	Fiscal Year Ending June 30,				
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Business-type activities:					
Charges for services:					
Community Education	79,071	75,864	76,939	93,493	95,777
Food service	368,081	410,567	396,930	381,134	368,734
Operating grants and contributions	46,619	48,235	52,312	51,523	51,958
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>
Total district program revenues	<u>\$ 4,102,848</u>	<u>\$ 2,876,865</u>	<u>\$ 3,129,156</u>	<u>\$ 3,457,283</u>	<u>\$ 4,429,169</u>
<b>Net (Expense)/Revenue:</b>					
Governmental activities	\$ (22,501,476)	\$ (25,910,555)	\$ (27,516,772)	\$ (29,700,662)	\$ (31,355,233)
Business-type activities	3,566	14,609	(20,656)	(37,763)	(34,006)
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>
<b>General Revenues and Other Changes in Net Assets:</b>					
Governmental activities:					
Property taxes levied for general purposes, net	\$ 20,669,643	\$ 21,971,339	\$ 23,576,737	\$ 25,332,545	\$ 26,645,049
Taxes levied for debt service	1,515,341	1,497,878	1,375,263	1,316,597	1,700,213
Unrestricted grants and contributions	61,555	1,939,557	1,709,019	1,632,349	1,647,924
State aid restricted for capital projects			4,707,694	-	-
Investment earnings	44,272	31,487	70,254	363,924	324,482
Miscellaneous income	688,752	435,988	455,200	326,930	537,645
Transfers				-	-
Total governmental activities	<u>22,979,563</u>	<u>25,876,249</u>	<u>31,894,167</u>	<u>28,972,345</u>	<u>30,855,313</u>
Business-type activities:					
Investment earnings	542	512	2,414	3,120	5,961
Miscellaneous income		9,605	1,013	2,072	17,807
Total business-type activities	<u>542</u>	<u>10,117</u>	<u>3,427</u>	<u>5,192</u>	<u>23,768</u>
Total district-wide	<u>\$ 22,980,105</u>	<u>\$ 25,886,366</u>	<u>\$ 31,897,594</u>	<u>\$ 28,977,537</u>	<u>\$ 30,879,081</u>

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

**Exhibit J-2**

	Fiscal Year Ending June 30,				
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Change in Net Assets:</b>					
Governmental activities	\$ 478,087	\$ (34,306)	\$ 4,377,395	\$ (728,317)	\$ (499,920)
Business-type activities	4,108	24,726	(17,229)	(32,571)	(10,238)
Total district-wide	<u>\$ 482,195</u>	<u>\$ (9,580)</u>	<u>\$ 4,360,166</u>	<u>\$ (760,888)</u>	<u>\$ (510,158)</u>

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

**Exhibit J-3**

	Fiscal Year Ending June 30,				
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General Fund:					
Reserved for:					
Capital reserve	\$ 108	\$ 110	\$ 111	\$ 112	116
Excess surplus		932,207	216,399	114,305	2,544
Unreserved	913,522	104,638	767,884	497,065	488,420
Total general fund	<u>\$ 913,630</u>	<u>\$ 1,036,955</u>	<u>\$ 984,394</u>	<u>\$ 611,482</u>	<u>\$ 491,080</u>
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
Debt service fund	51,918	90,255	92,958	328,197	280,204
Total all other governmental funds	<u>\$ 640,755</u>	<u>\$ 422,787</u>	<u>\$ 10,903,959</u>	<u>\$ 1,216,220</u>	<u>\$ 558,240</u>

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

**Exhibit J-4**

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Revenues</b>										
Tax levy	\$ 16,237,486	\$ 16,880,773	\$ 18,128,332	\$ 19,125,907	\$ 20,357,995	\$ 22,184,984	\$ 23,469,217	\$ 24,952,000	\$ 26,649,142	\$ 28,345,262
Tuition charges	320,807	268,246	303,530	294,415	325,951	304,162	221,213	235,707	237,104	362,478
Miscellaneous	273,365	230,807	254,909	589,699	545,433	428,862	170,197	289,747	453,750	499,649
State sources	2,167,253	2,619,758	2,577,746	2,802,291	7,905,672	3,246,245	3,823,451	8,412,177	4,037,442	5,021,206
Federal sources	306,167	225,470	252,377	259,734	351,811	477,562	451,806	512,540	526,040	539,418
<b>Total revenue</b>	<b>19,305,078</b>	<b>20,225,054</b>	<b>21,516,894</b>	<b>23,072,046</b>	<b>29,486,862</b>	<b>26,641,815</b>	<b>28,135,884</b>	<b>34,402,171</b>	<b>31,903,478</b>	<b>34,768,013</b>
<b>Expenditures</b>										
Instruction										
Regular Instruction	7,791,646	8,001,715	8,648,819	9,252,318	9,574,899	9,756,561	9,866,941	9,957,266	10,683,035	11,019,941
Special education instruction	876,468	854,238	934,268	924,398	996,215	1,340,386	1,670,731	2,035,258	2,508,648	2,861,165
Other instruction	753,516	715,442	890,159	944,140	1,082,222	1,050,161	1,060,436	1,197,261	1,085,274	1,083,371
Support Services:										
Tuition	613,675	719,464	787,071	657,950	666,612	823,442	572,620	699,891	718,413	857,463
Student & instruction related services	1,731,001	1,880,772	2,014,261	2,311,469	2,521,904	2,670,011	3,000,645	2,891,927	2,865,344	2,830,341
School administrative services	961,993	955,349	925,120	957,320	1,053,646	1,048,763	1,145,384	1,349,029	1,425,689	1,492,869
General and business admin. services	802,259	804,294	876,189	833,488	978,398	982,866	998,404	1,358,892	1,248,872	1,233,266
Plant operations and maintenance	2,013,315	1,840,310	2,001,139	2,174,097	2,105,766	2,278,589	2,745,140	3,037,651	3,197,073	3,331,773
Pupil transportation	232,007	231,293	304,560	349,525	364,193	315,938	406,249	470,059	533,426	629,566
Other support services	2,765,844	3,274,020	3,103,711	3,230,076	3,079,408	4,168,111	4,673,525	5,147,975	6,106,206	7,127,822
Special Schools	16,097	28,214	26,544	31,107	32,957	65,637	27,007	28,277	174,760	184,246
Capital outlay	433,119	338,468	157,049	2,614,115	15,499,208	1,862,752	524,087	3,261,682	10,029,734	953,252
Debt service:										
Principal	600,000	600,000	620,000	650,000	845,000	804,000	680,000	728,000	290,000	820,000
Interest and other charges	309,043	274,194	274,519	340,819	984,500	1,022,993	935,423	813,210	1,107,875	1,142,266
									137,123	-
<b>Total expenditures</b>	<b>19,899,983</b>	<b>20,517,773</b>	<b>21,563,409</b>	<b>25,270,822</b>	<b>39,784,928</b>	<b>28,190,210</b>	<b>28,306,592</b>	<b>32,976,378</b>	<b>42,111,472</b>	<b>35,567,341</b>
Excess (Deficiency) of revenues over (under) expenditures	(594,905)	(292,719)	(46,515)	(2,198,776)	(10,298,066)	(1,548,395)	(170,708)	1,425,793	(10,207,994)	(799,328)
<b>Other Financing sources (uses)</b>										
Proceeds from borrowing	-	-	-	13,089,000	-	-	76,065	9,002,818	214,976	20,946
Accrued interest on sale of bonds	-	-	-	-	-	-	-	-	-	-
Cancellation of accounts receivable	-	-	-	-	-	-	-	-	(246)	-
Transfers in	-	-	-	-	-	-	-	-	-	118,315
Transfers out	-	-	(1,959)	-	-	-	-	-	-	(118,315)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(1,959)</b>	<b>13,089,000</b>	<b>-</b>	<b>-</b>	<b>76,065</b>	<b>9,002,818</b>	<b>214,730</b>	<b>20,946</b>
<b>Net change in fund balances</b>	<b>\$ (594,905)</b>	<b>\$ (292,719)</b>	<b>\$ (48,474)</b>	<b>\$ 10,890,224</b>	<b>\$ (10,298,066)</b>	<b>\$ (1,548,395)</b>	<b>\$ (94,643)</b>	<b>\$ 10,428,611</b>	<b>\$ (9,993,264)</b>	<b>\$ (778,382)</b>
Debt service as a percentage of noncapital expenditures	4.67%	4.33%	4.18%	4.37%	7.53%	6.94%	5.81%	5.19%	4.36%	5.67%

**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 Ending June 30,</u>	<u>Interest on Investments</u>	<u>Tuition</u>	<u>Preschool Program Fees</u>	<u>Prior Year Refunds</u>	<u>Rentals</u>	<u>Summer Program Fees</u>	<u>Miscellaneous</u>	<u>Total</u>
1998	\$ 149,984	\$ 320,807		\$ 39,284	\$ 26,207		\$ 388	\$ 536,670
1999	128,412	268,246		28,632	39,949	\$ 12,385	3,576	481,200
2000	108,126	303,530		994	66,653	2,625	14,637	496,565
2001	136,132	294,415		6,306	60,388		1,436	498,677
2002	51,612	325,951		47,492	46,396		5,145	476,596
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
	<u>\$ 1,083,972</u>	<u>\$ 2,884,457</u>	<u>\$ 45,455</u>	<u>\$ 416,817</u>	<u>\$ 389,552</u>	<u>\$ 15,010</u>	<u>\$ 263,107</u>	<u>\$ 5,098,370</u>

**Source: District records**

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

Exhibit J-6

Fiscal Year Ended June 30.	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate b	Estimated Actual (County Equalized) Value
1998	\$ 3,371,800	\$ 855,485,360	\$ -	\$ -	\$ 107,646,240	\$ -	\$ 6,410,000	\$ 972,913,400	\$ 11,656,751	\$ 984,570,151	\$ 147,546,500	\$ 1.720	\$ 958,876,742
1999	3,284,100	859,636,000			107,149,300		6,209,700	976,279,100	10,002,956	986,282,056	147,506,100	1.840	987,064,790
2000	3,494,300	876,978,400			106,122,800		6,214,200	992,809,700	5,208,992	998,018,692	146,772,200	1.930	1,038,071,541
2001	3,328,900	874,114,300			107,615,000		6,214,200	991,272,400	5,622,289	996,894,689	146,754,400	2.040	1,108,904,113
2002	3,125,700	882,411,500			107,281,800		6,214,200	999,033,200	5,933,571	1,004,966,771	146,979,900	2.210	1,177,733,625
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	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.

**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	Open Space	Camden County	
1998	\$ 1.630	\$ 0.090	\$ 1.720	\$ 0.430		\$ 0.800	\$ 2.950
1999	1.760	0.080	1.840	0.450		0.880	3.170
2000	1.850	0.080	1.930	0.470		0.920	3.320
2001	1.940	0.100	2.040	0.480		0.970	3.490
2002	2.110	0.100	2.210	0.490		1.060	3.760
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

**Source: Municipal Tax Collector**

**Note:** NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

**a** The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

**b** Rates for debt service are based on each year's requirements.

**Haddonfield School District  
Principal Property Tax Payers,  
Current Year and Nine Years Ago**

**Exhibit J-8**

Taxpayer	2006-2007		Taxpayer	1997-1998	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Verizon	\$ 6,040,543	0.59%	One Centennial Square	\$ 4,875,000	0.49%
One Centennial Square	4,950,000	0.48%	New Jersey Bell Telephone	3,417,000	0.35%
95 Grove Street Partnership	3,832,700	0.37%	110 Kings Highway East Assoc.	2,750,000	0.28%
Gerald & Erica Levin	2,876,900	0.28%	Gerald Levin	2,735,200	0.28%
Park Lane	2,446,000	0.24%	Park Lane Properties	2,646,300	0.27%
Laurie Industries	2,243,500	0.22%	E. Guy Elzey, Jr. & Zemi Reality	2,512,800	0.25%
Tommar, LLC	1,950,000	0.19%	Alfred & Nancy Wetterhahn	2,241,600	0.23%
807 Haddon Properties	1,752,100	0.17%	95 Grove Street Partnership	2,225,000	0.22%
Thirty-Five Kings Highway East	1,525,000	0.15%	Robert & Louis Egizi	2,031,400	0.21%
Chestnut House LLC	1,500,000	0.15%	United Medical Corporation	1,950,600	0.20%
<b>Total</b>	<b>\$ 29,116,743</b>	<b>2.83%</b>		<b>\$ 27,384,900</b>	<b>2.77%</b>

**Source:** Municipal Tax Assessor

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

**Exhibit J-9**

Fiscal Year Ended June 30,	Taxes Levied for the Calendar Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
1998	\$ 16,237,486	\$ 16,237,486	100.00%	-
1999	16,880,773	16,880,773	100.00%	-
2000	18,128,332	18,128,332	100.00%	-
2001	19,125,907	19,125,907	100.00%	-
2002	20,357,995	20,357,995	100.00%	-
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%	-

**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 <sup>a</sup>	Per Capita <sup>b</sup>
	General Obligation Bonds	Unfunded Pension Liability	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
1998	\$ 3,917,000	\$ -	\$ 105,053	\$ -	\$ -	\$ 4,022,053	1.34%	\$ 368
1999	3,317,000	-	82,207	-	-	3,399,207	1.03%	292
2000	6,478,000	-	57,590	-	-	6,535,590	1.90%	561
2001	18,917,000	-	91,981	-	-	19,008,981	5.25%	1,636
2002	18,072,000	-	117,539	-	-	18,189,539	4.89%	1,563
2003	17,268,000	-	79,783	-	-	17,347,783	4.97%	1,497
2004	16,588,000	-	120,976	-	-	16,708,976	4.18%	1,446
2005	28,840,000	-	108,408	-	-	28,948,408	6.91%	2,507
2006	24,976,000	-	135,906	-	-	25,111,906	c	2,181
2007	24,156,000	-	103,113	-	-	24,259,113	c	c

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

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

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

**Exhibit J-11**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
1998	\$ 3,917,000	\$ -	\$ 3,917,000	0.40%	\$ 358
1999	3,317,000	-	3,317,000	0.34%	285
2000	6,478,000	-	6,478,000	0.65%	556
2001	18,917,000	-	18,917,000	1.90%	1,628
2002	18,072,000	-	18,072,000	1.80%	1,553
2003	17,268,000	-	17,268,000	1.71%	1,490
2004	16,588,000	-	16,588,000	1.64%	1,435
2005	28,840,000	-	28,840,000	2.83%	2,497
2006	24,976,000	-	24,976,000	2.42%	2,169
2007	24,156,000	-	24,156,000	2.33%	<b>c</b>

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

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

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

**c** Not available.

**Haddonfield School District  
Ratios of Overlapping Governmental Activities Debt  
As of December 31, 2006**

**Exhibit J-12**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Borough of Haddonfield	\$ 9,238,707	100.000%	\$ 9,238,707
Camden County General Obligation Debt	33,082,951	5.249%	1,736,524
			<hr/>
Subtotal, overlapping debt			10,975,231
<b>Haddonfield School District Direct Debt</b>			<hr/> <b>24,726,000</b>
<b>Total direct and overlapping debt</b>			<hr/> <b>\$ 35,701,231</b> <hr/>

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

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

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

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

**Exhibit J-13**

**Legal Debt Margin Calculation for Fiscal Year 2007**

	Equalized valuation basis
	2006 \$ 1,980,081,550
	2005 1,745,072,399
	2004 1,550,635,495
	<b>[A]</b> <u>\$ 5,275,789,444</u>
Average equalized valuation of taxable property	<b>[A/3]</b> \$ 1,758,596,481
Debt limit (4% of average equalized valuation)	<b>[B]</b> 70,343,859 <sup>a</sup>
Net bonded school debt	<b>[C]</b> <u>23,896,000</u>
Legal debt margin	<b>[B-C]</b> <u>\$ 46,447,859</u>

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Total net debt applicable to limit	\$ 37,278,220	\$ 37,852,634	\$ 39,155,389	\$ 41,109,044	\$ 43,631,008	\$ 47,070,561	\$ 51,130,550	\$ 56,349,059	\$ 62,556,697	\$ 70,343,859
	<u>3,917,000</u>	<u>3,317,000</u>	<u>6,478,000</u>	<u>18,917,000</u>	<u>18,072,000</u>	<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>
Legal debt margin	<u>\$ 33,361,220</u>	<u>\$ 34,535,634</u>	<u>\$ 32,677,389</u>	<u>\$ 22,192,044</u>	<u>\$ 25,559,008</u>	<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>
Total net debt applicable to the limit as a percentage of debt limit	10.51%	8.76%	16.54%	46.02%	41.42%	36.69%	32.44%	44.08%	39.93%	33.97%

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

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

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

**Exhibit J-14**

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income <sup>b</sup></u>	<u>Per Capita Personal Income <sup>c</sup></u>	<u>Unemployment Rate <sup>d</sup></u>
1998	10,930	\$ 299,077,590	\$ 27,363	1.3%
1999	11,659	330,101,267	28,313	1.8%
2000	11,645	343,259,665	29,477	1.5%
2001	11,617	362,334,230	31,190	1.3%
2002	11,634	371,857,542	31,963	1.8%
2003	11,590	384,730,050	33,195	1.9%
2004	11,559	400,103,226	34,614	1.6%
2005	11,548	419,157,756	36,297	2.8%
2006	11,515	e	e	2.9%
2007	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 Three Fiscal Years**

**Exhibit J-16**

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Instruction			
Regular	215	194	169
Special education	30	26	28
Other special education			
Vocational			
Other instruction			
Nonpublic school programs			
Adult/continuing education programs			
Support Services:			
Student & instruction related services	9	9	9
School administrative services	15	15	15
General and business administrative services	6	6	6
Plant operations and maintenance	9	9	9
Pupil transportation	7	7	7
Business and other support services	3	3	3
Special Schools			
Food Service			
Child Care			
Total	<u>294</u>	<u>269</u>	<u>246</u>

**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 Three Fiscal Years

Exhibit J-17

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2005	2,335	28,173,486	12,065.73	-	245	1:23	1:17	1:17	2,348	2,237	1.73%	95.27%
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	2,406	32,651,823	13,571.00	5.69%	197	1:23	1:17	1:17	2,350	2,250	-1.84%	95.74%

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 Three Fiscal Years**

**Exhibit J-18**

<u>District Building</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Elizabeth Haddon Elementary School (1965)			
Square Feet	47,000	47,000	47,000
Capacity (students)	450	450	450
Enrollment	393	401	398
JF Tatem Elementary School (1923)			
Square Feet	46,000	46,000	46,000
Capacity (students)	490	490	490
Enrollment	356	406	409
Central Elementary School (1947)			
Square Feet	40,000	40,000	40,000
Capacity (students)	350	350	350
Enrollment	283	272	268
Haddonfield Middle School (1965)			
Square Feet	90,000	90,000	90,000
Capacity (students)	700	700	700
Enrollment	534	562	556
Memorial High School (1926)			
Square Feet	190,000	190,000	190,000
Capacity (students)	975	975	975
Enrollment	790	777	775

Number of Schools at June 30, 2007  
    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 and additions. Enrollment is based on the annual October district count.

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  
 Schedule of Required Maintenance  
 Last Seven Fiscal Years

Exhibit J-19

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

	Project # (s)	2001	2002	2003	2004	2005	2006	2007	Total
* School Facilities									
High School	SP#201155	\$ 126,306	\$ 124,271	\$ 154,072	\$ 261,518	\$ 272,915	\$ 272,475	\$ 294,413	\$ 1,505,970
Middle School	SP#201156	97,786	96,210	119,281	202,466	211,250	210,951	245,345	1,183,289
J. Fithian Tatem Elementary School	SP#201154	61,116	60,132	74,551	126,541	132,015	131,842	147,206	733,403
Elizabeth Haddon Elementary School	SP#201157	61,116	60,132	74,551	126,541	132,015	131,842	147,206	733,403
Central Elementary School	SP#201158	61,116	60,132	74,551	126,541	132,015	131,842	147,206	733,403
Total School Facilities		<u>\$ 407,440</u>	<u>\$ 400,877</u>	<u>\$ 497,006</u>	<u>\$ 843,607</u>	<u>\$ 880,210</u>	<u>\$ 878,952</u>	<u>\$ 981,376</u>	<u>\$ 4,889,468</u>

\* School facilities as defined under EFCFA.  
 (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District records

**Haddonfield School District  
Insurance Schedule  
June 30, 2007**

**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	\$ 100,000	\$ 500
General and Automobile Liability	10,000,000	150,000	
Workers' Compensation	Statutory	250,000	
Crime Coverage	250,000	100,000	500
School Board Legal Liability	10,000,000	10,000	
Pollution Legal Liability	3,000,000		25,000
Boiler and Machinery	50,000,000		1,000
Student Accident (2)	1,000,000		
Catastrophic Student Accident (2)	1,000,000		
Surety Bonds (3)			
Treasurer	300,000		
Board Secretary	100,000		
Blanket Bond	50,000		1,000

(1) Burlington County Insurance Pool (JIF)

(2) American International Company

(3) Selective Insurance Company

Source: District records

**Single Audit Section**

# ***INVERSO & STEWART, LLC***

**Certified Public Accountants  
Registered Municipal Accountants**

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## **REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO 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 the compliance of the Board of Education of the Haddonfield School District, in the County of Camden, State of New Jersey, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement*, and the *New Jersey State Grant Compliance Supplement* that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2007. The Haddonfield 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 Haddonfield School District's management. Our responsibility is to express an opinion on the Haddonfield 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; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133 *Audits of State, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, 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 Haddonfield 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 Haddonfield School District's compliance with those requirements.

In our opinion, the Board of Education of the Haddonfield School District, in the County of Camden, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2007. However, the results of our auditing procedures disclosed one instance of noncompliance with those requirements, that is required to be reported in accordance with OMB Circular A-133 and New Jersey OMB's Circular 04-04, and which is described in the accompanying schedule of findings and questioned costs as item # 2007-1.

## Internal Control Over Compliance

The management of the Board of Education 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 Haddonfield School District's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Haddonfield School District's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal or state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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 Haddonfield School District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, management, the Haddonfield School District, the New Jersey State Department of Education, and other 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  
August 17, 2007

**HADDONFIELD SCHOOL DISTRICT**  
**Schedule of Expenditures of Federal Awards**  
**for the Fiscal Year ended June 30, 2007**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period	June 30, 2006			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years' Balances	June 30, 2007		
					Accounts Receivable	Deferred Revenue	Due to Grantor at						Accounts Receivable	Deferred Revenue	Due to Grantor at
<b>U.S. Department of Education</b>															
<u>Special Revenue Fund:</u>															
<u>No Child Left Behind(N.C.L.B.)</u>															
Title II - Part A	84.367	NCLB-1900-06	\$50,476	9/1/05 - 8/31/06		\$4,144								\$4,144	
Title II - Part A - Carryover	84.367	NCLB-1900-06	403	9/1/05 - 8/31/06			\$797				\$1,346			2,143	
Title II - Part A	84.367	NCLB-1900-07	26,597	9/1/06 - 8/31/07				\$26,597	(\$26,413)				\$184		
Title IV	84.186A	NCLB-1900-06	5,832	9/1/05 - 8/31/06		586								586	
Title IV - Carryover	84.186A	NCLB-1900-06	232	9/1/05 - 8/31/06			232							232	
Title IV	84.186A	NCLB-1900-07	8,127	9/1/06 - 8/31/07				8,127	(8,119)				8		
Title V	84.298	NCLB-1900-06	5,739	9/1/05 - 8/31/06		732								732	
Title V - Carryover	84.298	NCLB-1900-06	354	9/1/05 - 8/31/06			354							354	
Title V	84.298	NCLB-1900-07	22,919	9/1/06 - 8/31/07				22,919	(22,756)				163		
<u>Individuals With Disabilities Act (I.D.E.I.A.)</u>															
Part B - Basic - Current Year	84.027	FT-1900-06	452,716	9/1/05 - 8/31/06		2,261								2,261	
Part B - Basic - Current Year	84.027	FT-1900-07	465,538	9/1/06 - 8/31/07				465,538	(465,360)				178		
Part B - Preschool	84.173	PS-1900-06	19,216	9/1/05 - 8/31/06		216								216	
Part B - Preschool - Current Year	84.173	PS-1900-07	25,840	9/1/06 - 8/31/07				25,840	(16,770)				9,070		
Total Special Revenue Fund						7,939	1,383	---	549,021	(539,418)	1,346		9,603	10,668	
<b>U.S. Department of Agriculture</b>															
<u>Enterprise Fund:</u>															
Food Distribution Program	10.550	N/A	12,992	9/1/06 - 6/30/07				12,992	(12,992)						
National School Lunch Program	10.555	N/A	30,799	9/1/05 - 6/30/06	(\$1,957)			1,957							
National School Lunch Program	10.555	N/A	34,270	9/1/06 - 6/30/07				27,746	(34,270)				(\$6,524)		
Total Enterprise Fund					(1,957)		---	42,695	(47,262)	---	---		(6,524)	---	
Total Federal Awards					(\$1,957)	\$7,939	\$1,383	---	\$591,716	(\$586,680)	\$1,346	---	(\$6,524)	\$9,603	

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, 2007

State Grantor / Program Title	Grant or State Project Number	Program Award Amount	Grant Period	June 30, 2006			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years' Balances	June 30, 2007		
				Accounts Receivable	Deferred Revenue	Due to Grantor at						(Accounts Receivable)	Deferred Revenue	Due to Grantor at
<b>State Department of Education</b>														
<u>General Fund:</u>														
Special Education Aid	06-495-034-5120-011	\$1,354,448	7/1/05 - 6/30/06	(\$50,035)				\$50,035						
Special Education Aid	07-495-034-5120-011	1,354,448	7/1/06 - 6/30/07					1,300,998	(\$1,354,448)			(\$53,450)		
Consolidated Aid	06-495-034-5120-057	163,551	7/1/05 - 6/30/06	(6,041)				6,041						
Consolidated Aid	07-495-034-5120-057	163,551	7/1/06 - 6/30/07					157,097	(163,551)			(6,454)		
Additional Formula Aid	06-495-034-5120-058	45,540	7/1/05 - 6/30/06	(1,681)				1,681						
Additional Formula Aid	07-495-034-5120-058	45,540	7/1/06 - 6/30/07					43,745	(45,540)			(1,795)		
Extraordinary Aid	06-100-034-5120-044	59,180	7/1/04 - 6/30/05	(59,180)				59,180						
Extraordinary Aid	07-100-034-5120-044	85,518	7/1/06 - 6/30/07						(85,518)			(85,518)		
Teacher Quality Mentoring Aid	07-495-034-5120-052	2,809	7/1/06 - 6/30/07					2,809				(2,809)		
On Behalf TPAF Pension Contributions	07-495-034-5095-006	1,024,232	7/1/06 - 6/30/07					1,024,232	(1,024,232)					
On Behalf TPAF Post Retirement Medical	07-495-034-5095-001	926,258	7/1/06 - 6/30/07					926,258	(926,258)					
Reimbursed TPAF Social Security Contributions	06-495-034-5095-002	1,040,316	7/1/05 - 6/30/06	(53,802)				53,802						
Reimbursed TPAF Social Security Contributions	07-495-034-5095-002	1,070,394	7/1/06 - 6/30/07					920,326	(1,070,394)			(150,068)		
Total General Fund				(170,739)			---	4,546,204	(4,672,750)		---	(297,285)	---	---
<u>Special Revenue Fund</u>														
Character Education	06-100-034-5120-418	6,206	7/1/05 - 6/30/06		\$1,919									\$1,919
Autism Grant	07-100-034-6065-090-H070	17,397	7/1/06 - 6/30/07					2,204	(5,941)			(3,737)		
<u>N.J. Nonpublic Aid:</u>														
Textbook Aid	06-100-034-5120-064	29,116	7/1/05 - 6/30/06			\$367						\$367		
Textbook Aid	07-100-034-5120-064	26,454	7/1/06 - 6/30/07					26,454	(25,903)					551
Nursing Aid	06-100-034-5120-070	34,452	7/1/05 - 6/30/06			344						344		
Nursing Aid	07-100-034-5120-070	35,195	7/1/06 - 6/30/07					35,195	(34,843)					352
Technology Initiative	06-100-034-5120-373	18,560	7/1/05 - 6/30/06			804						804		
Technology Initiative	07-100-034-5120-373	18,960	7/1/06 - 6/30/07					18,960	(17,883)					1,077
<u>Auxiliary Services:</u>														
Compensatory Education	06-100-034-5120-067	55,656	7/1/05 - 6/30/06			26,425						26,425		
Compensatory Education	07-100-034-5120-067	39,261	7/1/06 - 6/30/07					39,261	(37,185)					2,076
E.S.L.	06-100-034-5120-067	2,548	7/1/05 - 6/30/06			2,548						2,548		
Home Instruction	07-100-034-5120-067	1,092	7/1/06 - 6/30/07						(1,092)			(1,092)		
Transportation	06-100-034-5120-068	8,000	7/1/05 - 6/30/06			3,548						3,548		
Transportation	07-100-034-5120-068	26,000	7/1/06 - 6/30/07					26,000	(23,828)					2,172
<u>Handicapped Services:</u>														
Examination & Classification	06-100-034-5120-066	41,900	7/1/05 - 6/30/06			2,167						2,167		
Examination & Classification	07-100-034-5120-066	39,535	7/1/06 - 6/30/07					39,535	(36,453)					3,082
Corrective Speech	06-100-034-5120-066	67,890	7/1/05 - 6/30/06			14,095						14,095		
Corrective Speech	07-100-034-5120-066	57,660	7/1/06 - 6/30/07					57,660	(46,016)					11,644
Supplemental Instruction	06-100-034-5120-066	23,541	7/1/05 - 6/30/06			1,218						1,218		
Supplemental Instruction	07-100-034-5120-066	29,240	7/1/06 - 6/30/07					29,240	(27,509)					1,731
Total Special Revenue Fund					1,919	51,516	---	274,509	(256,653)		51,516	(4,829)		24,604

(Continued)

**HADDONFIELD SCHOOL DISTRICT**  
**Schedule of Expenditures of State Financial Assistance**  
**for the Fiscal Year ended June 30, 2006**

State Grantor / Program Title	Grant or State Project Number	Program Award Amount	Grant Period	June 30, 2006			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years' Balances	June 30, 2007		
				Accounts Receivable	Deferred Revenue	Due to Grantor at						(Accounts Receivable)	Deferred Revenue	Due to Grantor at
<b>New Jersey Economic Development Authority</b>														
<u>Capital Projects Fund</u>														
Memorial High School	SP#201155	351,172	7/01/01 - 6/30/05	(\$93,572)								(\$93,572)		
J. Fithian Tatem Elementary School	SP#1900-090-04-OAMR	303,357	7/01/04 - 6/30/07	(59,155)								(59,155)		
J. Fithian Tatem Elementary School	SP#1900-090-04-OAMS	120,120	7/01/04 - 6/30/07	(53,453)								(53,453)		
Memorial High School	SP#1900-050-04-OAML	1,887,520	7/01/04 - 6/30/07	(1,123,074)								(1,123,074)		
Memorial High School	SP#1900-050-04-OAMM	325,966	7/01/04 - 6/30/07	(63,563)								(63,563)		
Central Elementary School	SP#1900-070-04-OAMO	665,740	7/01/04 - 6/30/07	(396,115)								(396,115)		
Central Elementary School	SP#1900-070-04-OAMN	1,100,576	7/01/04 - 6/30/07	(654,843)								(654,843)		
Elizabeth Haddon Elementary School	SP#1900-080-04-OAMP	241,471	7/01/04 - 6/30/07	(47,087)								(47,087)		
Elizabeth Haddon Elementary School	SP#1900-080-04-OAMQ	62,944	7/01/04 - 6/30/07	(31,472)								(31,472)		
<b>Total Capital Projects Fund</b>				<b>(2,522,334)</b>								<b>(2,522,334)</b>		
<u>Debt Service Fund</u>														
Debt Service Aid Type II	07-495-034-5120-125	95,745	7/1/06 - 6/30/07	---				\$95,745	(\$95,745)					
<b>State Department of Agriculture</b>														
<u>Enterprise Fund:</u>														
State School Lunch Program	06-100-010-3360-067	4,573	7/1/05 - 6/30/06	(287)				287						
State School Lunch Program	07-100-010-3360-067	4,696	7/1/06 - 6/30/07					3,810	(4,696)			(886)		
<b>Total Enterprise Fund</b>				<b>(287)</b>				<b>4,097</b>	<b>(4,696)</b>			<b>(886)</b>		
<b>Total State Financial Assistance</b>				<b>(\$2,693,360)</b>	<b>\$1,919</b>	<b>\$51,516</b>	<b>---</b>	<b>\$4,920,555</b>	<b>(\$5,029,844)</b>	<b>---</b>	<b>\$51,516</b>	<b>(\$2,825,334)</b>	<b>---</b>	<b>\$24,604</b>

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

**Haddonfield School District**  
**Notes to the Schedules of Expenditures**  
**of Federal Awards and State Financial Assistance**  
**For the Fiscal Year Ended June 30, 2007**

**1. GENERAL**

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

**2. BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of 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 (\$3,942) 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>
<b>General Fund</b>		\$4,668,808	\$4,668,808
<b>Special Revenue Fund</b>	\$539,418	256,653	796,071
<b>Debt Service Fund</b>		95,745	95,745
<b>Food Service Fund</b>	<u>47,262</u>	<u>4,696</u>	<u>51,958</u>
<b>Total Awards &amp; Financial Assistance</b>	<u>\$586,680</u>	<u>\$5,025,902</u>	<u>\$5,612,582</u>

**Haddonfield School District**  
**Notes to the Schedules of Expenditures**  
**of Federal Awards and State Financial Assistance**  
**For the Fiscal Year Ended June 30, 2007**  
**(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, 2007. 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, 2007.

**6. ADJUSTMENT**

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

	<u><b>Federal</b></u>
Accounts Payable Canceled	\$1,346
	<u><u>\$1,346</u></u>

**7. MAJOR PROGRAMS**

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





**HADDONFIELD SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**Section II -- 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 paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

No findings identified.

**HADDONFIELD SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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

This section identifies the audit findings required to be reported by section .510(a) of Circular A-133 and NJOMB Circular 04-04.

**FEDERAL AWARDS**

*Finding #2007-1*

**Information on the federal program:**

NCLB - Title IIA - CFDA No. 84.367; Title IV – CFDA No. 84.186A; Title V – CFDA No. 84.298; U. S. Department of Education; Passed-through State of New Jersey, Department of Education

**Criteria or specific requirement:**

As stated in the Federal Register Vol. 53, No. 48, Subpart D, paragraph 52(a), "Any funds paid to a grantee in excess of the amount to which the grantee is finally determined to be entitled under the terms of the award constitute a debt to the Federal Government.

**Condition:**

There are outstanding prior year grant balances that should have been returned to the Department of Education for the following:

NCLB - Title IIA, 2006	\$ 2,143
NCLB - Title IV, 2006	232
NCLB - Title V, 2006	354

**Questioned Costs:**

None.

**Context:**

Program refunds were not made in a timely manner.

**Effect:**

Final program close-out could not be accomplished and excess funds were not returned to the proper agency by the required due date.

**Cause:**

Oversight.

**Recommendation:**

That final program close-out reports and unexpended balances be returned to the State Department of Education in a timely manner.

**Management's response:**

Management agrees with the above finding and will perform procedures to insure that all close-out reports unexpended balances be returned in a timely manner.

**STATE AWARDS**

No findings and/or questioned costs identified.

**HADDONFIELD SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT**

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