

SCHOOL DISTRICT
OF
TOWN
OF
HAMMONTON

Town of Hammonton Board of Education
Hammonton, New Jersey

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

Comprehensive Annual Financial Report

of the

Town of Hammonton Board of Education

Hammonton, New Jersey

For the Fiscal Year Ended June 30, 2020

Prepared by

Town of Hammonton Board of Education

Business Administration

TOWN OF HAMMONTON SCHOOL DISTRICT

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Introductory Section

Hammonton Board of Education

566 Old Forks Road
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ROBIN CHIECO
Superintendent of Schools

BARBARA S. PRETTYMAN
Business Administrator/Board Secretary

November 11, 2020

Honorable President and
Members of the Board of Education
Town of Hammonton School District
Atlantic County, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Town of Hammonton School District (District) for the fiscal year ended June 30, 2020, is hereby submitted. 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 (Board). 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 basic financial statements and schedules, management's discussion and analysis, 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 1996 and the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. 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 Town of Hammonton School District is an independent reporting entity as set forth in Section 2100 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards*. All funds and account groups of the District are included in this report. The Town of Hammonton Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through twelve. These include regular as well as special education for handicapped children. The District completed the 2019-2020 fiscal year with an average daily enrollment of 3,478 students, which is 37 students below the previous year's average daily enrollment. The following details the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2019-2020	3,478	(1.05)
2018-2019	3,515	.57
2017-2018	3,495	(2.40)
2016-2017	3,581	(1.02)
2015-2016	3,627	1.01
2014-2015	3,585	(.97)
2013-2014	3,623	.77
2012-2013	3,595	1.55
2011-2012	3,540	.54
2010-2011	3,521	2.95

2) ECONOMIC CONDITION AND OUTLOOK: The cost per pupil a district allocates is not the sole indicator of the effectiveness of the educational programs. Hammonton is in desperate need of adequate funding. For the 2020-2021 school year, our funding was decreased by \$1.7 million. This decrease has further added to the amount of aid the district should have received over the past decade. In addition due to the emergency closing due to COVID-19, the district suffered a loss in revenue for the Food Service Department. We are at the minimum number of teachers, administrators, and support staff necessary to provide our students with a thorough and efficient education. Any reductions in personnel would decrease student learning and negatively impact their health and safety. The NJ Department of Education provides an analysis of 2019-2020 Budgeted Costs Amount Per Pupil. Hammonton spends \$12,677 and is one of the lowest spending districts in the state.

Hammonton Schools are designated as "high performing" under the NJQSAC review process that was conducted during the 2019-2020 school year. The district received a score of 82% in Instruction and Program, 94% in Fiscal Management, 88% in Governance, 98% in Operations and 94% in Personnel.

With a student population of approximately 3500 students in connection with our sending districts of Waterford and Folsom, the Hammonton School District provides educational opportunities to prepare 21st century learners with the skill set necessary to compete in an ever-changing world. Our professional staff continuously researches and implements best practices to provide a well-rounded education. The ability to achieve this goal is through the commitment of all stakeholders to promote the mission of inspiring all students.

3) MAJOR INITIATIVES: For the 2020-2021 school year, Hammonton will implement a 1:1 initiative for students to devices as part of our re-opening plan. This includes the purchase of Chromebooks and Google Tablets to support remote instruction as needed. All staff will utilize

Google Classroom to post assignments and to reduce the amount of paper copies required. In addition, teaching staff will incorporate various technology tools such as Screencastify, Pear Deck, IXL, Edpuzzle and Defined Learning to develop engaging remote instruction. At the high school level, pre-college opportunities were increased with additional dual-enrollment courses in fine and performing arts as well as AP Computer Science. Professional development in the areas of technology integration along with virtual instruction will be our focus for the school year. We are dedicated to providing an educational environment that develops, fosters and enhances student achievement with a mission to provide educational opportunities that inspire students to achieve their full academic, social and civic potential. Additionally, the district is committed to providing teachers with support to refine subject matter mastery and expertise to allow students to function as independent learners through the implementation of the New Jersey Student Learning Standards. Our focus is to foster the gradual release of responsibility to develop learners that are college and career ready.

Curriculum: The Hammonton School District is committed to the goal that all students can learn. Each grade level builds on the foundations set by the previous one. Throughout the school year and through the summer months, we devote resources to vertically and horizontally articulate our district curriculum to continuously improve our programs. Due to the health-related school closure, learning gaps were identified and instruction was modified to address the needs of the students. In addition, teachers have developed learning environments to support in-person and remote instruction to support the re-opening of school in a hybrid schedule. On-line learning platforms such as Google Classroom, Screencastify, Pear Deck, IXL, Edpuzzle and Defined Learning have been implemented to enhance instruction and to provide additional learning supports. For the 2020-2021 school year, a new middle mathematics series and high school algebra 1 series were implemented as well as a 6th grade science series with numerous on-line supports. In addition, AP and Honor Computer Science were added to course offerings at the high school. Students are also provided opportunities to give back to their community through various clubs and organizations that donate food, clothing, money and various resources to families in need, thus fulfilling our mission to providing opportunities for students to achieve to their full potential.

Professional Development: As well as providing opportunities to our students, the Hammonton School District is committed to providing teachers with resources to refine subject matter mastery and expertise needed to allow students to function as independent learners and problem-solvers. Through the professional learning community structure, we utilize our in-house “experts” to train our staff. Our professional development committees survey our teachers and identify areas of interests and concerns. Based on these findings, in-service trainings are implemented to meet the needs of our professional staff. During the 2020-2021 school year, we will focus on teacher/staff training for Google Classroom, Screencastify, Defined Learning, IXL, Pear Deck, Edpuzzle as well as training for new textbook series. In addition, building level trauma teams have been established to implement trauma informed instructional practices throughout the district to better meet student needs and to include equity awareness.

Technology: The Hammonton District has upgraded the number of student devices in grades K-12 to achieve a 1:1 ratio of students to devices to assist students in becoming college and career ready as well as equity for on-line learning. Wifi hotspots are also provided to families in need of connectivity. With the availability of devices, all content areas have developed technology-infused instructional programs. Students and teachers are adept at utilizing various resources through Google Classroom. The curriculum has been adjusted to connect academics with application. In order to support this initiative, numerous infrastructure upgrades have been required throughout the district and devices are regularly updated and replaced.

4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining internal controls 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 awards and state financial assistance, 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 awards 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 municipality. 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 re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2019.

6) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

7) DEBT ADMINISTRATION: At June 30, 2020, the District's outstanding debt issues included \$19,624,000 of general obligation bonds. The proceeds of the bond issues were used to provide funds for the construction of the High School and Early Childhood Center and also for capital improvements to the Middle School and W.E.S. Elementary School.

8) 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 1 and 2. The District has adopted a cash management plan that 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.

9) RISK MANAGEMENT: The Hammonton Board of Education is a member of the Atlantic & Cape May Counties Association of School Business Officials Joint Insurance Fund (ACCASBO JIF). The program provides school districts with a long-term alternative to the conventional insurance market as a means of stabilizing the otherwise cyclical nature of insurance expenditures. The Fund provides its member districts with the following coverage:

1. Property
2. Equipment Breakdown;
3. General and Automobile Liability;
4. Worker's Compensation;
5. School Leaders Errors and Omissions Liability;


10) OTHER INFORMATION:


A) Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nightlinger, Colavita & Volpa, PA was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Title 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey Treasury Circular 15-08 OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11) ACKNOWLEDGMENTS:

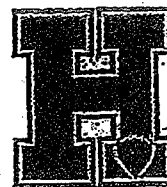
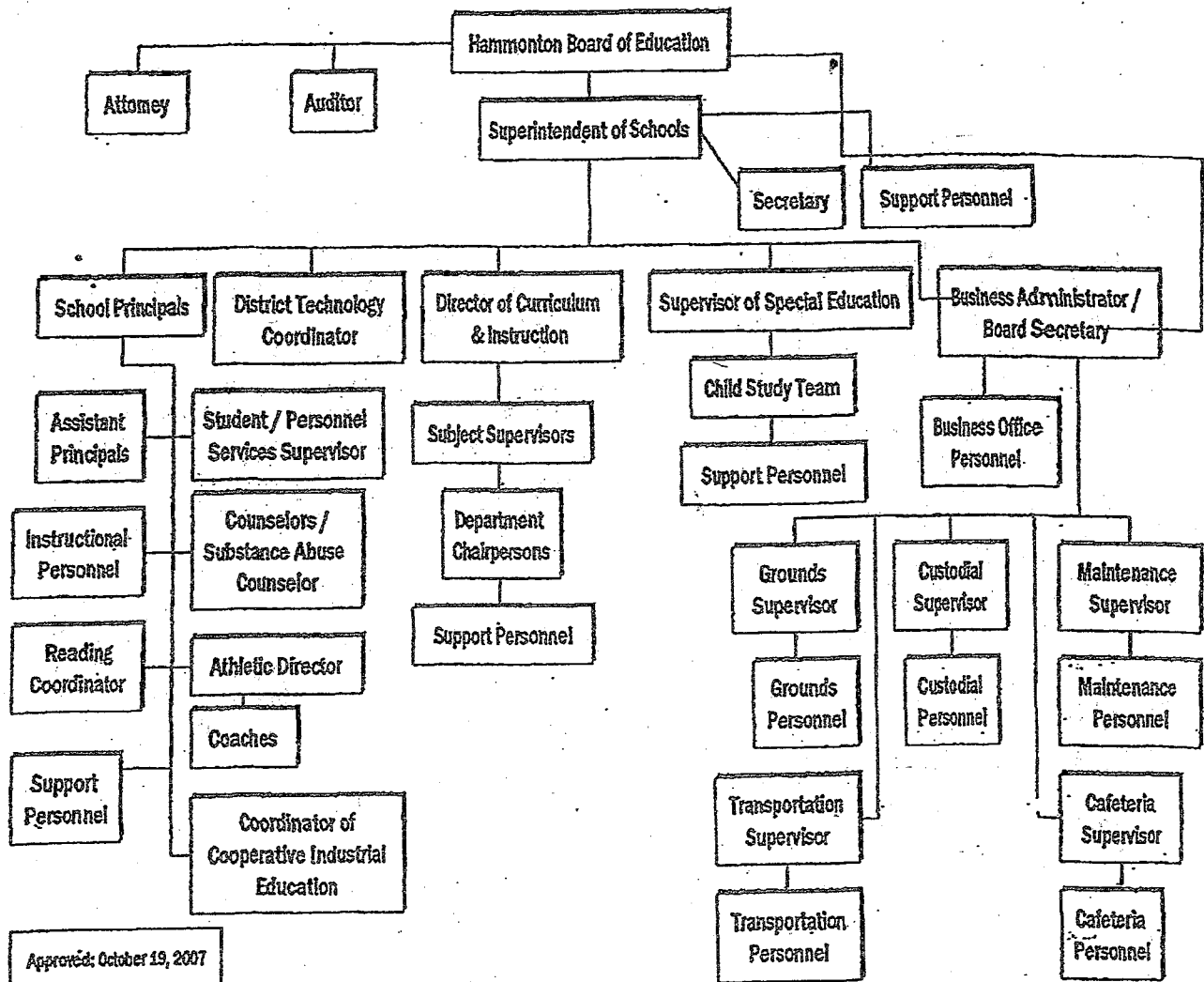
We would like to express our appreciation to the members of the Town of Hammonton Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,


Robin Chieco
Superintendent


Barbara S. Prettyman
School Business Administrator/
Board Secretary

Hammonton Board of Education District Organizational Chart



TOWN OF HAMMONTON BOARD OF EDUCATION

Roster of Officials June 30, 2020

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Sam Mento III, President	2020
Kelli Fallon, Vice President	2020
Thomas Attanasi	2021
Barbara Berenato	2022
Linda Byrnes	2022
John Lyons	2022
Erica Polito	2021
Mickey Pullia	2021
Ray Scipione	2020
Al Pangia - Waterford Representative	2020
John Thomas - Folsom Representative	2020
<u>Other Officials</u>	
Robin Chieco, Superintendent	
Barbara S. Prettyman, Business Administrator/Board Secretary	
William Donio, Esq., Solicitor	

TOWN OF HAMMONTON BOARD OF EDUCATION

Consultants and Advisors

Audit Firm

Nightlinger, Colavita & Volpa, PA
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P.O. Box 799
Williamstown, NJ 08094

Attorney

William S. Donio, Esq.
Cooper Levenson
1125 Atlantic Avenue
Atlantic City, NJ 08401

Bond Counsel

McManimon and Scotland, LLC
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Fourth Floor
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Official Depository

Ocean First Bank
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Hammonton, NJ 08037

NIGHTLINGER, COLAVITA & VOLPA

*A Professional Association
Certified Public Accountants*

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INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Town of Hammonton School District
County of Atlantic, New Jersey 08037

Report on the Financial Statements

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 Town of Hammonton School District in the County of Atlantic, State of New Jersey, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Hammonton School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 Administration and 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 Town of Hammonton Board of Education in the County of Atlantic, State of New Jersey, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and schedules related to accounting and reporting for pensions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Hammonton School Board of Education's basic financial statements. The introductory section, combining and individual non-major fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is also not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

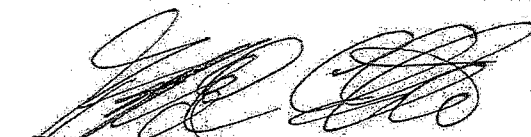
The introductory and statistical sections have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated December 21, 2020 on our consideration of the Town of Hammononton Board of Education's internal control over financial reporting and 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 effectiveness of the Town of Hammononton Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governments Auditing Standards* in considering Town of Hammononton Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant

No. 915

December 21, 2020

Required Supplementary Information
Part I

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Town of Hammonton School District ("District") annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2020. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statement.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the fiscal year by \$3,988,327. This amount represents net position, which increased by \$1,075,998 from the previous year end.
- The District's total net position of governmental activities totaled \$3,279,341.
- General revenues accounted for \$49,007,736 in revenue, or 68% of all revenues. Program specific revenues in the form of charges for services, operating grants, contributions and capital grants accounted for \$22,734,700 or 31% to total revenues of \$71,742,436.
- Total net assets of governmental activities increased by \$1,199,980 made up of changes in cash and cash equivalents, various receivables and various liabilities.
- The district had \$69,268,338 in governmental expenses, of which \$21,460,582 of these expenses was offset by program specific charges for services, grants or contributions. General revenues, primarily Federal and State aid and property taxes of \$49,007,736 adequately provided for governmental activity programs.
- The General Fund had 56,457,850 in revenues, \$456,684 in transfers and prior year adjustments and \$55,376,760 in expenditures. As a result, the General Fund balance increased by \$624,406.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *management's discussion and analysis* (this section), the basic *financial statements*, *required supplementary information*, and an optional section that presents *combining statements for special revenue, proprietary, and fiduciary funds*. The basic financial statements include two kinds of statements that present different views of the District.

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the District's government, reporting on the District's operations in *more detail* than the government-wide statements.

- The *governmental funds* statements tell how *general government* services like instruction were financed in the *short term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short-* and *long-term* financial information about the activities the District operates like businesses, such as the food service area and latchkey program.
- *Fiduciary fund* statements provide information about the financial relationships – like the unemployment trust fund – in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets and liabilities – is one way to measure the District's financial health, or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the Town's property tax base and the condition of the District's facilities.

The government-wide financial statements of the District are divided into two categories:

- *Governmental activities* – most of the District's basic services are included here, such as instruction, transportation, administration, and plant operations. Property taxes and state and federal grants finance most of these activities.
- *Business-type activities* – the District charges fees to customers to help it cover the costs of certain services it provides. The District's food service and latchkey programs are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant *funds* – not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

The District has three kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement that explains the relationship (or differences) between them.
- *Proprietary funds* – Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. In fact, the District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
- *Fiduciary funds* – The District is the trustee, or *fiduciary*, for its employees' unemployment compensation plan. It is also responsible for other assets that – because of a trust arrangement – can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The Statement of Net Position provides the perspective of the School District as a whole.

Table 1 provides a comparative summary of the School District's net position for the years ended in 2019 and 2018.

Table 1
Net Position

	<u>2020</u>	<u>2019</u>
Assets		
Current and other assets	9,167,281	\$8,370,440
Capital assets, net	33,721,549	34,893,755
Total assets	<u>42,888,830</u>	<u>43,264,195</u>
Deferred Outflows	<u>1,825,129</u>	<u>2,801,722</u>
Liabilities		
Long-term liabilities	33,592,961	36,055,291
Other liabilities	1,648,652	1,472,389
Total liabilities	<u>35,241,613</u>	<u>37,527,680</u>
Deferred Inflows	<u>5,484,019</u>	<u>5,625,908</u>
Net position		
Invested in capital assets	14,097,549	13,494,755
Restricted	8,503,743	7,972,155
Unrestricted	(18,612,965)	(18,554,581)
Total net position	<u>3,988,327</u>	<u>\$2,912,329</u>

Table 2
Changes in Net Position

	<u>2020</u>	<u>2019</u>
Revenues		
Program Revenues		
Charges for Services	9,810,673	\$10,048,463
Operating Grants and Contributions	12,924,027	15,499,119
General Revenues		
Property Taxes	19,649,695	19,649,695
Grants and Entitlements	29,251,174	27,271,37
Other	249,003	213,537
Total Revenues	<u>71,884,572</u>	<u>72,682,131</u>
Program Expenses		
Instruction	41,626,100	42,956,093
Support Services		
Tuition	2,964,167	2,737,676
Pupils and Instructional Staff	9,178,761	8,925,679
General Administration, School		
Administration, Business	6,322,992	6,209,978
Operation and Maintenance	5,426,128	5,471,043
Pupil Transportation	3,101,079	3,086,411
Interest on Debt	649,111	777,134
Business Type Activities	1,540,236	1,623,861
Total Expenses	<u>70,808,574</u>	<u>71,787,875</u>
Increase (Decrease) in Net Position	<u>1,075,998</u>	<u>\$894,256</u>

Business-type Activities

The District's business-type activities net position decreased \$123,982 from the previous year end. Operating and non-operating revenues decreased \$216,101 and expenses decreased by \$83,625 over the prior year.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows a comparison of the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3

	<u>Total Cost of</u> <u>Services 2020</u>	<u>Net Cost of</u> <u>Services 2020</u>	<u>Total Cost of</u> <u>Services 2019</u>	<u>Net Cost of</u> <u>Services 2019</u>
Revenues				
Instruction	41,626,100	23,074,012	\$42,956,093	22,767,220
Support services:				
Tuition	2,964,167	2,964,167	2,737,676	2,737,676
Pupils and instructional staff	9,178,761	7,512,941	8,925,679	6,924,464
General Administration, School				
Administration, Business	6,322,992	5,379,881	6,209,978	5,082,996
Plant operations/maintenance	5,426,128	5,281,790	5,471,043	5,186,744
Pupil transportation	3,101,079	2,945,854	3,086,411	2,769,235
Interest on long term debt	649,111	649,111	777,134	777,134
Total expenses	69,268,338	47,807,756	70,164,014	46,245,469

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The School District's major funds are accounted for using the modified accrual basis of accounting. All governmental funds had total net revenues of \$61,016,339 and expenditures of \$60,428,847. The net change in fund balance for the year was an increase of \$587,492.

General Fund Budgetary Highlights

As further explained in the Footnotes to the Financial Statements, 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, as a Type II School District, are approved by the voters annually. Transfers of appropriations that do not exceed 10% on a cumulative basis may be made by Board resolution at any time during the fiscal year. Transfers of appropriations that exceed 10% on a cumulative basis must be approved by the Commissioner of Education. The District is permitted to encumber funds throughout the year for purchases ordered but not yet received. Any open encumbrances as of June 30th carry over to the next fiscal year and are added to the appropriation reflected in the certified budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2019, the District had invested \$34.8 million in a broad range of capital assets, including land, buildings, improvements, machinery and equipment.

	Governmental Activities		Business-type Activities		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	324,908	324,908			324,908	324,908
Construction in progress	93,213	87,000			93,213	87,000
Site improvements	307,926	363,085			307,926	363,085
Bldgs and Bldg impr.	31,151,794	32,360,732			31,151,794	32,360,732
Machinery & equipment	1,227,261	1,082,216	616,447	675,814	1,843,708	1,758,030
Total	33,105,102	34,217,941	616,447	675,814	33,721,549	34,893,755

Detailed information about the District's capital assets is presented in Note 6 to the financial statements.

Long-term Obligations

All bonds are authorized in accordance with State law by the voters of the District. At the end of the current fiscal year, the District had total bonded debt outstanding of \$.

	<u>Balance 6/30/19</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 6/30/20</u>
Governmental Activities				
Bonds payable	\$21,399,000		1,775,000	19,624,000
Compensated absences				
Payable	3,160,577	386,674		3,547,251
Total Governmental Activities	24,559,577	386,674	1,775,000	23,171,251
Business-type Activities				
Compensated absences				
Payable	35,592	4,977		40,569
Total Business-type Activities	35,592	4,977		40,569

More detailed information about the District's long-term obligations is presented in Note 7 to the financial statements.

The legal debt limit for the District is \$56,663,963 of which \$37,039,963 or 65.37% is available to be authorized by voter approval.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Mitigation of pandemic risks have resulted in a significant strain on the school district and the local taxpayers. The 2020-2021 state aid funding increase was significantly reduced after budget adoption. Based on the current state of the economy, we are unable to predict what the future holds as far as future state aid allocations.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to present users (residents, receiving districts, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about the report or need additional financial information, contact the District's business administrator at 566 Old Forks Road, Hammonton, New Jersey 08037.

BASIC FINANCIAL STATEMENTS

DISTRICT - WIDE FINANCIAL STATEMENTS

The statement of net position 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.

TOWN OF HAMMONTON SCHOOL DISTRICT
Statement of Net Position
June 30, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$6,719,324	219,712	6,939,036
Receivables, net	\$63	1,576	1,639
Due from other governments	\$2,108,550	114,583	2,223,133
Internal balances	\$154,363	(155,632)	(1,269)
Inventory		4,742	4,742
Capital assets not being depreciated:			
Land and CIP	\$418,121		418,121
Capital assets, net of accumulated depreciation	\$32,686,981	616,447	33,303,428
Total Assets	<u>\$42,087,402</u>	<u>801,428</u>	<u>42,888,830</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Deferred Outflows	<u>\$1,825,129</u>	<u>0</u>	<u>1,825,129</u>
LIABILITIES			
Accounts payable	\$625,830	21,973	647,803
Accrued interest payable	\$253,156		253,156
Intergovernmental payable	\$200,079		200,079
Unearned revenue	\$517,714	29,900	547,614
Net Pension Liability	\$10,381,141		10,381,141
Noncurrent liabilities:			
Due within one year	\$1,763,445		1,763,445
Due beyond one year	\$21,407,806	40,569	21,448,375
Total liabilities	<u>\$35,149,171</u>	<u>92,442</u>	<u>35,241,613</u>
DEFERRED INFLOWS OF RESOURCES			
Refunding of Long Term Debt	\$751,408		751,408
Pension Deferred Inflows	\$4,732,611		4,732,611
	<u>\$5,484,019</u>	<u>0</u>	<u>5,484,019</u>
NET POSITION			
Net investment in capital assets	\$13,481,102	616,447	14,097,549
Restricted for:			
Other Purposes	\$8,503,743		8,503,743
Unrestricted (Deficit)	(\$18,705,504)	92,539	(18,612,965)
Total net position	<u>\$3,279,341</u>	<u>708,986</u>	<u>3,988,327</u>

TOWN OF HAMMONTON SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2020

Exhibit A-2

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:							
Instruction:							
Regular	\$25,100,222	7,871,808	9,342,121	8,126,640	(15,503,269)		(15,503,269)
Special education	4,342,137	1,447,339		957,614	(4,831,862)		(4,831,862)
Other instruction	2,104,667	759,927		125,713	(2,738,881)		(2,738,881)
Support services:							
Tuition	2,964,167				(2,964,167)		(2,964,167)
Student & instruction related services	6,961,588	2,217,173		1,665,820	(7,512,941)		(7,512,941)
School administrative services	2,764,367	952,487		692,139	(3,024,715)		(3,024,715)
General administrative services	862,140	144,021		76,506	(929,655)		(929,655)
Plant operations and maintenance	4,553,612	872,516		144,338	(5,281,790)		(5,281,790)
Pupil transportation	2,401,800	699,279	39,545	115,680	(2,945,854)		(2,945,854)
Business and other support services	1,226,641	373,336		174,466	(1,425,511)		(1,425,511)
Unallocated benefits	15,337,886	(15,337,886)			0		0
Interest on long-term debt	649,111				(649,111)		(649,111)
Total governmental activities	69,268,338	0	9,381,666	12,078,916	(47,807,756)		(47,807,756)
Business-type activities:							
Food Service	1,532,795		429,007	845,111		(258,677)	(258,677)
After School Program	7,441					(7,441)	(7,441)
Total business-type activities	1,540,236		429,007	845,111		(266,118)	(266,118)
Total primary government	\$70,808,574		9,810,673	12,924,027	(47,807,756)	(266,118)	(48,073,874)
General revenues:							
Taxes:							
Property taxes, levied for general purposes, net					18,018,685		18,018,685
Taxes levied for debt service					1,631,010		1,631,010
Federal and State aid not restricted					29,251,174		29,251,174
Investment Earnings					120,415	3,230	123,645
Miscellaneous income					54,235		54,235
Prior year encumbrances					34,475		34,475
Refund prior year expenditures					36,648		36,648
Transfers in (out)					(138,906)	138,906	0
Total general revenues, special items, adjustments, extraordinary items and transfers					49,007,736	142,136	49,149,872
Change in Net Position					1,199,980	(123,982)	1,075,998
Net Position—beginning					2,079,361	832,968	2,912,329
Net Position—ending					\$3,279,341	708,986	3,988,327

See Accompanying Notes to the Financial Statements

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.

GOVERNMENTAL FUNDS

TOWN OF HAMMONTON SCHOOL DISTRICT

Balance Sheet
Governmental Funds
June 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$3,831,530	69,040		2	3,900,572
Capital reserve cash	2,818,752				2,818,752
Interfund accounts receivable	154,363				154,363
Receivables, net	63				63
Receivables from other governments	1,380,445	728,105			2,108,550
Total assets	<u>8,185,153</u>	<u>797,145</u>	<u>0</u>	<u>2</u>	<u>8,982,300</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	489,858	135,972			625,830
Interfund payable					0
Due to other governments		200,079			200,079
Unearned revenue	4,889	512,825			517,714
Total liabilities	<u>494,747</u>	<u>848,876</u>	<u>0</u>	<u>0</u>	<u>1,343,623</u>
Fund Balances:					
Restricted:					
Capital Reserve	118,835				118,835
Maintenance Reserve	448,020				448,020
Emergency Reserve	5,366				5,366
Excess Surplus	712,752				712,752
Assigned:					
Encumbrances	33,851				33,851
Designated for subsequent year's expenditures	7,184,917			2	7,184,919
Unassigned:					
General fund (deficit)	(813,335)				(813,335)
Special revenue fund (deficit)		(51,731)			(51,731)
Total Fund balances	<u>7,690,406</u>	<u>(51,731)</u>	<u>0</u>	<u>2</u>	<u>7,638,677</u>
Total liabilities and fund balances	<u>\$8,185,153</u>	<u>797,145</u>	<u>0</u>	<u>2</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

33,105,102

Pension Liabilities Net of Deferred Outflows & Inflows

(13,288,623)

Accrued interest payments on long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

(253,156)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

(23,922,659)

Net position of governmental activities

\$3,279,341

TOWN OF HAMMONTON SCHOOL DISTRICT
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020

Exhibit B-2

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local tax levy	\$18,018,685			1,631,010	19,649,695
Tuition charges	9,342,121				9,342,121
Transportation fees from other leas	39,545				39,545
Interest earned on capital reserves	76,457				76,457
Interest	43,958				43,958
Miscellaneous	54,235				54,235
Local sources		22,064			22,064
State sources	28,764,308	732,942		368,325	29,865,575
Federal sources	118,541	1,804,148			1,922,689
Total revenues	<u>56,457,850</u>	<u>2,559,154</u>	<u>0</u>	<u>1,999,335</u>	<u>61,016,339</u>
EXPENDITURES					
Current:					
Regular instruction	16,013,290	2,071,986			18,085,276
Special education instruction	3,223,279				3,223,279
Other instruction	1,894,293				1,894,293
Support services and undistributed costs:					
Tuition	2,964,167				2,964,167
Student & instruction related services	5,048,758	188,709			5,237,467
General administrative services	769,589				769,589
School administrative services	1,966,113	170,402			2,136,515
Plant operations and maintenance	4,148,913				4,148,913
Pupil transportation	2,208,215				2,208,215
Business and other support services	974,390				974,390
Unallocated Benefits	15,589,483	203,872			15,793,355
Debt service:					
Principal				1,600,000	1,600,000
Interest and other charges				741,835	741,835
Capital outlay	576,270	7,500			583,770
Total expenditures	<u>55,376,760</u>	<u>2,642,469</u>	<u>0</u>	<u>2,341,835</u>	<u>60,361,064</u>
Excess (Deficiency) of revenues over expenditures	<u>1,081,090</u>	<u>(83,315)</u>	<u>0</u>	<u>(342,500)</u>	<u>655,275</u>
OTHER FINANCING SOURCES (USES)					
Transfers in		70,622		318,279	388,901
Transfers out	(527,807)				(527,807)
Prior year encumbrances	34,475				34,475
Refund prior year expenditures	36,648				36,648
Total other financing sources and uses	<u>(456,684)</u>	<u>70,622</u>	<u>0</u>	<u>318,279</u>	<u>(67,783)</u>
Net change in fund balances	624,406	(12,693)	0	(24,221)	587,492
Fund balance—July 1 (deficit)	7,066,000	(39,038)	0	24,223	7,051,185
Fund balance—June 30 (deficit)	<u>\$7,690,406</u>	<u>(51,731)</u>	<u>0</u>	<u>2</u>	<u>7,638,677</u>

TOWN OF HAMMONTON SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2020

Total net change in fund balances - governmental funds (from B-2) **\$587,492**

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

Capital outlays are reported in governmental funds as expenditures. However, in 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 depreciation exceeded capital outlays in the period.

Depreciation expense	(1,533,452)	
Capital outlays	<u>420,613</u>	(1,112,839)

Repayment of long term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities

1,775,000

Premium on bond refunding is reported in governmental funds as a deferred inflow of resources. Amortization of premium on bond refunding in the statement of activities.

(260,303)	
<u>49,111</u>	(211,192)

Payment of accrued interest on long term debt is an expenditure in the governmental funds, but the payment reduces the liability in the statement of net position and is not reported in the statement of activities.

92,724

Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period.

455,469

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

(386,674)

Change in net position of governmental activities

\$1,199,980

PROPRIETARY FUNDS

TOWN OF HAMMONTON SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2020

	Business-type Activities - Enterprise Funds		
	Food Service	Latchkey Program (Non Major Fund)	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$127,173	92,539	219,712
Accounts receivable	114,583		114,583
Other accounts receivable	1,576		1,576
Inventories	4,742		4,742
Total current assets	<u>248,074</u>	<u>92,539</u>	<u>340,613</u>
Noncurrent assets:			
Furniture, machinery & equipment	1,265,881	119,467	1,385,348
Less accumulated depreciation	<u>(699,662)</u>	<u>(69,239)</u>	<u>(768,901)</u>
Total noncurrent assets	<u>566,219</u>	<u>50,228</u>	<u>616,447</u>
Total assets	<u><u>814,293</u></u>	<u><u>142,767</u></u>	<u><u>957,060</u></u>
LIABILITIES			
Current liabilities:			
Interfund Accounts Payable	155,632		155,632
Accounts Payable	21,973		21,973
Unearned Revenue	29,900		29,900
Compensated absences	40,569		40,569
Total current liabilities	<u>248,074</u>	<u>0</u>	<u>248,074</u>
Total liabilities	<u>248,074</u>	<u>0</u>	<u>248,074</u>
NET POSITION			
Net investment in capital assets	566,219	50,228	616,447
Unrestricted	<u>0</u>	<u>92,539</u>	<u>92,539</u>
Total net position	<u><u>\$566,219</u></u>	<u><u>142,767</u></u>	<u><u>708,986</u></u>

TOWN OF HAMMONTON SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2020

	Business-type Activities - Enterprise Fund		
	Food Service	Latchkey Program (Non Major Fund)	Total Enterprise
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$222,207		222,207
Daily sales - non-reimbursable programs	166,869		166,869
Special functions	37,264		37,264
Miscellaneous	2,667		2,667
Total operating revenues	429,007	0	429,007
Operating expenses:			
Cost of sales-Reimbursable programs	468,016		468,016
Cost of sales-Nonreimbursable programs	82,527		82,527
Salaries	571,607		571,607
Employee benefits	270,245		270,245
General supplies & materials	59,951		59,951
Other costs	28,523		28,523
Depreciation	51,926	7,441	59,367
Total operating expenses	1,532,795	7,441	1,540,236
Operating (loss)	(1,103,788)	(7,441)	(1,111,229)
Nonoperating revenues:			
State sources:			
State school lunch program	15,993		15,993
Federal sources:			
National school lunch program	587,935		587,935
National school breakfast program	172,454		172,454
Food distribution program	68,729		68,729
Interest and investment revenue	1,963	1,267	3,230
Total nonoperating revenues	847,074	1,267	848,341
Income(loss) before transfers	(256,714)	(6,174)	(262,888)
Transfers in (out)	138,906		138,906
Change in net position	(117,808)	(6,174)	(123,982)
Total net position—beginning	684,027	148,941	832,968
Total net position—ending	\$566,219	142,767	708,986

TOWN OF HAMMONTON SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2020

	Business-type Activities - Enterprise Funds		
	Food Service	Latchkey Program (Non Major Fund)	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$439,340		439,340
Payments to employees	(758,047)		(758,047)
Payments to suppliers	(568,386)	(341)	(568,727)
Net cash provided/(used) by operating activities	(887,093)	(341)	(887,434)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash received from state and federal reimbursements	709,912		709,912
Operating subsidies	138,906		138,906
Net cash provided by non-capital financing activities	848,818	0	848,818
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	0		0
Net cash (used) by capital and related financing activities	0	0	0
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	1,963	1,267	3,230
Net cash provided by investing activities	1,963	1,267	3,230
Net increase (decrease) in cash and cash equivalents	(36,312)	926	(35,386)
Balances—beginning of year	163,485	91,613	255,098
Balances—end of year	\$127,173	92,539	219,712
Reconciliation of operating income/(loss) to net cash provided/(used) by operating activities:			
Operating income/(loss)	(\$1,103,788)	(\$7,441)	(1,111,229)
Adjustments to reconcile operating income(loss) to net cash provided/(used) by operating activities			
Depreciation and net amortization	51,926	7,441	59,367
Federal commodities	68,729		68,729
(Increase)/Decrease in accounts receivable, net	534		534
Decrease in inventories	1,029		1,029
(Decrease)/Increase in accounts payable	742	(341)	401
(Decrease)/Increase in interfund accounts payable	78,959		78,959
(Decrease)/Increase in unearned revenue	9,799		9,799
(Decrease)/Increase in compensated absences payable	4,977		4,977
Total adjustments	216,695	7,100	223,795
Net cash provided/(used) by operating activities	(\$887,093)	(341)	(887,434)

FIDUCIARY FUNDS

TOWN OF HAMMONTON SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>	<u>Agency Fund</u>
ASSETS			
Cash and cash equivalents	\$402,486	43,148	308,242
Interfund accounts receivable	1,269		
	<hr/>	<hr/>	<hr/>
Total assets	<u>403,755</u>	<u>43,148</u>	<u>308,242</u>
LIABILITIES			
Accounts payable	41,612		
Payroll deductions and withholdings			23,022
Payable to student groups			285,190
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>41,612</u>	<u>0</u>	<u>308,212</u>
NET POSITION			
Held in trust for unemployment claims and other purposes	<u>\$362,143</u>	<u>43,148</u>	

TOWN OF HAMMONTON SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2020

	Unemployment Compensation Trust	Private Purpose Scholarship Fund
ADDITIONS		
Contributions:		
Plan member	\$58,373	
Donations		5,950
Total Contributions	<u>58,373</u>	<u>5,950</u>
Investment earnings:		
Interest	5,211	572
Net investment earnings	<u>5,211</u>	<u>572</u>
Total additions	<u>63,584</u>	<u>6,522</u>
DEDUCTIONS		
Unemployment claims	79,186	
Scholarships awarded		3,600
Total deductions	<u>79,186</u>	<u>3,600</u>
Change in net position	(15,602)	2,922
Net position—beginning of the year	<u>377,745</u>	<u>40,226</u>
Net position—end of the year	<u><u>\$362,143</u></u>	<u><u>43,148</u></u>

Town of Hammonton School District
Notes to Financial Statements
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Hammonton School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

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

A. REPORTING ENTITY:

The Town of Hammonton School District is a Type II district located in the County of Atlantic, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. In addition, one member is appointed from the Folsom School District and the Waterford School District under a sending/receiving relationship, as required by the statutes. Effective with the 2013 fiscal year, the election of Board Members was moved to the general election in November.

The purpose of the district is to educate students in grades K-12 as well as providing educational services for the Borough of Folsom students in grades 9-12 and the Township of Waterford students in grades 7-12. Beginning with the 2011-2012 school year the District was approved as a Choice School. The Town of Hammonton School District had an approximate enrollment at June 30, 2020 of 3,478 students.

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 whether:

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units.

Town of Hammonton School District
Notes to Financial Statements
June 30, 2020

B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS:

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's general, special revenue, capital projects and debt service activities are classified as governmental activities. The District's food service and latchkey program are classified as business-type activities.

In the governmental-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements however, inter-fund balances between the governmental funds and business-type activities are reflected as internal balances. The District's net positions are reported in three parts-net investments in capital assets; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities (food service and latchkey). The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, special education, student & instruction related services, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, tuition, interest income, etc.).

- a. The District does allocate indirect costs such as depreciation expense, compensated absences, bond issues costs, On-behalf TPAF Pension Contributions, and Reimbursed TPAF Social Security Contributions.

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities. Fiduciary funds are excluded from the government-wide financial statements.

C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS:

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts

Town of Hammonton School District
Notes to Financial Statements
June 30, 2020

that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements. The State of New Jersey Department of Education has mandated that all New Jersey School Districts must report all governmental funds as major, regardless of the fund meeting the GASB definition of a major fund. However, the criteria are applied to the proprietary funds.

The following fund types are used by the District:

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District.

- a. **General fund** is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. **Special revenue** funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for a specific purpose. The special revenue fund is specifically used to account for state and federal grant monies that have been allocated to the District.
- c. **Capital projects** funds are used to account for all financial resources to be used for the acquisition or construction of major capital facilities. The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.
- d. **Debt service** funds are used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

Fund Balances – Governmental Funds

In the fund financial statements, governmental funds report the following classifications of fund balance:

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Town of Hammonton School District
Notes to Financial Statements
June 30, 2020

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

The details of the fund balances are included in the Governmental Funds Balance Sheet. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

2. Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the District:

- a. **Enterprise funds** are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designated to recover similar costs. The District operates a food service fund to provide a child nutrition program for the students of the district and a Latchkey Program to provide before and after school care for school aged children in grades Pre-K through 5.

3. Fiduciary Funds:

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net position

Town of Hammonton School District
Notes to Financial Statements
June 30, 2020

and changes in net position. They are reported using accounting principles similar to proprietary funds.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type (pension, private purpose and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

Trust and Agency Funds – The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Expendable Trust Funds – are accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. Expendable Trust Funds include the Unemployment Compensation Insurance Trust and the Scholarship Fund.

Agency Funds – are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activity funds.

D. BASIS OF ACCOUNTING:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The District-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net positions are used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net positions. Depreciation is charged as an expense against current operations and capital assets are reported net of accumulated depreciation on the statement of net position.

The governmental fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are

Town of Hammonton School District
Notes to Financial Statements
June 30, 2020

collected within 60 days after the end of the fiscal year. Revenue from federal, state and other grants designated for payment of specific school district expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as deferred revenues until earned. Expenditures are generally recorded when the related liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

The District applies only those applicable pronouncements of the Financial Accounting Standards Board issued on or before November 30, 1989 in accounting and reporting for its proprietary operations.

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 for approval and are voted upon at the annual school election in November. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund. 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(g). Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. However, any transfer that cumulatively exceeds ten percent of the advertised budget category must receive the approval of 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 generally accepted accounting principles 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 grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting 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.

Significant transfers approved by the Board of Education during the fiscal year were as follows:

Town of Hammonton School District
Notes to Financial Statements
June 30, 2020

<u>Account Name</u>	<u>Amount</u>
Salaries of Teachers – Grades 1 – 5	(187,000)
Salaries of Teachers – Grades 9 – 12	(284,577)
Regular Programs – General Supplies	102,176
Regular Programs – Textbooks	123,986
Resource Room – Salaries of Teachers	(126,102)
Bilingual – Salaries of Teachers	214,316
Cocurricular – Other Objects	122,007
Tuition to CSSD & Regional Day Schools	(102,969)
Students – Regular Services - Salaries	(135,356)
Required Maintenance – Cleaning, Repair and Maintenance	122,228
Operation and Maintenance of Plant – General Supplies	106,706
Student Transportation – Special Education - ESCs	195,600
Unallocated Benefits – Health Benefits	(483,830)
Equipment - Security	104,597
Equipment – School Buses - Regular	194,510

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.

G. ASSETS, LIABILITIES AND EQUITY:

Cash, Cash Equivalents and Investments

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.

Town of Hammonton School District
Notes to Financial Statements
June 30, 2020

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

Additionally, the District has adopted a cash management plan that 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.

NJSA 17:9-41 et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks 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.

Investments

Investments, including deferred compensation and pension funds, are stated at fair value, (quoted market price or the best available estimate). Interest earned on investments in the Capital Projects Fund is recognized as a reserve to pay future debt service or transferred to the general fund.

Interfund Transactions

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 inter-fund transfers. Inter-fund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the Enterprise Fund. Repayments from funds responsible for particular expenditure/expenses to the funds that initially paid for them are not presented on the financial statements.

Inventories

Inventories, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase. Inventories in the enterprise fund are recorded at cost, computed on a first-in, first-out method.

Town of Hammonton School District
Notes to Financial Statements
June 30, 2020

Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated assets are reported as capital assets at their estimated fair market value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed on the straight-line basis over their estimated useful lives. Useful lives vary from 20 to 50 years for land improvements and buildings, and 5 to 20 years for equipment.

Compensated Absences

The District accounts for compensated absences (e.g. sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policies. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the district for the unused sick leave in accordance with the District's agreements with the various employee unions.

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

Town of Hammonton School District
Notes to Financial Statements
June 30, 2020

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received in the Special Revenue Fund before they have been earned are recorded as unearned revenue.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the District-wide 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, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation reduced by the outstanding balance of any debt used for the acquisition, construction or improvement of those assets.

Net positions are reported as restricted when there are limitations imposed on their use, either through the enabling legislation adopted by the School district, or through external restrictions imposed by creditors, grantors, or law or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance Reserves

In accordance with Governmental Accounting Standards Board Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions, the District classified governmental fund balances as follows;

- Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual restraints.
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Town of Hammonton School District
Notes to Financial Statements
June 30, 2020

- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority and does not lapse at year end.
- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted nor committed. Fund Balance may be assigned by the Board of Education, Superintendent or Business Administrator.
- Unassigned – includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

Revenues

Substantially all governmental fund revenues are accrued. Property taxes are susceptible to accrual and under New Jersey State Statutes 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. In the proprietary funds, operating revenues consist of revenues that are a direct result of the operations of the program. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non operating revenue. With respect to grant revenues, the provider recognizes liabilities and expenses and recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and unearned revenue by the recipient.

Expenditures

Expenses are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

Tuition Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

Tuition Payable

Tuition charges for the fiscal year were based on rates established by the receiving districts. These rates are subject to change when the actual costs have been determined.

Town of Hammonton School District
Notes to Financial Statements
June 30, 2020

Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those results.

Allocation of Costs

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses such as depreciation, compensated absences and employee benefits are allocated to functions but are reported separately in the Statement of Activities.

H. ACCOUNTING CHANGES

Change in Accounting Principles – As the result of implementing Governmental Accounting Standards Board (GASB) Statements Nos. 68, the District restated the beginning net position in the government-wide Statement of Net Position, effectively decreasing net position as of July 1, 2014 by \$12,331,862. The decrease results from recording the net pension liability offset by deferred outflows.

I. RECENT ACCOUNTING PRONOUNCEMENTS

The School District has adopted the following GASB statements:

- GASB Statement - No. 95 – *Postponement of the Effective Dates of Certain Authoritative Guidance*: The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The requirements of this Statement are effective immediately. Management is evaluating the potential impact of the adoption of GASB 95 on the School District's financial statements.

Other accounting standards that the School District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB No. 84 - *Fiduciary Activities*: The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of Statement will be effective for reporting periods beginning after December 15, 2019. The Board is evaluating the potential impact of the adoption of GASB 84 on the School District's financial statements.
- GASB No. 87 - *Leases*: The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirements of Statement will be effective for reporting

Town of Hammonton School District
Notes to Financial Statements
June 30, 2020

periods beginning after June 15, 2021. The Board is evaluating the potential impact of the adoption of GASB 87 on the School District's financial statements.

- GASB No. 89 - *Accounting for Interest Cost Incurred before the End of a Construction Period*: The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Management is evaluating the potential impact of the adoption of GASB 89 on the School District's financial statements.
- GASB Statement - No. 90 - *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*: The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management is evaluating the potential impact of the adoption of GASB 90 on the School District's financial statements.
- GASB Statement - No. 91 – *Conduit Debt Obligations*: The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Management is evaluating the potential impact of the adoption of GASB 91 on the School District's financial statements.
- GASB Statement - No. 92 – *Omnibus 2020*: The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management is evaluating the potential impact of the adoption of GASB 92 on the School District's financial statements.
- GASB Statement - No. 93 – *Replacement of Interbank Offered Rates*: The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management is evaluating the potential impact of the adoption of GASB 93 on the School District's financial statements.
- GASB Statement - No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*: The primary objective of this Statement is to

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improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. Management is evaluating the potential impact of the adoption of GASB 94 on the School District's financial statements.

- GASB Statement - No. 96 – *Subscription-Based Information Technology Arrangements*: This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. Management is evaluating the potential impact of the adoption of GASB 96 on the School District's financial statements.
- GASB Statement - No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*: The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans); and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans). The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management is evaluating the potential impact of the adoption of GASB 97 on the School District's financial statements.

NOTE 2. – INVESTMENTS

As of June 30, 2020, the district had no investments. However, if the District had investments they would be subject to the following risks.

Interest Rate Risk. The district does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

Credit Risk. New Jersey Statutes 18A:20-37 limits district investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America or of the district or the local units in which the district is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

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Concentration of Credit Risk. The district places no limit on the amount the district may invest in any one issuer.

NOTE 3. – CASH

Custodial Credit Risk—Deposits. Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The district's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. At June 30, 2020, the carrying amount of the District's deposits (cash and cash equivalents) was \$7,692,912 and the bank balance was \$9,282,917.

As of June 30, 2020, the School District's bank balance was exposed to custodial credit risk as follows:

FDIC Insured	\$ 250,000
GUDPA Insured	
	<u>9,032,917</u>
Bank balance, June 30, 2020	<u>\$ 9,282,917</u>

NOTE 4 – RECEIVABLES

Receivables at June 30, 2020, consisted of other receivables (tuition, taxes and other), inter-fund and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Government Wide Financial Statements
State and Federal Aid	\$ 2,108,550	\$ 2,223,133
Inter-funds	154,363	(1,269)
Other	63	1,639
Total Receivables, Net	<u>\$ 2,262,976</u>	<u>\$ 2,223,503</u>

NOTE 5. INVENTORY

Inventory in the Food Service Enterprise Fund at June 30, 2020, consisted of the following which included \$ in Federal Commodities:

Food	\$ 3,324
Supplies	<u>1,418</u>
	<u>\$ 4,742</u>

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NOTE 6. CAPITAL ASSETS

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

	<u>Balance</u> <u>June 30, 2019</u>	<u>Additions</u>	<u>Disposals /</u> <u>Adjustments</u>	<u>Balance</u> <u>June 30, 2020</u>
Governmental Activities:				
Capital assets that are not being depreciated:				
Land	\$ 324,908			324,908
Construction in Progress	87,000	6,213		93,213
Total capital assets not being depreciated	411,908	6,213	0	418,121
Site improvements	3,511,272	39,995		3,551,267
Bldg and bldg improve	56,643,832	7,640		56,651,472
Machinery & equipment	6,627,235	366,765		6,994,000
Total at historical cost	66,782,339	414,400	0	67,196,739
Less accum depr for:				
Site improvements	(3,148,187)	(95,154)		(3,243,341)
Bldg and bldg improve	(24,283,100)	(1,216,578)		(25,499,678)
Machinery & equipment	(5,545,019)	(221,720)		(5,766,739)
Total accum deprec	(32,976,306)	(1,533,452)	0	(34,509,758)
Total capital assets being depr, net of accum depr	33,806,033	(1,119,052)	0	32,686,981
Governmental activities capital assets, net	34,217,941	(1,112,839)	0	33,105,102
Business-type activities:				
Equipment	1,385,348			1,385,348
Less accum depr for:				
Equipment	(709,534)	(59,367)		(768,901)
Business-type activities capital assets, net	\$ 675,814	(59,367)		616,447

Depreciation expense as charged to governmental functions as follows:

Regular instruction	787,008
Special education	144,702
Other instruction	75,976
Student & instruction related services	221,669
School administrative services	95,228
General administrative services	14,399
Plant operations and maintenance	87,232
Pupil transportation	69,913
Business and other support services	37,325
	\$ <u>1,533,452</u>

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NOTE 7. LONG-TERM OBLIGATIONS

Long-term liability activity for the year ended June 30, 2020 was as follows:

	Balance 6-30-19	Issued	Retired	Balance 6-30-20	Amounts Due Within One year
Governmental Activities					
Bonds & loans payable:					
School bonds	\$ 21,399,000		1,775,000	19,624,000	1,655,000
Other liabilities:					
Compensated absences Payable	3,160,577	386,674		3,547,251	108,445
Governmental activities long- term liabilities	<u>24,559,577</u>	<u>386,674</u>	<u>1,775,000</u>	<u>23,171,251</u>	<u>1,763,445</u>
Business-type Activities:					
Other liabilities:					
Compensated absences Payable	35,592	4,977		40,569	0
Business-type activities long- term liabilities	<u>\$ 35,592</u>	<u>4,977</u>		<u>40,569</u>	<u>0</u>

Compensated absences and capital leases will be liquidated in the General Fund.

A. Bonds Payable:

Bonds 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 Board are general obligation bonds.

Description of Bonds Payable

At June 30, 2020, bonds payable consisted of the following issues:

\$21,611,000 School Bonds dated 10/15/2001 payable in annual installments through August 1, 2012. Interest is paid semiannually at a fixed rate of 4.75% per annum. The balance as of June 30, 2020 was \$0. \$7,385,000 of these bonds were refunded on 9/19/06. The net present value savings amounted to \$426,798. \$10,890,000 of these bonds were refunded on 3/23/10. The net present value savings amounted to \$449,777.

\$10,890,000 Refunding School Bonds dated 3/23/2010 payable in annual installments through August 1, 2025. Interest is paid semiannually at varying rates between 2.00% and 5.00% per annum. The balance as of June 30, 2020 was \$855,000. \$4,175,000 of these bonds were refunded on 6/18/20. The net present value savings amounted to \$312,041.

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\$4,175,000 Refunding School Bonds dated 6/18/2020 payable in annual installments through August 1, 2025. Interest is paid semiannually at varying rates between 3.00% and 4.00% per annum. The balance as of June 30, 2020 was \$4,175,000.

\$7,385,000 School Bonds dated 9/19/2006 payable in annual installments through August 1, 2030. Interest is paid semiannually at varying rates between 3.00% and 4.20% per annum. The balance as of June 30, 2020 was \$0. \$7,050,000 of these bonds were refunded on 5/11/16.

\$7,050,000 Refunding School Bonds dated 5/11/2016 payable in annual installments through August 1, 2030. Interest is paid semiannually at varying rates between 2.00% and 3.25% per annum. The balance as of June 30, 2020 was \$6,905,000.

\$2,614,000 School Bonds dated 4/15/2006 payable in annual installments through July 15, 2021. Interest is paid semiannually at varying rates between 4.25% and 4.30% per annum. The balance as of June 30, 2020 was \$444,000.

\$11,800,000 School Bonds dated 6/24/2010 payable in annual installments through July 1, 2030. Interest is paid semiannually at varying rates between 3.25% and 4.125% per annum. The balance as of June 30, 2020 was \$550,000. \$6,650,000 of these bonds were refunded on 12/20/17.

\$6,695,000 Refunding School Bonds dated 12/20/17 payable in annual installments through July 1, 2030. Interest is paid semiannually at varying rates between 3.00% and 4.00% per annum. The balance as of June 30, 2020 was \$6,695,000.

Debt service requirements on serial bonds payable at June 30, 2020 are as follows:

Year ending June 30,	Principal	Interest	Total
2021	1,655,000	590,934	2,245,934
2022	1,724,000	587,172	2,311,172
2023	1,530,000	531,156	2,061,156
2024	1,570,000	474,281	2,044,281
2025	1,615,000	411,281	2,026,281
2026-2020	9,435,000	1,114,989	10,549,989
2031	2,095,000	33,056	2,128,056
	<u>\$ 19,624,000</u>	<u>3,742,869</u>	<u>23,366,869</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2020 the Board had authorized but not issued bonds in the amount of \$0.

C. Operating Lease:

The District has commitments to lease various copiers. Total costs for such leases during the

Town of Hammonton School District
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year ended June 30, 2020 were \$11,064. The future minimum lease payments for this lease are as follows:

Year ending June 30,	
2021	11,064
2022	2,766
	<u>\$ 24,894</u>

NOTE 8. PENSION PLANS

Description of Plans - Eligible employees of the School District can be covered by Public Employees' Retirement System (PERS), Teachers' Pension and Annuity Fund (TPAF), or Defined Contribution Retirement Program (DCRP). PERS and TPAF are administered by the New Jersey Division of Pension and Benefits (NJDPB) and the DCRP is jointly administered by Prudential and NJDPB. The NJDPB issues publicly available financial reports that include financial statements and required supplementary information for the systems. These reports may be obtained online at <https://www.nj.gov/treasury/pensions/financial-reports.shtml>.

Public Employees' Retirement System

The PERS is a cost sharing multiple-employer defined benefit pension plan that was established in 1955. The PERS provides retirement, death and disability, and medical benefits to qualified members. The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A. All benefits vest after ten years of service, except for medical benefits that vest after 25 years of service or under the disability provisions of PERS.

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

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who are enrolled prior to July 1, 2007.
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008.
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010.

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

Contributions - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The PERS member total contribution rate as of July 1, 2019 was 7.5% of base salary. The District employees' contributions for the year ended June 30, 2020 were \$325,963. Employers in PERS are required to contribute at an actuarially determined rate which includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The District is billed annually for its normal contribution plus any accrued liability. These contributions were paid by the District and equal to the required contributions for each year. The District's contributions to PERS for the years ended June 30, 2020, and 2019, were \$561,625 and \$580,071 respectively.

The total payroll for the year ended June 30, 2020 was \$32,950,550. Payroll covered by PERS was \$4,346,161 for fiscal year 2020.

Components of Net Pension Liability - At June 30, 2020, the District's proportionate share of the PERS net pension liability was \$10,381,141. The net pension liability was measured as of June 30, 2019. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2019. The District's proportion measured as of June 30, 2019 was 0.057614% which was a decrease of 0.00059% from its proportion measured as of June 30, 2018.

Pension Expense and Deferred Outflows/Inflows of Resources - The District's 2020 PERS pension expense, with respect to GASB 68, was \$86,501. The District's 2020 deferred outflows of resources and deferred inflows of resources were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 186,328	\$ 45,859
Changes of assumptions	1,036,595	3,603,261
Net difference between projected and actual earnings on pension plan investments		163,870
Changes in proportion	40,581	919,621
Contributions subsequent to the measurement date	561,625	
Total	\$ 1,825,129	\$ 4,732,611

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Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year	PERS
2020	\$ (1,021,764)
2021	(1,293,952)
2022	(829,365)
2023	(267,358)
2024	(56,667)
Thereafter	
Total	\$ (3,469,106)

Additional Information - Collective Balances at June 30, 2020 and 2019 are as follows:

Year	6/30/2020	6/30/2019
Collective deferred outflows of resources	\$ 1,825,129	\$ 2,801,722
Collective deferred inflows of resources	\$ 4,732,611	\$ 5,085,692
Collective Net Pension Liability	\$ 10,381,141	\$ 11,460,123
District's Proportion	0.057614%	0.058204%

Actuarial Assumptions - The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	PERS
Investment Rate of Return	7.00%
Salary Scale (Based on Age):	
Through 2026	2.00% - 6.00%
Thereafter	3.00% - 7.00%
Inflation	
Price	2.25%
Wage	3.25%

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

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and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

PERS		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
Total	100.00%	

Discount Rate - The discount rate, as of June 30, 2019, used to measure the total pension liability was 6.28% for PERS. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to

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determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 70% of the actuarially determined contributions for the State employer and 100% of the actuarially determined contributions by the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057 for PERS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability of the participating employers as of June 30, 2019, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.28%) or 1-percentage-point higher (7.28%) than the current rate:

	1% Decrease (5.28%)	Current Discount (6.28%)	1% Increase (7.28%)
District's Proportionate Share of the Net Pension Liability	\$ <u>13,204,291</u>	\$ <u>10,381,141</u>	\$ <u>8,135,309</u>

Teachers' Pension and Annuity Fund

The State of New Jersey Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special funding situation that was established in 1955. As under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

Tier	Definition
1	Members who are enrolled prior to July 1, 2007.
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008.

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- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010.
- 4 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011.
- 5 Members who were eligible to enroll on or after June 28, 2011.

Special Funding Situation - The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

Contributions - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. The member contribution rate was 7.5% in as of July 1, 2019. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2019, the State's pension contribution was less than the actuarial determined amount. Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the District and all other related non-contributing employers. No normal or accrued liability contribution by the District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, Accounting and Financial Reporting for Pensions. The District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2020 because of the 100% special funding situation with the State of New Jersey.

During the fiscal year ended June 30, 2020, the State of New Jersey contributed \$4,427,704 to the TPAF for pension contributions, \$1,642,597 for post-retirement benefits on behalf of the School, and \$3,009 for long-term disability. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,664,165 during the year ended June 30, 2020 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

Components of Net Pension Liability - At June 30, 2020, the District was not required to report a liability for its proportionate share of the net pension liability because of a 100% reduction for State of New Jersey pension support provided to the District.

Pension Expense - For the year ended June 30, 2020, the District recognized pension expense of \$7,193,525 and revenue of \$7,193,522 for support provided by the State.

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

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30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	TPAF
Investment Rate of Return	7.00%
Salary Scale (Based on Age):	
Through 2026	1.55% - 4.45%
Thereafter	2.75% - 5.65%
Inflation	
Price	2.75%
Wage	3.25%

Long-Term Expected Rate of Return - Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2019 are summarized in the following table:

	TPAF	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk mitigation strategies	3.00%	4.67%
Cash equivalents	5.00%	2.00%
US Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
U.S. equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%
Total	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of

Town of Hammonton School District
Notes to Financial Statements
June 30, 2020

cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 70% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability of the participating employers as of June 30, 2019, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.60%) or 1-percentage-point higher (6.60%) than the current rate:

	1% Decrease (4.60%)	Current Discount (5.60%)	1% Increase (6.60%)
State's Share of the Net Pension Liability associated with the District	\$ 144,170,980	\$ 121,965,013	\$ 104,079,843
State's Share of the Net Pension Liability	\$ <u>72,544,649,801</u>	\$ <u>61,519,112,443</u>	\$ <u>52,371,397,951</u>

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program (DCRP) is a multiple-employer defined contribution pension fund that was established in 2007 under the provisions of N.J.S.A. 43:15C-1. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and long-term disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et seq.

The following represents the individuals eligible for membership in the DCRP:

Eligibility

1. State or Local Officials who are elected or appointed on or after July 1, 2007
2. Employees enrolled in the PERS or TPAF on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits
3. Employees enrolled in the PFRS or SPRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits
4. Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually

Town of Hammonton School District
Notes to Financial Statements
June 30, 2020

5. Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually

Contributions – The contribution policy is set by N.J.S.A 43:15C-3 and requires contributions by active members and contributing employers. Plan members are required to contribute 5.5% of their base salary and the District's employer match is an additional 3% contribution. For the year ended June 30, 2020, employee contributions totaled \$140,096 and the District's employer contribution, recognized in pension expense, was \$103,188. There were no forfeitures during the fiscal year.

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued New Jersey Division of Pension and Benefits financial report. Information on where to obtain the report is indicated at the beginning of this note.

NOTE 9. POST-RETIREMENT BENEFITS

General Information about the OPEB Plan

The State of New Jersey reports a liability as a result of its statutory requirements to pay other postemployment (health) benefits for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

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

Town of Hammonton School District
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June 30, 2020

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits are the responsibility of the individual local education employers.

Special Funding Situation

The participating local education employer allocations included in the supplemental schedule of special funding amounts by employer are provided as each local education employer is required to record in their financial statements, as an expense and corresponding revenue, their respective amount of total OPEB expense attributable to the State of New Jersey under the special funding situation and to include their respective amount of total OPEB liability in their notes to their financial statements. The total OPEB liability and service cost for each employer was determined separately based on actual data for each employer's participants.

Total OPEB Liability

The State of New Jersey's total OPEB liability, as of the measurement date of June 30, 2019, was \$41,729,081,045. Of this amount, the total OPEB liability attributable to the School District was \$89,304,688. The State of New Jersey's proportionate share of the total OPEB liability is 100%, including the proportion attributable to the School District of 0.21401%. The total OPEB liability for the School District measured as of June 30, 2019 is zero as a result of the Special Funding Situation with the State of New Jersey. The School District's proportionate share of the total OPEB liability measured as of June 30, 2019 is 0.00%. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	TPAF/ABP	PERS	PFRS
Inflation Rate	2.50%	2.50%	2.50%
	Based on	Based on	Based on
Salary Increases:	Service Years	Age	Age
Through 2026	1.55% - 3.05%	2.00% - 6.00%	3.25% - 15.25%
Thereafter	1.55% - 3.05%	3.00% - 7.00%	Applied to all future years

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

Town of Hammonton School District
Notes to Financial Statements
June 30, 2020

Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount rate

The discount rate for June 30, 2019 was 3.50%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total OPEB Liability

State of New Jersey	Total OPEB Liability
Balance as of June 30, 2018 Measurement Date	\$ 46,110,832,982
Changes for the year:	
Service Cost	1,734,404,850
Interest	1,827,787,206
Changes of Benefit Terms	
Differences between Expected and Actual	(7,323,140,818)
Changes of Assumptions	622,184,027
Benefit Payments	(1,280,958,373)
Contributions from Members	37,971,171
Net Changes	(4,381,751,937)
Balance as of June 30, 2019 Measurement Date	\$ 41,729,081,045

Town of Hammonton School District
Notes to Financial Statements
June 30, 2020

Sensitivity of Total Nonemployer OPEB Liability to changes in the discount rate:

The following presents the total nonemployer OPEB liability as of June 30, 2019, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2019		
	At 1.00% Decrease 2.50%	At Discount Rate 3.50%	At 1.00% Increase 4.50%
\$	49,298,534,898	41,729,081,045	35,716,321,820

Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate:

The following presents the total nonemployer OPEB liability as of June 30, 2019, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2019		
	1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
\$	34,832,902,820	41,729,081,045	51,453,912,586

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the School District recognized OPEB expense of \$2,325,939. The School District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$	\$ 22,438,945
Changes of Assumptions		18,151,378
Net difference Between Projected and Actual Earnings on OPEB Plan Investments		
Changes in Proportion	1,138,316	488,301
Contributions Subsequent to the Measurement Date		
Total	\$ 1,138,316	\$ 41,078,624

Town of Hammonton School District
Notes to Financial Statements
June 30, 2020

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows.

Measurement Period		OPEB
Ending June 30,		
2020	\$	(5,354,915)
2021		(5,354,915)
2022		(5,354,915)
2023		(5,354,915)
2024		(5,354,915)
Thereafter		(13,165,733)
Total	\$	(39,940,308)

NOTE 10. DEFERRED COMPENSATION

The Board offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits 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 plan administrators are as follows:

Ameriprise Financial
American Century Services
ASpire Financial Services
TPAF Supplemental Annuity
Putnam Funds
Lincoln Investment Planning
Syracusa Benefits Program
Vanguard Investments
AXA Equitable Life Insurance Company
Great American Financial Resources

NOTE 11. COMPENSATED ABSENCES

The District accounts for compensated absences (e.g. sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

Town of Hammonton School District
Notes to Financial Statements
June 30, 2020

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policies. Sick leave benefits provide for ordinary sick pay and is capped based on the various employee contracts.

In the district-wide Statement of Net Position, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2020, a liability existed for compensated absences in the Food Service Program in the amount of \$40,569.

NOTE 12. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Town of Hammonton Board of Education in a prior year, which was certified for taxes, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund 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 NJAC 6:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity in the capital reserve for the 2020 fiscal year is as follows:

Beginning balance, July 1, 2019	\$2,800,991
Interest Earnings	39,192
Budgeted Withdrawal	(521,431)
Board Resolution dated June 18, 2020	500,000
Ending balance, June 30, 2020	<u>\$2,818,752</u>

The 2020-2021 Budget includes a withdrawal from the Capital Reserve Account in the amount of \$2,699,917.

NOTE 13. EMERGENCY RESERVE

New Jersey Statute 18A:7F-41(c) permits school districts to establish a current expense emergency reserve in the general fund with deposits made to the account with voter approval, beginning in the fiscal year 2008 budget process, or at year end by board resolution. This reserve

Town of Hammonton School District
Notes to Financial Statements
June 30, 2020

account is to be used to finance future unanticipated (reasonably unforeseeable) general fund expenditures required for a thorough and efficient education. The emergency reserve balance cannot exceed \$250,000 or one percent of the district's general fund budget (which amounts to \$ for the 2020 fiscal year) up to a maximum of \$1 million, whichever is greater. Withdrawals require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health costs greater than four percent.

The activity in the emergency reserve for the 2020 fiscal year is as follows:

Beginning balance, July 1, 2019	\$ 319,800
Interest Earnings	5,566
Ending balance, June 30, 2020	<u>\$ 325,366</u>

The 2020-2021 Budget includes a withdrawal from the Emergency Reserve Account in the amount of \$320,000.

NOTE 14. MAINTENANCE RESERVE

New Jersey Statute 18A:7G-9 permits school districts to accumulate funds for the required maintenance of a facility in accordance with EFCFA. The balance may only be increased through an appropriation in the annual general fund budget certified for taxes. Upon completion of a school facilities projects, districts are required to submit a plan for maintenance of that facility.

The activity in the maintenance reserve for the 2020 fiscal year is as follows:

Beginning balance, July 1, 2019	\$2,477,725
Interest Earnings	31,699
Budgeted Withdrawal	(596,404)
Ending balance, June 30, 2020	<u>1,913,020</u>

The 2020-2021 Budget includes a withdrawal from the Maintenance Reserve Account in the amount of \$1,465,000.

NOTE 15. TUITION RESERVE 2017-2018

New Jersey Statute permits school districts to accumulate funds for tuition adjustments. The district shall make full appropriation of the reserve for tuition adjustments in the second year following the contract year.

The activity in the tuition reserve for the 2020 fiscal year is as follows:

Beginning balance, July 1, 2019	\$ 800,000
Budget Appropriation	800,000
Ending balance, June 30, 2020	<u>\$ 0</u>

Town of Hammonton School District
Notes to Financial Statements
June 30, 2020

NOTE 16. DEFICIT FUND BALANCES

The District has a deficit fund balance of \$813,335 in the General Fund and \$51,731 in the Special Revenue Fund as of June 30, 2020 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last state aid payment in the subsequent fiscal year, the school district can not recognize the last state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last state aid payment, the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of correction action. The District deficit in the GAAP funds statement of \$813,335 in the General Fund and \$51,731 in the Special revenue fund is equal to or less than the last state payment(s).

NOTE 17. FUND BALANCES

Restricted Fund Balance

Capital Reserve – As of June 30, 2020, there is a balance of \$2,818,752 in the Capital Reserve Account of which \$2,699,917 has been appropriated and included as anticipated revenue for the year ended June 30, 2020.

Maintenance Reserve – As of June 30, 2020, there is a balance of \$1,913,020 in the Maintenance Reserve Account of which \$1,465,000 has been appropriated and included as anticipated revenue for the year ended June 30, 2020.

Emergency Reserve – As of June 30, 2020, there is a balance of \$325,366 in the Emergency Reserve Account of which \$320,000 has been appropriated and included as anticipated revenue for the year ended June 30, 2020.

Excess Surplus – As of June 30, 2020, there is a balance of \$712,752 in the Excess Surplus Account.

Town of Hammonton School District
Notes to Financial Statements
June 30, 2020

Assigned Fund Balance

General Fund – As of June 30, 2020, \$2,700,000 has been included as anticipated revenue for the year ended June 30, 2020. Additionally, \$33,851 is for year-end encumbrances.

Debt Service Fund – As of June 30, 2020, there is a balance of \$2 in the Debt Service Fund for the year ended June 30, 2020.

Unassigned Fund Balance Deficit

General Fund – As of June 30, 2020, the unassigned fund balance of the general fund was a deficit of \$813,335. The deficit is a result from the delay in the payment of state aid until the following fiscal year.

Special Revenue Fund Deficit – As of June 30, 2020, the special revenue fund deficit is \$51,731. The deficit is a result from the delay in the payment of state aid until the following fiscal year.

NOTE 18. CALCULATION OF EXCESS SURPLUS

In accordance with NJSA 18A:7F-7, as amended, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2020 is \$712,752.

NOTE 19. 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; injuries to employees; and natural disasters.

Property and Liability Insurance – The District maintains commercial insurance coverage for property, liability and surety bonds. During the fiscal year ended June 30, 2020 the District did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

New Jersey Unemployment Compensation Insurance – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the

Town of Hammonton School District
Notes to Financial Statements
June 30, 2020

ending (deficit) balance of the District's expendable trust fund for the current and prior two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019-2020	\$0	57,104	5,211	(79,186)	360,874
2018-2019	0	52,962	3,923	(9,628)	377,745
2017-2018	0	51,644	895	(34,179)	330,488

NOTE 20. ECONOMIC DEPENDENCY

The District is heavily reliant on local property taxation to fund the District operations and debt service. Property taxes funded approximately 35% of the Districts 2019-2020 governmental operations.

NOTE 21. INTERFUND RECEIVABLES AND PAYABLES

The following Interfund balances remained on the balance sheet at June 30, 2020:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 154,363	
Fiduciary Fund	1,269	
Food Service Program		\$ 155,632
	<u>\$ 155,632</u>	<u>\$ 155,632</u>

Inter-funds were created throughout the year due to short term borrowings to cover cash flow needs in the various funds. The inter-funds between the governmental funds and the business-type activities are shown as Internal Balances on the governmental-wide financial statements.

NOTE 22. SUBSEQUENT EVENTS

The former Hammonton Middle School reverted back to the District in the subsequent period. The District executed a lease for the property with St. Joseph Academy for a one-year term with an option for an additional two years.

Required Supplementary Information
Part II

TOWN OF HAMMONTON SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$18,018,685		18,018,685	18,018,685	0
Tuition	9,082,502		9,082,502	9,342,121	259,619
Transportation Fees from Other LEA's	80,000		80,000	39,545	(40,455)
Interest earned on Reserves	6,900		6,900	76,457	69,557
Interest earned				43,958	43,958
Miscellaneous	100,000		100,000	54,235	(45,765)
Total - Local Sources	27,288,087	0	27,288,087	27,575,001	286,914
State Sources:					
Equalization Aid	14,652,350		14,652,350	14,652,350	0
Categorical Special Education Aid	2,297,445		2,297,445	2,297,445	0
Categorical Security Aid	773,246		773,246	773,246	0
Categorical Transportation Aid	757,886		757,886	757,886	0
Special Education Extraordinary Aid	150,000		150,000	322,800	172,800
Public School Choice Aid	2,379,173		2,379,173	2,379,173	0
Non Public Transportation Aid				189	189
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				1,642,597	1,642,597
TPAF Non-Contributory (On-Behalf - Non-Budgeted)				4,427,704	4,427,704
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)				3,009	3,009
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,664,165	1,664,165
Total - State Sources	21,010,100	0	21,010,100	28,920,564	7,910,464
Federal Sources:					
Medicaid Reimbursement and unrestricted federal funds	87,588		87,588	118,541	30,953
	87,588	0	87,588	118,541	30,953
Total Revenues	\$48,385,775	0	48,385,775	56,614,106	8,228,331

(continued)

TOWN OF HAMMONTON SCHOOL DISTRICT

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	810,182	(66,353)	743,829	691,253	52,576
Grades 1-5	4,586,863	(187,000)	4,399,863	4,352,432	47,431
Grades 6-8	3,976,846	60,320	4,036,966	4,011,304	25,662
Grades 9-12	6,199,557	(284,577)	5,914,980	5,897,531	17,449
Regular Programs - Home Instruction:					
Salaries of Teachers	150,000	(62,120)	87,880	55,559	32,321
Purchased Professional-Educational Services	42,000	(20,420)	21,580	19,562	2,018
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	224,349	(78,994)	145,355	131,102	14,253
Purchased Professional-Educational Services	49,866	(1,688)	48,178	40,197	7,981
Purchased Technical Services	45,875	(12,537)	33,338	29,385	3,953
Other Purchased Services	62,450	7,100	69,550	41,485	28,065
General Supplies	533,699	102,176	635,875	563,249	72,626
Textbooks	57,250	123,986	181,236	175,748	5,488
Other Objects	12,800	(2,260)	10,540	4,483	6,057
Total Regular Programs	16,751,537	(422,367)	16,329,170	16,013,290	315,880
Special Education - Instruction:					
Learning and/or Language Disabilities					
Salaries of Teachers	306,725	67,320	374,045	374,045	0
Other Salaries for Instruction	124,514	26,441	150,955	150,182	773
General Supplies	2,495	0	2,495	426	2,069
Total Learning and/or Language Disabilities	433,734	93,761	527,495	524,653	2,842
Behavioral Disabilities					
Salaries of Teachers	327,688	30,300	357,988	355,588	2,400
Other Salaries for Instruction	114,770	(47,216)	67,554	67,355	199
Purchased Professional-Educational Services	3,200	0	3,200	1,650	1,550
General Supplies	4,745	(800)	3,945	698	3,247
Textbooks	1,000	0	1,000		1,000
Total Behavioral Disabilities	451,403	(17,716)	433,687	425,291	8,396
Multiple Disabilities					
Salaries of Teachers	982,338	(28,558)	953,780	930,396	23,384
Other Salaries for Instruction	397,659	(29,713)	367,946	365,814	2,132
Purchased Professional Educational Services	2,427	0	2,427	115	2,312
General Supplies	34,050	(11,300)	22,750	18,713	4,037
Textbooks	4,100	100	4,200	3,161	1,039
Total Multiple Disabilities	1,420,574	(69,471)	1,351,103	1,318,199	32,904

(continued)

TOWN OF HAMMONTON SCHOOL DISTRICT

Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Resource Room/Resource Center					
Salaries of Teachers	717,656	(126,102)	591,554	589,387	2,167
Other Salaries for Instruction	133,502	(5,299)	128,203	128,158	45
General Supplies	8,400	702	9,102	8,326	776
Total Resource Room/Resource Center	859,558	(130,699)	728,859	725,871	2,988
Preschool Disabilities - Part-Time					
Salaries of Teachers	95,438	1,067	96,505	96,505	0
Other Salaries for Instruction	106,594	4,200	110,794	109,521	1,273
Other Purchased Services	100	0	100		100
General Supplies	1,985	(267)	1,718	1,007	711
Other Objects	115	0	115		115
Total Preschool Disabilities - Part-Time	204,232	5,000	209,232	207,033	2,199
Home Instruction					
Purchased Professional Education Services		22,735	22,735	22,232	503
	0	22,735	22,735	22,232	503
Total Special Education - Instruction	3,369,501	(96,390)	3,273,111	3,223,279	49,832
Bilingual Education - Instruction:					
Salaries of Teachers	558,211	214,316	772,527	772,152	375
Other Salaries for Instruction	119,500	(18,890)	100,610	90,364	10,246
Purchased Professional Educational Services	7,105	(300)	6,805	1,700	5,105
General Supplies	34,955	5,985	40,940	33,845	7,095
Total Bilingual Education - Instruction	719,771	201,111	920,882	898,061	22,821
School Sponsored Cocurricular Activities - Instruction:					
Salaries	310,000	6,200	316,200	299,245	16,955
Purchased Services	8,950	18,460	27,410	23,889	3,521
Supplies and Materials	47,160	(13,985)	33,175	27,639	5,536
Other Objects	7,100	122,007	129,107	73,320	55,787
Total School Sponsored Cocurricular Activities - Instruction	373,210	132,682	505,892	424,093	81,799
School-Sponsored Athletics - Instruction					
Salaries	347,000	48,409	395,409	392,876	2,533
Purchased Services	19,500	(17,700)	1,800	850	950
Supplies and Materials	98,200	(3,267)	94,933	92,477	2,456
Other Objects	5,050	500	5,550	5,436	114
Transfers to Cover Deficit (Agency Funds)	80,000	500	80,500	80,500	0
Total School-Sponsored Athletics - Instruction	549,750	28,442	578,192	572,139	6,053
Total Instruction	21,763,769	(156,522)	21,607,247	21,130,862	476,385

(continued)

TOWN OF HAMMONTON SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	65,000	(17,261)	47,739	47,738	1
Tuition to Other LEAs Within the State - Special	151,400	(5,160)	146,240	146,240	0
Tuition to Co. Voc. School District - Regular	562,214	38,002	600,216	600,216	0
Tuition to Co. Voc. School District - Special		7,500	7,500	7,500	0
Tuition to CSSD & Regional Day Schools	897,901	(102,969)	794,932	767,859	27,073
Tuition to Private Schools for the Disabled - Within State	1,424,948	(58,086)	1,366,862	1,354,742	12,120
Tuition - State Facilities	39,872	0	39,872	39,872	0
Total Undistributed Expenditures - Instruction	3,141,335	(137,974)	3,003,361	2,964,167	39,194
Undistributed Expenditures - Attendance and Social Work:					
Salaries	79,534	67	79,601	79,601	0
Purchased Professional & Technical Services	41,000	0	41,000	40,980	20
Other Purchased Services	236	(67)	169	130	39
Supplies and Materials	3,289	0	3,289	1,786	1,503
Total Undistributed Expenditures - Attendance and Social Work	124,059	0	124,059	122,497	1,562
Undistributed Expenditures - Health Services:					
Salaries	319,820	2,200	322,020	299,544	22,476
Purchased Professional and Technical Services	36,600	0	36,600	33,269	3,331
Other Purchased Services	10,550	5,538	16,088	11,599	4,489
Supplies and Materials	17,018	1,400	18,418	13,679	4,739
Total Undistributed Expenditures - Health Services	383,988	9,138	393,126	358,091	35,035
Undistributed Expenditures - Other Support Services - Students - Related Services:					
Salaries	259,975	59,339	319,314	319,314	0
Purchased Professional-Educational Services	50,200	12,664	62,864	62,820	44
Supplies and Materials	7,330	0	7,330	4,302	3,028
Total Undistributed Expenditures - Other Support Services - Students - Related Services	317,505	72,003	389,508	386,436	3,072
Undistributed Expenditures - Other Support Services - Students - Extraordinary Services:					
Salaries	568,636	99,346	667,982	667,214	768
Purchased Professional Educational Services	214,000	(18,176)	195,824	143,558	52,266
Supplies and Materials	4,093	400	4,493	1,725	2,768
Total Undistributed Expenditures - Other Support Services - Students - Extraordinary Services:	786,729	81,570	868,299	812,497	55,802

(continued)

TOWN OF HAMMONTON SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Other Support Services -					
Students - Regular					
Salaries of Other Professional Staff	956,187	(135,356)	820,831	820,800	31
Salaries of Secretarial and Clerical Assistants	162,449	3,310	165,759	165,413	346
Purchased Professional Educational Services	5,300	(779)	4,521		4,521
Other Purchased Professional & Technical Services	6,789	(3,510)	3,279	1,038	2,241
Other Purchased Services	7,450	(835)	6,615	5,411	1,204
Supplies and Materials	24,825	(5,600)	19,225	6,997	12,228
Other Objects	1,813	774	2,587	1,752	835
Total Undistributed Expenditures - Other Support Services - Regular	1,164,813	(141,996)	1,022,817	1,001,411	21,406
Undistributed Expenditures - Other Support Services -					
Students - Special:					
Salaries of Other Professional Staff	872,144	91,734	963,878	954,596	9,282
Salaries of Secretarial and Clerical Assistants	85,846	517	86,363	85,863	500
Purchased Professional Educational Services	107,340	(44,065)	63,275	42,155	21,120
Other Purchased Professional and Technical Services	12,752	(855)	11,897	9,870	2,027
Miscellaneous Purchased Services	10,585	(1,000)	9,585	5,213	4,372
Supplies and Materials	20,050	(550)	19,500	7,207	12,293
Other Objects	1,375	0	1,375	450	925
Total Undistributed Expenditures - Other Support Services - Students - Special	1,110,092	45,781	1,155,873	1,105,354	50,519
Undistributed Expenditures - Other Support Services -					
Improvement of Instructional Services					
Purchased Professional Educational Services	2,455	0	2,455		2,455
Purchased Professional and Technical Services	4,145	0	4,145	4,080	65
Supplies and Materials	2,400	0	2,400		2,400
Total Undistributed Expenditures - Other Support Services - Improvement of Instructional Services	9,000	0	9,000	4,080	4,920
Undistributed Expenditures - Educational Media Services -					
School Library					
Salaries	267,882	150	268,032	266,665	1,367
Purchased Professional and Technical Services	23,850	4,150	28,000	22,063	5,937
Other Purchased Services	8,800	(4,140)	4,660	320	4,340
Supplies and Materials	46,100	11,000	57,100	43,314	13,786
Other Objects	35,615	(160)	35,455	27,300	8,155
Total Undistributed Expenditures - Educational Media Services - School Library	382,247	11,000	393,247	359,662	33,585

(continued)

TOWN OF HAMMONTON SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Instructional Staff Training Services					
Salaries of Supervisors of Instruction	812,295	13,984	826,279	816,728	9,551
Salaries of Secretarial and Clerical Assistants	59,960	200	60,160	60,090	70
Purchased Professional-Educational Services	11,300	5,330	16,630	9,506	7,124
Purchased Professional and Technical Services	1,300	0	1,300		1,300
Other Purchased Services	22,316	(3,100)	19,216	9,681	9,535
Supplies and Materials	9,200	(2,500)	6,700	440	6,260
Other Objects	3,950	0	3,950	2,285	1,665
Total Undistributed Expenditures - Instructional Staff Training Svcs	920,321	13,914	934,235	898,730	35,505
Undistributed Expenditures - Support Services - Gen. Admin.:					
Salaries	294,067	600	294,667	294,635	32
Legal Services	145,000	22,200	167,200	160,388	6,812
Audit Fees	20,000	0	20,000	18,627	1,373
Architectural/Engineering Services	20,670	22,000	42,670	11,657	31,013
Other Purchased Professional Services	2,000	0	2,000		2,000
Purchased Technical Services	80	0	80		80
Communications/Telephone	131,400	(17,431)	113,969	109,528	4,441
BOE Other Purchased Services	1,700	0	1,700	1,700	0
Other Purchased Services	152,025	0	152,025	148,432	3,593
General Supplies	2,800	3,170	5,970	5,411	559
BOE IN-House Training/Meeting Supplies	325	0	325	162	163
Miscellaneous Expenditures	6,000	0	6,000	2,523	3,477
Membership Dues and Fees	19,700	0	19,700	16,526	3,174
Total Undistributed Expenditures - Support Services - Gen. Admin.	795,767	30,539	826,306	769,589	56,717
Undistributed Expenditures - Support Serv. - School Admin.:					
Salaries of Principals/Assistant Principals	1,139,823	1,016	1,140,839	1,140,614	225
Salaries of Secretarial and Clerical Assistants	680,106	6,189	686,295	679,322	6,973
Purchased Professional and Technical Services	600	0	600		600
Other Purchased Services	106,380	(16,305)	90,075	58,405	31,670
Supplies and Materials	68,450	7,600	76,050	59,758	16,292
Other Objects	14,395	18,647	33,042	28,014	5,028
Total Undistributed Expenditures - Support Serv. - School Admin.	2,009,754	17,147	2,026,901	1,966,113	60,788
Undistributed Expenditures - Central Services					
Salaries	475,817	2,305	478,122	478,122	0
Purchased Professional Services	43,000	2,000	45,000	44,161	839
Purchased Technical Services	45,000	(2,305)	42,695	35,254	7,441
Misc. Purchased Services (400-500 series)	17,600	(2,000)	15,600	6,926	8,674
Supplies and Materials	4,700	481	5,181	2,501	2,680
Interest on Lease Purchased Agreements	800	0	800		800
Miscellaneous Expenditures	4,670	0	4,670	2,900	1,770
Total Undistributed Expenditures - Central Services	591,587	481	592,068	569,864	22,204

(continued)

TOWN OF HAMMONTON SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Admin. Info Technology					
Salaries	285,343	400	285,743	285,639	104
Purchased Technical Services	78,425	(9,200)	69,225	57,914	11,311
Other Purchased Services (400-500 series)	54,500	5,500	60,000	58,509	1,491
Supplies and Materials	24,689	(6,100)	18,589	2,464	16,125
Other Objects	820	0	820		820
Total Undistributed Expenditures - Admin. Info Technology	443,777	(9,400)	434,377	404,526	29,851
Undistributed Expenditures - Required Maint for School Facilities					
Interest Earned on Maintenance Reserve	2,500	0	2,500		2,500
Salaries	417,935	0	417,935	373,662	44,273
Cleaning, Repair, and Maintenance Services	104,200	122,228	226,428	182,733	43,695
General Supplies	52,380	51,204	103,584	88,473	15,111
Other Objects	1,950	0	1,950	525	1,425
Total Undistributed Expenditures - Required Maint for School Facilities	578,965	173,432	752,397	645,393	107,004
Undistributed Expenditures - Operation and Maintenance of Plant Services:					
Salaries	806,178	(9,705)	796,473	784,124	12,349
Salaries of Non-Instructional Aides	307,651	16,005	323,656	323,656	0
Purchased Professional and Technical Services	1,000	0	1,000	900	100
Cleaning, Repair, and Maintenance Services	81,400	(6,950)	74,450	43,898	30,552
Other Purchased Property Services	69,900	(5,000)	64,900	43,584	21,316
Insurance	210,000	(4,900)	205,100	202,289	2,811
Miscellaneous Purchased Services	8,635	(600)	8,035	6,778	1,257
General Supplies	223,500	106,706	330,206	315,058	15,148
Energy (Natural Gas)	226,800	22,700	249,500	239,407	10,093
Energy (Electricity)	951,100	(70,400)	880,700	855,648	25,052
Energy (Gasoline)	45,000	(31,875)	13,125	9,420	3,705
Other Objects	610	1,300	1,910	1,165	745
Total Undistributed Expenditures - Operation and Maintenance of Plant Services	2,931,774	17,281	2,949,055	2,825,927	123,128
Undistributed Expenditures - Care and Upkeep of Grounds					
Salaries	310,895	(7,300)	303,595	303,526	69
Purchased Professional & Technical Services	100	0	100		100
Cleaning, Repair, and Maintenance Services	34,700	(3,000)	31,700	10,364	21,336
Travel		390	390	390	0
General Supplies	78,100	0	78,100	65,203	12,897
Other Objects	6,350	(390)	5,960	4,010	1,950
Total Undistributed Expenditures - Care and Upkeep of Grounds	430,145	(10,300)	419,845	383,493	36,352

(continued)

TOWN OF HAMMONTON SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Security					
Salaries	68,000	3,500	71,500	67,822	3,678
Purchased Professional & Technical Services	220,245	2,000	222,245	215,365	6,880
Cleaning, Repair, & Maintenance Services	27,580	4,544	32,124	7,295	24,829
General Supplies	45,336	(823)	44,513	3,618	40,895
Total Undistributed Expenditures - Security	361,161	9,221	370,382	294,100	76,282
Total Operation & Maintenance Services	4,302,045	189,634	4,491,679	4,148,913	342,766
Undistributed Expenditures - Student Transportation Services:					
Salaries of Non-Instructional Aides	322,460	45,000	367,460	347,547	19,913
Sal for Pupil Transp (Between Home and School)-Reg.	959,373	0	959,373	903,943	55,430
Sal for Pupil Transp (Between Home and School)-Sp Ed	97,278	67,172	164,450	164,450	0
Sal for Pupil Transp (Other than Between Home & School)	72,000	(32,902)	39,098	14,625	24,473
Other Purchased Professional and Technical Services	10,000	0	10,000	8,050	1,950
Cleaning, Repair, and Maintenance Services	85,000	(22,000)	63,000	33,467	29,533
Contracted Services - (Betw Home/Sch) - Vendors	652	0	652		652
Contracted Services - (Other than betw Home/Sch) - Vendors	18,000	(3,000)	15,000		15,000
Contracted Services - (Betw Home/Sch) - Joint Agr	7,000	0	7,000	4,211	2,789
Contracted Services - (Special Education) - Vendors	54,800	(52,350)	2,450	2,250	200
Contracted Services - (Special Education) - Joint Agr	56,000	43,000	99,000	95,968	3,032
Contracted Services - ESCs		70,400	70,400	46,470	23,930
Contracted Services - (Special Education) - ESCs	118,000	195,600	313,600	273,128	40,472
Contracted Services - Aid in Lieu of Payments-Non Pub Sch	47,000	5,000	52,000	34,490	17,510
Contracted Services - Aid in Lieu of Payments-Charter	1,000	0	1,000		1,000
Contracted Services - Aid in Lieu of Payments-Choice	3,000	0	3,000	1,334	1,666
Miscellaneous Purchased Services	49,300	0	49,300	45,229	4,071
General Supplies	107,000	71,875	178,875	83,183	95,692
Transportation Supplies	118,000	60,021	178,021	149,670	28,351
Other Objects	2,000	0	2,000	200	1,800
Total Undistributed Expenditures - Student Transportation Serv.	2,127,863	447,816	2,575,679	2,208,215	367,464
Interest Earned on Current Expense Emergency Reserves	600	0	600		600
Unallocated Benefits:					
Social Security Contributions	665,000	(553)	664,447	664,447	0
Other Retirement Contributions - PERS	690,000	4,000	694,000	688,804	5,196
Unemployment Compensation	2,000	0	2,000	1,190	810
Workmen's Compensation	480,000	(28,097)	451,903	440,077	11,826
Health Benefits	6,141,909	(483,830)	5,658,079	5,626,750	31,329
Tuition Reimbursement	41,500	0	41,500	26,222	15,278
Other Employee Benefits	392,250	(25,000)	367,250	352,648	14,602
Unused Vac Payment to Term/Ret Staff	58,443	1,593	60,036	51,870	8,166
Total Unallocated Benefits	8,471,102	(531,887)	7,939,215	7,852,008	87,207

(continued)

TOWN OF HAMMONTON SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				1,642,597	(1,642,597)
TPAF Non-Contributory (On-Behalf - Non-Budgeted)				4,427,704	(4,427,704)
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)				3,009	(3,009)
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,664,165	(1,664,165)
Total On-behalf Contributions	0	0	0	7,737,475	(7,737,475)
Total Undistributed Expenditures	27,082,584	97,766	27,180,350	33,669,628	(6,489,278)
Total Current Expense	48,846,353	(58,756)	48,787,597	54,800,490	(6,012,893)
Capital Outlay:					
Interest Deposit to Capital Reserve	3,800	0	3,800		3,800
Equipment					
Grades 1- 5		2,359	2,359	2,359	0
Grades 6 - 8		2,528	2,528	2,442	86
School sponsored		48,700	48,700	46,120	2,580
Undistributed Expenditures:					0
Support Services - Regular		4,826	4,826	4,826	0
Support Services - Related & Extraordinary		8,706	8,706	8,701	5
Undistr. Expenditures - Care and Upkeep of Grounds	100,000	(35,556)	64,444	3,350	61,094
Undistr. Expenditures - Security		104,597	104,597	104,597	0
Undistr. Expenditures - School buses - Regular		194,510	194,510	194,510	0
Total Equipment	100,000	330,670	430,670	366,905	63,765
Facilities Acquisition and Construction Services					
Other Purchased Prof & Tech Services		6,213	6,213	6,213	0
Construction Services	1,900,000	33,782	1,933,782	39,995	1,893,787
Assessment for Debt Service on SDA Funding	163,157	0	163,157	163,157	0
Total Facilities Acquisition and Construction Services	2,063,157	39,995	2,103,152	209,365	1,893,787
Total Capital Outlay	2,166,957	370,665	2,537,622	576,270	1,961,352

(continued)

TOWN OF HAMMONTON SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Total Expenditures	<u>51,013,310</u>	<u>311,909</u>	<u>51,325,219</u>	<u>55,376,760</u>	<u>(4,051,541)</u>
Other Financing Sources (Uses):					
Capital Reserve-Transfer to Debt Service	(318,279)	0	(318,279)	(318,279)	0
Local Contribution - Transfer to Special Revenue Fund	(70,622)	0	(70,622)	(70,622)	0
Transfer to Cover Deficit - Enterprise Fund		(138,906)	(138,906)	(138,906)	0
Prior year encumbrances				34,475	34,475
Refund prior year expenditures				36,648	36,648
Total Other Financing Sources (Uses)	<u>(388,901)</u>	<u>(138,906)</u>	<u>(527,807)</u>	<u>(456,684)</u>	<u>71,123</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>(3,016,436)</u>	<u>(450,815)</u>	<u>(3,467,251)</u>	<u>780,662</u>	<u>4,247,913</u>
Fund Balances, July 1	<u>8,848,854</u>		<u>8,848,854</u>	<u>8,848,854</u>	<u>0</u>
Fund Balances, June 30	<u>\$5,832,418</u>	<u>(450,815)</u>	<u>5,381,603</u>	<u>9,629,516</u>	<u>4,247,913</u>

Recapitulation of Fund Balance:

Restricted Fund Balance:	
Maintenance Reserve	448,020
Emergency Reserve	5,366
Capital Reserve	118,835
Excess Surplus	712,752
Assigned Fund Balance:	
Year End Encumbrances	33,851
Designated for Subsequent Year's Expenditures	2,700,000
Capital Reserve Designated for Subsequent Year's Exp.	2,363,157
Capital Reserve Designated for Debt Service	336,760
Maintenance Reserve Designated for Subsequent Year's Exp.	1,465,000
Emergency Reserve Designated for Subsequent Year's Exp.	320,000
Unassigned Fund Balance	<u>1,125,775</u>
	9,629,516
Reconciliation to Governmental Funds Statements (GAAP):	
Last State Aid Payment Not Recognized on GAAP Basis:	<u>(1,939,110)</u>
Fund Balance per Governmental Funds (GAAP)	<u><u>\$7,690,406</u></u>

TOWN OF HAMMONTON SCHOOL DISTRICT

Budgetary Comparison Schedule

Special Revenue Fund

For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources:					
Local Programs	21,779	16,919	38,698	22,064	(16,634)
Total - Local Sources	21,779	16,919	38,698	22,064	(16,634)
State Sources:					
Preschool Education Aid	523,942		523,942	509,247	(14,695)
Nonpublic aid	325,453	111,014	436,467	236,388	(200,079)
Total - State Sources	849,395	111,014	960,409	745,635	(214,774)
Federal Sources:					
Title I	643,777	208,419	852,196	823,553	(28,643)
I.D.E.A., Part B	623,521	228,899	852,420	815,176	(37,244)
Vocational Education	24,627	9,421	34,048	34,048	0
Other	165,037	659,743	824,780	599,248	(225,532)
Total - Federal Sources	1,456,962	1,106,482	2,563,444	2,272,025	(291,419)
Total Revenues	2,328,136	1,234,415	3,562,551	3,039,724	(522,827)
EXPENDITURES:					
Instruction					
Salaries of Teachers	716,764	94,483	811,247	769,838	41,409
Other Salaries for Instruction	255,145	71,044	326,189	326,001	188
Purchased Professional, Technical and Educational Services	847,596	235,749	1,083,345	927,562	155,783
General Supplies	64,517	514,530	579,047	502,937	76,110
Textbooks	15,740	3,921	19,661	6,202	13,459
Other Objects	0	5,915	5,915	5,879	36
Total instruction	1,899,762	925,642	2,825,404	2,538,419	286,985

(continued)

TOWN OF HAMMONTON SCHOOL DISTRICT

Budgetary Comparison Schedule

Special Revenue Fund

For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
EXPENDITURES (CONT'D):					
Support Services					
Salaries of Principals	41,769	0	41,769	41,769	0
Salaries of Other Professional Staff	38,267	107,742	146,009	128,633	17,376
Personal Services - Employee Benefits	212,273	(4,979)	207,294	203,872	3,422
Purchased Professional and Technical Services	29,464	148,764	178,228	113,937	64,291
Other Purchased Services	128,631	(63,723)	64,908	38,262	26,646
Supplies and Materials	3,029	150,241	153,270	37,554	115,716
Other Objects	0	4,791	4,791	400	4,391
Total support services	453,433	342,836	796,269	564,427	231,842
Facilities acquisition and construction services					
Instructional equipment	0	7,500	7,500	7,500	0
Non-Instructional equipment	45,563	(41,563)	4,000		4,000
Total facilities acquisition and construction services	45,563	(34,063)	11,500	7,500	4,000
Total expenditures	2,398,758	1,234,415	3,633,173	3,110,346	522,827
Excess (Deficiency) of Revenues Over (Under) Expenditures	(70,622)	0	(70,622)	(70,622)	0
OTHER FINANCING SOURCES (USES)					
Transfer from Operating Budget - Preschool	70,622	0	70,622	70,622	0
Total other financing sources and uses	70,622	0	70,622	70,622	0
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	0	0	0	0	0

Notes to the Required Supplementary Information
Part II

TOWN OF HAMMONTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2020

Note A - Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	<u>General Fund</u>	<u>Special Revenue</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$56,614,106	3,039,724
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized		910
Prior year		(468,787)
Current year		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,782,854	39,038
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(1,939,110)</u>	<u>(51,731)</u>
Total revenues reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>56,457,850</u>	<u>2,559,154</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	55,376,760	3,110,346
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes		910
Prior year		(468,787)
Current year		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$55,376,760</u>	<u>2,642,469</u>

Required Supplementary Information
Part III

TOWN OF HAMMONTON SCHOOL DISTRICT
Schedules of Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employee's Retirement System (PERS)

	2019	2018	2017	2016	2015	2014	2013
District's Proportion of the Net Pension Liability (Asset)	0.057614%	0.058204%	0.058789%	0.060652%	0.070345%	0.069498%	0.067962%
District's Proportionate Share of the Net Pension Liability (Asset)	\$10,381,141	\$11,460,122	\$13,685,233	\$17,963,393	\$15,791,086	\$13,011,915	\$12,988,945
District's Covered Employee Payroll	\$4,346,161	\$4,292,183	\$4,105,495	\$4,062,230	\$4,096,106	\$4,156,086	\$4,398,336
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its covered employee payroll	238.86%	267.00%	333.34%	442.21%	385.51%	313.08%	295.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

TOWN OF HAMMONTON SCHOOL DISTRICT
Schedules of Required Supplementary Information Part III
Schedule of District Contributions
Public Employee's Retirement System (PERS)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$561,625	\$580,071	\$547,556	\$539,844	\$604,780	\$572,931	\$512,082
Contributions in Relation to the Contractually Required Contribution	<u>(561,625)</u>	<u>(580,071)</u>	<u>(547,556)</u>	<u>(539,844)</u>	<u>(604,780)</u>	<u>(572,931)</u>	<u>(512,082)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's Covered Employee Payroll	\$4,346,161	\$4,292,183	\$4,105,495	\$4,062,230	\$4,096,106	\$4,156,086	\$4,398,336
Contributions as a Percentage of Covered Employee Payroll	12.92%	13.51%	13.34%	13.29%	14.76%	13.79%	11.64%

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

TOWN OF HAMMONTON SCHOOL DISTRICT
Schedules of Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers Pension Annuity Fund

	2019	2018	2017	2016	2015	2014	2013
District's Proportion of the Net Pension Liability (Asset)	19.873413%	0.194972%	0.196938%	0.195411%	0.194530%	0.196987%	0.193339%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) associated with the District	<u>\$121,965,013</u>	<u>\$124,036,957</u>	<u>\$132,782,502</u>	<u>\$153,722,385</u>	<u>\$122,951,456</u>	<u>\$105,283,211</u>	<u>\$97,711,916</u>
Total	<u>\$121,965,013</u>	<u>\$124,036,957</u>	<u>\$132,782,502</u>	<u>\$153,722,385</u>	<u>\$122,951,456</u>	<u>\$105,283,211</u>	<u>\$97,711,916</u>
District's Covered Employee Payroll	\$22,921,558	\$21,957,911	\$21,222,897	\$20,831,365	\$20,445,981	\$20,056,657	\$18,688,353
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its covered employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.95%	26.48%	25.41%	22.33%	28.71%	33.64%	33.76%

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

TOWN OF HAMMONTON SCHOOL DISTRICT
Schedules of Required Supplementary Information
Schedule of the District's Contributions
Teachers Pension Annuity Fund

The School District was not required to make any contributions towards TPAF.

Note: This schedule is required by GASB 68 to show information for a 10 year period.

TOWN OF HAMMONTON SCHOOL DISTRICT
Schedules of Required Supplementary Information
Schedule of Changes in the Total OPEB Liability and Related Ratios
State Health Benefit Local Education Retired Employees Plan

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability			
Service cost	\$ 3,777,871	4,246,674	5,131,237
Interest	3,923,712	4,180,451	3,616,191
Changes of benefit terms			
Differences between expected and actual experience	(15,995,790)	(9,384,772)	
Changes of assumptions or other inputs	(1,331,540)	(11,352,424)	(15,430,462)
Member contributions	81,262	91,425	97,051
Benefit payments	<u>(2,741,388)</u>	<u>(2,645,286)</u>	<u>(2,635,651)</u>
Net change in total OPEB liability	(12,285,873)	(14,863,932)	(9,221,634)
Total OPEB liability - beginning	<u>98,927,481</u>	<u>113,791,413</u>	<u>123,013,047</u>
Total OPEB liability - ending	<u>\$ 89,304,688</u>	<u>98,927,481</u>	<u>113,791,413</u>
Covered-employee payroll	\$ 27,267,719	26,250,094	25,328,392
Total OPEB liability as a percentage of covered-employee payroll	327.51%	376.87%	449.26%

Notes to Schedule:

Changes of benefit terms: None

Changes of assumptions: The decrease in the liability from June 30,

Source: GASB 75 report on State of New Jersey State Health Benefits Program; District records

Note: The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

Notes to the Required Supplementary Information
Part III

Town of Hammonton School District
Notes to Required Supplementary Information Part III
For the Fiscal Year Ended June 30, 2020

Change of Benefit Terms: None

Change of Assumptions: None

SPECIAL REVENUE FUND

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

TOWN OF HAMMONTON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenue and Expenditures
Budgetary Basis
FOR THE FISCAL YEAR ENDED June 30, 2020

	HEF FY19 HS Teacher of the Year Grant	HEF FY20 WES Teacher of the Year Grant	HEF FY18 HS Teacher of the Year Grant	HEF 3D Printing HS	HEF Poetry Café HS	HEF Taste of the Town Award	HEF Field Trip Fun ECEC	HEF Super Friends WES	HEF Blue Devils Pantry HS
REVENUES:									
Local Sources	\$336	500	152	7,500	211	60	4,300	4,200	4,366
State Sources									
Federal Sources									
Total revenues	336	500	152	7,500	211	60	4,300	4,200	4,366
EXPENDITURES:									
Instruction:									
Salaries of teachers									
Other salaries of instruction									
Purchased professional, technical and educational svcs									
General supplies	336	500	152			60		4,200	
Textbooks									
Other objects							4,300		
Total instruction	336	500	152	0	0	60	4,300	4,200	0
Support services:									
Salaries of principals									
Salaries of other professional staff									
Personnel services- employee benefits									
Purchased professional and technical services									
Other purchased services									
Supplies and materials					211				4,366
Other objects									
Total support services	0	0	0	0	211	0	0	0	4,366
Facilities acquisition and construction services									
Instructional equipment				7,500					
Total facilities acquisition and construction services	0	0	0	7,500	0	0	0	0	0
Total expenditures	336	500	152	7,500	211	60	4,300	4,200	4,366
Other Financing Sources (Uses)									
Transfer from Operating Budget - Preschool									
Total Other Financing Sources (Uses)	0	0	0	0	0	0	0	0	0
Excess (Deficiency) of Revenues Over (Under)									
Expenditures and Other Financing Sources (Uses)	\$0	0	0	0	0	0	0	0	0

TOWN OF HAMMONTON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenue and Expenditures
Budgetary Basis
FOR THE FISCAL YEAR ENDED June 30, 2020

Exhibit E-1
Page 2

	HEF K Agriculture ECEC	Brain Alliance Grant	Total Local Funds	Nonpublic Textbooks	Nonpublic Home Instruction	Nonpublic Auxiliary Aid		Nonpublic Handicapped Aid		
						Compensatory Education	ESL	Examination & Classification	Corrective Speech	Supplemental Instruction
REVENUES:										
Local Sources	39	400	22,064							
State Sources				6,202	1,217	75,279	1,158	40,327	14,765	44,765
Federal Sources										
Total revenues	39	400	22,064	6,202	1,217	75,279	1,158	40,327	14,765	44,765
EXPENDITURES:										
Instruction:										
Salaries of teachers										
Other salaries of instruction										
Purchased professional, technical and educational svcs		400	400		1,217	75,279	1,158	40,327	14,765	44,765
General supplies	39		5,267							
Textbooks				6,202						
Other objects			4,300							
Total instruction	39	400	9,967	6,202	1,217	75,279	1,158	40,327	14,765	44,765
Support services:										
Salaries of principals										
Salaries of other professional staff										
Personnel services- employee benefits										
Purchased professional and technical services										
Other purchased services			0							
Supplies and materials			4,577							
Other objects										
Total support services	0	0	4,577	0	0	0	0	0	0	0
Facilities acquisition and construction services										
Instructional equipment			7,500							
Total facilities acquisition and construction services	0	0	7,500	0	0	0	0	0	0	0
Total expenditures	39	400	22,064	6,202	1,217	75,279	1,158	40,327	14,765	44,765
Other Financing Sources (Uses)										
Transfer from Operating Budget - Preschool										
Total Other Financing Sources (Uses)	0	0	0	0	0	0	0	0	0	0
Excess (Deficiency) of Revenues Over (Under)										
Expenditures and Other Financing Sources (Uses)	0	0	0	0	0	0	0	0	0	0

(continued)

TOWN OF HAMMONTON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenue and Expenditures
Budgetary Basis
FOR THE FISCAL YEAR ENDED June 30, 2020

	Nonpublic Nursing	Nonpublic Technology	Nonpublic Security	Preschool Education Aid	Total State Funds	Title I Part A	Carryover Title I Part A	Title III English Language Enhancement	Carryover Title III English Language Enhanc.	Title III Language Instruction for Immigrant Students	Carryover Title IV Language Instruction for Immigrant Students
REVENUES:											
Local Sources											
State Sources	20,821	10,722	21,132	509,247	745,635						
Federal Sources						807,298	16,255	39,936	948	4,802	13,361
Total revenues	20,821	10,722	21,132	509,247	745,635	807,298	16,255	39,936	948	4,802	13,361
EXPENDITURES:											
Instruction:											
Salaries of teachers				345,089	345,089	417,655	844				
Other salaries of instruction				150,489	150,489	130,438	5,196	36,411		3,467	
Purchased professional, technical and educational svcs		10,722			188,233						
General supplies				7,455	7,455	1,140		739	948	1,070	
Textbooks					6,202						
Other objects						1,579					
Total Instruction	0	10,722	0	503,033	697,468	550,812	6,040	37,150	948	4,537	0
Support services:											
Salaries of principals				41,769	41,769						
Salaries of other professional staff						80,948	4,575				12,411
Personnel services- employee benefits				35,067	35,067	161,161	812	2,786		265	950
Purchased professional and technical services	20,821		550		21,371						
Other purchased services						8,093	3,589				
Supplies and materials			20,582		20,582	5,884	1,239				
Other objects						400					
Total support services	20,821	0	21,132	76,836	118,789	256,486	10,215	2,786	0	265	13,361
Facilities acquisition and construction services											
Instructional equipment					0						
Total facilities acquisition and construction services	0	0	0	0	0	0	0	0	0	0	0
Total expenditures	20,821	10,722	21,132	579,869	816,257	807,298	16,255	39,936	948	4,802	13,361
Other Financing Sources (Uses)											
Transfer from Operating Budget - Preschool				70,622	70,622						
Total Other Financing Sources (Uses)	0	0	0	70,622	70,622	0	0	0	0	0	0
Excess (Deficiency) of Revenues Over (Under)	0	0	0	0	0	0	0	0	0	0	0
Expenditures and Other Financing Sources (Uses)	0	0	0	0	0	0	0	0	0	0	0

TOWN OF HAMMONTON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenue and Expenditures
Budgetary Basis
FOR THE FISCAL YEAR ENDED June 30, 2020

Exhibit E-1
Page 4

	Title IV Student Support and Academic Enrichment	I.D.E.A. Part - B Basic	Carryover I.D.E.A. Part - B Basic	I.D.E.A. Part - B Preschool	Title II Part A	Carryover Title II Part A	CARES Emergency Relief Grant	Perkins Vocational	Total Federal Funds	Totals
REVENUES:										
Local Sources										22,064
State Sources										745,635
Federal Sources	27,699	756,304	33,626	25,246	3,458	30,060	478,984	34,048	2,272,025	2,272,025
Total revenues	<u>27,699</u>	<u>756,304</u>	<u>33,626</u>	<u>25,246</u>	<u>3,458</u>	<u>30,060</u>	<u>478,984</u>	<u>34,048</u>	<u>2,272,025</u>	<u>3,039,724</u>
EXPENDITURES:										
Instruction:										
Salaries of teachers								6,250	424,749	769,838
Other salaries of instruction									175,512	326,001
Purchased professional, technical and educational svcs		702,364		25,246					738,929	927,562
General supplies	3,317						6,369	4,950	490,195	502,937
Textbooks							467,343	15,638	0	6,202
Other objects									1,579	5,879
Total instruction	<u>3,317</u>	<u>702,364</u>	<u>0</u>	<u>25,246</u>	<u>0</u>	<u>0</u>	<u>473,712</u>	<u>26,838</u>	<u>1,830,964</u>	<u>2,538,419</u>
Support services:										
Salaries of principals									0	41,769
Salaries of other professional staff	22,649					1,800		6,250	128,633	128,633
Personnel services- employee benefits	1,733					138		960	168,805	203,872
Purchased professional and technical services		53,940	33,626		2,500	2,500			92,566	113,937
Other purchased services					958	25,622			38,262	38,262
Supplies and materials							5,272		12,395	37,554
Other objects									400	400
Total support services	<u>24,382</u>	<u>53,940</u>	<u>33,626</u>	<u>0</u>	<u>3,458</u>	<u>30,060</u>	<u>5,272</u>	<u>7,210</u>	<u>441,061</u>	<u>564,427</u>
Facilities acquisition and construction services										
Instructional equipment									0	7,500
Total facilities acquisition and construction services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,500</u>
Total expenditures	<u>27,699</u>	<u>756,304</u>	<u>33,626</u>	<u>25,246</u>	<u>3,458</u>	<u>30,060</u>	<u>478,984</u>	<u>34,048</u>	<u>2,272,025</u>	<u>3,110,346</u>
Other Financing Sources (Uses)										
Transfer from Operating Budget - Preschool										70,622
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>70,622</u>
Excess (Deficiency) of Revenues Over (Under)										
Expenditures and Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

TOWN OF HAMMONTON SCHOOL DISTRICT
Special Revenue Fund
Preschool Education Aid Schedule of Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2020

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$359,346	345,089	14,257
Other Salaries for Instruction	150,489	150,489	0
Instructional Supplies	7,893	7,455	438
Total instruction	<u>517,728</u>	<u>503,033</u>	<u>14,695</u>
Support services:			
Salaries of Principals	41,769	41,769	0
Personnel Service Benefits	35,067	35,067	0
Total support services	<u>76,836</u>	<u>76,836</u>	<u>0</u>
Total expenditures	<u>\$594,564</u>	<u>579,869</u>	<u>14,695</u>

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2019-20 Preschool Education Aid Allocation	\$517,312
Add: Actual ECPA Carryover (June 30, 2019)	19,339
Add: Budgeted Transfer from the General Fund 2019-20	70,622
Total Preschool Education Aid Funds Available for 2019-20 Budget	607,273
Less: 2019-20 Budgeted Preschool Education Aid(Including prior year budgeted carryover)	(594,564)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2020	12,709
Add: June 30, 2020 Unexpended Preschool Education Aid	14,695
Less: 2019-2020 Commissioner-approved Transfer to the General Fund	0
2019-20 Carryover - Preschool Education Aid/Preschool	<u>\$27,404</u>
2019-20 Preschool Education Aid Carryover Budgeted for Preschool Programs 2020-21	<u>\$12,709</u>

PROPRIETARY FUNDS

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 charges.

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

Latchkey Child Care Fund – This fund provides for the operation of school child supervision.

THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5 AND B-6.

TOWN OF HAMMONTON SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Net Position
June 30, 2020

	Food Service	Latchkey Program	2020
ASSETS:			
Cash and cash equivalents	\$127,173	92,539	219,712
Accounts Receivable:			
State	4,801		4,801
Federal	109,782		109,782
Other	1,576		1,576
Inventories	4,742		4,742
Total Current Assets	<u>248,074</u>	<u>92,539</u>	<u>340,613</u>
Capital Assets:			
Equipment	1,265,881	119,467	1,385,348
Accumulated depreciation	(699,662)	(69,239)	(768,901)
Total capital assets	<u>566,219</u>	<u>50,228</u>	<u>616,447</u>
Total assets	<u>814,293</u>	<u>142,767</u>	<u>957,060</u>
LIABILITIES AND FUND EQUITY:			
Current liabilities:			
Interfund accounts payable	155,632		155,632
Accounts payable	21,973		21,973
Unearned revenue	29,900		29,900
Compensated absences payable	40,569		40,569
Total current liabilities	<u>248,074</u>	<u>0</u>	<u>248,074</u>
Net Position:			
Unrestricted	0	92,539	92,539
Investment in capital assets	566,219	50,228	616,447
Total net position	<u>566,219</u>	<u>142,767</u>	<u>708,986</u>
Total liabilities and net position	<u>\$814,293</u>	<u>142,767</u>	<u>957,060</u>

TOWN OF HAMMONTON SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Revenues, Expenses
and Changes in Net Position
For the Fiscal Year ended June 30, 2020

	Food Service	Latchkey	2020
OPERATING REVENUES:			
Local Sources:			
Daily sales- reimbursable programs			
School lunch, breakfast, snack, summer program	\$222,207		222,207
Daily sales non- reimbursable programs	166,869		166,869
Miscellaneous	2,667		2,667
Special Functions	37,264		37,264
	<hr/>	<hr/>	<hr/>
Total Operating Revenues	429,007	0	429,007
OPERATING EXPENSES:			
Salaries	571,607		571,607
Employee benefits	270,245		270,245
Supplies & Materials	59,951		59,951
Depreciation	51,926	7,441	59,367
Cost of sales-Reimbursable programs	468,016		468,016
Cost of sales-Nonreimbursable programs	82,527		82,527
Other	28,523		28,523
	<hr/>	<hr/>	<hr/>
Total operating expenses	1,532,795	7,441	1,540,236
Operating income (loss)	(1,103,788)	(7,441)	(1,111,229)
Nonoperating revenues:			
State sources			
State school lunch program	15,993		15,993
Federal sources			
National school lunch program	587,935		587,935
National school breakfast program	172,454		172,454
Food Distribution Program	68,729		68,729
Interest revenue	1,963	1,267	3,230
	<hr/>	<hr/>	<hr/>
Total nonoperating revenues	847,074	1,267	848,341
Net income/(loss) before transfers	(256,714)	(6,174)	(262,888)
Transfers in (out)	138,906		138,906
Change in Net Position	(117,808)	(6,174)	(123,982)
Net Position, July 1	684,027	148,941	832,968
Net Position, June 30	<u>\$566,219</u>	<u>\$142,767</u>	<u>\$708,986</u>

TOWN OF HAMMONTON SCHOOL DISTRICT
Combining Schedule of Cash Flows
All Proprietary Fund Types and Similar Trust Funds
For the Fiscal Year ended June 30, 2020

	Food Service	Latchkey	2020
Cash flows from operating activities:			
Cash received from customers	\$439,340		439,340
Cash payments to employees for services	(758,047)		(758,047)
Cash payments to suppliers for goods and services	(568,386)	(341)	(568,727)
Net cash provided/(used) by operating activities	<u>(887,093)</u>	<u>(341)</u>	<u>(887,434)</u>
Cash flows from noncapital financing activities:			
Cash received from state and federal reimbursements	709,912		709,912
Operating subsidies	138,906		138,906
Net cash provided by noncapital financing activities	<u>848,818</u>	<u>0</u>	<u>848,818</u>
Cash flows from capital and related financing activities:			
Purchases of capital assets			0
Net cash (used) by capital and related financing activities	<u>0</u>	<u>0</u>	<u>0</u>
Cash flows from investing activities:			
Interest on investments	1,963	1,267	3,230
Net cash provided by investing activities	<u>1,963</u>	<u>1,267</u>	<u>3,230</u>
Net increase (decrease) in cash and cash equivalents	(36,312)	926	(35,386)
Cash and cash equivalents, July 1	<u>163,485</u>	<u>91,613</u>	<u>255,098</u>
Cash and cash equivalents, June 30	<u>\$127,173</u>	<u>92,539</u>	<u>219,712</u>
Reconciliation of operating income/(loss) to net cash provided/(used) by operating activities:			
Operating income/(loss)	(\$1,103,788)	(7,441)	(1,111,229)
Adjustments to reconcile operating income/(loss) to cash provided (used) by operating activities:			
Depreciation	51,926	7,441	59,367
Federal Commodities	68,729		68,729
Change in assets and liabilities:			
Decrease/(Increase) in accounts receivable	534		534
Decrease/(Increase) in inventory	1,029		1,029
(Decrease)/Increase in accounts payable	742	(341)	401
(Decrease)/Increase in interfund accounts payable	78,959		78,959
(Decrease)/Increase in unearned revenue	9,799		9,799
(Decrease)/Increase in compensated absence payable	4,977		4,977
Net cash provided/(used) by operating activities	<u>(887,093)</u>	<u>(341)</u>	<u>(887,434)</u>

FIDUCIARY FUNDS

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

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

Student Activity Fund – This agency fund is used to account for student funds held at the schools.

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

TOWN OF HAMMONTON SCHOOL DISTRICT
Fiduciary Fund
Combining Statement of Fiduciary Net Position
June 30, 2020

	Expendable Trusts		Agency		
	Scholarship	Unemployment	Student Activity	Payroll	Total
ASSETS:					
Cash and cash equivalents	\$43,148	402,486	285,220	23,022	753,876
Interfund accounts receivable		1,269			1,269
Total Assets	<u>43,148</u>	<u>403,755</u>	<u>285,220</u>	<u>23,022</u>	<u>755,145</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable		41,612	30		41,642
Payroll deductions and withholdings				23,022	23,022
Due to student groups			285,190		285,190
Total Liabilities	<u>0</u>	<u>41,612</u>	<u>285,220</u>	<u>23,022</u>	<u>349,854</u>
Net Position:					
Reserved - Expendable Trust					
Unemployment		362,143			362,143
Scholarship	43,148				43,148
Total net position	<u>43,148</u>	<u>362,143</u>	<u>0</u>	<u>0</u>	<u>405,291</u>
Total liabilities and net position	<u>\$43,148</u>	<u>403,755</u>	<u>285,220</u>	<u>23,022</u>	<u>755,145</u>

TOWN OF HAMMONTON SCHOOL DISTRICT
Student Activity Agency Fund
Statement of Changes in Fiduciary Net Position

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2020</u>
ASSETS:				
Cash and cash equivalents	\$286,405	818,842	820,027	285,220
Total assets	<u>286,405</u>	<u>818,842</u>	<u>820,027</u>	<u>285,220</u>
LIABILITIES:				
Due to student groups	286,405	818,842	820,027	285,220
Total liabilities	<u>\$286,405</u>	<u>818,842</u>	<u>820,027</u>	<u>285,220</u>

TOWN OF HAMMONTON SCHOOL DISTRICT
Scholarship Expendable Trust Fund
Statement of Revenues, Expenditures
and Changes in Net Position
for the Fiscal Year ended June 30, 2020

	<u>2020</u>
OPERATING REVENUES:	
Local sources:	
Scholarship receipts	\$5,950
Interest on investments	<u>572</u>
Total operating revenues	<u>6,522</u>
 OPERATING EXPENSES:	
Scholarship payments	<u>3,600</u>
Total operating expenses	<u>3,600</u>
Operating (loss)	<u>2,922</u>
Net (Loss)	<u>2,922</u>
Net Position, July 1	<u>40,226</u>
Net Position, June 30	<u><u>\$43,148</u></u>

TOWN OF HAMMONTON SCHOOL DISTRICT
Unemployment Expendable Trust Fund
Statement of Revenues, Expenditures
and Changes in Net Position
for the Fiscal Year ended June 30, 2020

	<u>2020</u>
OPERATING REVENUES:	
Local sources:	
Interest on investments	\$5,211
Contributions	<u>58,373</u>
Total operating revenues	<u>63,584</u>
 OPERATING EXPENSES:	
Payments of unemployment claims	<u>79,186</u>
Total operating expenses	<u>79,186</u>
Operating Income	<u>(15,602)</u>
Net Income	<u>(15,602)</u>
Net Position, July 1	<u>377,745</u>
Net Position, June 30	<u><u>\$362,143</u></u>

TOWN OF HAMMONTON SCHOOL DISTRICT
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year ended June 30, 2020

	<u>Balance July 1, 2019</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2020</u>
ECEC	\$11,614	15,091	12,241	14,464
Elementary School	31,358	34,723	36,285	29,796
Middle School	43,479	116,301	115,479	44,301
Middle School Athletics	15	5,897	5,452	460
High School Students	196,951	542,759	550,183	189,527
High School Athletics	2,988	104,071	100,387	6,672
	<u>\$286,405</u>	<u>818,842</u>	<u>820,027</u>	<u>285,220</u>
Total all schools				

TOWN OF HAMMONTON SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year ended June 30, 2020

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2020</u>
ASSETS:				
Cash and cash equivalents	\$16,669	35,927,259	35,920,906	23,022
Total assets	<u>16,669</u>	<u>35,927,259</u>	<u>35,920,906</u>	<u>23,022</u>
LIABILITIES:				
Payroll deductions and withholdings	16,669	15,356,120	15,349,767	23,022
Net pay		20,571,139	20,571,139	
Total liabilities	<u>\$16,669</u>	<u>35,927,259</u>	<u>35,920,906</u>	<u>23,022</u>

LONG-TERM DEBT

The Long-Term 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.

TOWN OF HAMMONTON SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
June 30, 2020

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2019	Refunded	Retired	Balance June 30, 2020
			Date	Amount					
Refunding School Bonds	5/11/16	\$ 7,050,000	8/1/20-22	\$ 30,000	2.000%				
			8/1/23-24	35,000	2.000%				
			8/1/25	535,000	3.000%				
			8/1/26	1,170,000	3.000%				
			8/1/27	1,205,000	3.000%				
			8/1/28	1,245,000	3.125%				
			8/1/29	1,285,000	3.250%				
			8/1/30	1,305,000	3.250%	6,935,000		30,000	6,905,000
Refunding School Bonds	3/23/10	10,890,000	8/1/20	250,000	4.500%				
			8/1/20	605,000	5.000%	6,015,000	(4,175,000)	985,000	855,000
Refunding School Bonds	6/18/20	4,175,000	8/1/21	865,000	3.000%		4,175,000		4,175,000
			8/1/22	895,000	3.000%				
			8/1/23	930,000	4.000%				
			8/1/24	975,000	4.000%				
			8/1/25	510,000	4.000%				
Reroofing & addition alterations to the Middle School	4/15/06	2,614,000	7/15/20	220,000	4.300%				
			7/15/21	224,000	4.300%	654,000		210,000	444,000
Various Improvements to W.E.S. Elementary School	6/24/10	11,800,000	7/1/20	550,000	3.500%	1,100,000		550,000	550,000
Refunding School Bonds W.E.S. Elementary School	12/20/17	6,695,000	7/1/21-24	605,000	4.000%				
			7/1/25-26	660,000	4.000%				
			7/1/27	710,000	4.000%				
			7/1/28	705,000	3.000%				
			7/1/29	750,000	3.000%				
			7/1/30	790,000	3.000%	6,695,000			6,695,000
						\$21,399,000	0	1,775,000	19,624,000

TOWN OF HAMMONTON SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$1,631,010	0	1,631,010	1,631,010	0
	<u>1,631,010</u>	<u>0</u>	<u>1,631,010</u>	<u>1,631,010</u>	<u>0</u>
State Sources:					
Debt Service Aid Type II	368,325	0	368,325	368,325	0
	<u>368,325</u>	<u>0</u>	<u>368,325</u>	<u>368,325</u>	<u>0</u>
Total - State Sources	<u>368,325</u>	<u>0</u>	<u>368,325</u>	<u>368,325</u>	<u>0</u>
Total Revenues	<u>1,999,335</u>	<u>0</u>	<u>1,999,335</u>	<u>1,999,335</u>	<u>0</u>
EXPENDITURES:					
Regular Debt Service:					
Interest	741,837		741,837	741,835	(2)
Redemption of Principal	1,600,000		1,600,000	1,600,000	0
	<u>2,341,837</u>	<u>0</u>	<u>2,341,837</u>	<u>2,341,835</u>	<u>(2)</u>
Total Regular Debt Service	<u>2,341,837</u>	<u>0</u>	<u>2,341,837</u>	<u>2,341,835</u>	<u>(2)</u>
Total expenditures	<u>2,341,837</u>	<u>0</u>	<u>2,341,837</u>	<u>2,341,835</u>	<u>(2)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(342,502)	0	(342,502)	(342,500)	2
OTHER FINANCING SOURCES (USES)					
Transfers in	318,279		318,279	318,279	0
	<u>318,279</u>	<u>0</u>	<u>318,279</u>	<u>318,279</u>	<u>0</u>
Total other financing sources (uses)	<u>318,279</u>	<u>0</u>	<u>318,279</u>	<u>318,279</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(24,223)	0	(24,223)	(24,221)	2
Fund Balance, July 1	24,223	0	24,223	24,223	0
	<u>\$0</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>2</u>
Fund Balance, June 30	<u>\$0</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>2</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	<u>(\$24,223)</u>	<u></u>	<u>(24,223)</u>	<u>(24,223)</u>	<u>0</u>

Statistical Section

Governmental Accounting Standards Board (GASB) requires 10 years of statistical information to be included in the CAFR. However due to the change in the statistical requirements information was unavailable for all 10 years.

TOWN OF HAMMONTON SCHOOL DISTRICT
Net Position by Component,
Last Ten Fiscal Years
Unaudited

	2011	(Restated) 2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	8,417,262	8,693,209	8,768,081	10,324,981	12,924,025	13,211,245	13,356,794	12,501,011	12,818,941	13,481,102
Restricted	8,283,302	8,342,783	9,465,074	8,301,948	8,202,910	8,566,519	7,846,385	7,998,797	7,972,155	8,503,743
Unrestricted (Deficit)	(4,246,702)	(4,878,582)	(5,958,393)	(4,433,909)	(17,770,393)	(18,940,740)	(19,419,775)	(19,306,209)	(18,711,735)	(18,705,504)
Total governmental activities net position	<u>12,453,862</u>	<u>12,157,410</u>	<u>12,274,762</u>	<u>14,193,020</u>	<u>3,356,542</u>	<u>2,837,024</u>	<u>1,783,404</u>	<u>1,193,599</u>	<u>2,079,361</u>	<u>3,279,341</u>
Business-type activities										
Net investment in capital assets	147,804	256,944	316,848	266,964	347,927	310,114	764,480	732,617	675,814	616,447
Restricted				140,000	50,000					
Unrestricted	710,498	690,714	622,398	542,246	525,085	653,613	72,173	91,857	157,154	92,539
Total business-type activities net position	<u>858,302</u>	<u>947,658</u>	<u>939,246</u>	<u>949,210</u>	<u>923,012</u>	<u>963,727</u>	<u>836,653</u>	<u>824,474</u>	<u>832,968</u>	<u>708,986</u>
District-wide										
Net investment in capital assets	8,565,066	8,950,153	9,084,929	10,591,945	13,271,952	13,521,359	14,121,274	13,233,628	13,494,755	14,097,549
Restricted	8,283,302	8,342,783	9,465,074	8,441,948	8,252,910	8,566,519	7,846,385	7,998,797	7,972,155	8,503,743
Unrestricted (Deficit)	(3,536,204)	(4,187,868)	(5,335,995)	(3,891,663)	(17,245,308)	(18,287,127)	(19,347,602)	(19,214,352)	(18,554,581)	(18,612,965)
Total district net position	<u>13,312,164</u>	<u>13,105,068</u>	<u>13,214,008</u>	<u>15,142,230</u>	<u>4,279,554</u>	<u>3,800,751</u>	<u>2,620,057</u>	<u>2,018,073</u>	<u>2,912,329</u>	<u>3,988,327</u>

Source: CAFR Schedule A-1

TOWN OF HAMMONTON SCHOOL DISTRICT
Changes in Net Position, Last Ten Fiscal Years
Unaudited

		(Restated)								
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities										
Instruction										
Regular	21,995,805	22,343,706	23,104,424	23,211,784	23,340,075	23,616,748	25,253,408	35,850,496	34,674,171	32,972,030
Special education	3,776,332	4,146,570	4,471,670	4,118,687	4,044,510	3,930,847	4,594,059	6,634,800	5,910,504	5,789,476
Other instruction	1,126,267	1,450,845	1,579,809	1,544,098	1,742,035	1,859,616	1,989,960	2,365,023	2,371,418	2,864,594
Support Services:										
Tuition	820,226	1,349,883	1,631,360	1,809,423	1,972,518	2,240,798	3,228,284	2,318,045	2,737,676	2,964,167
Student & instruction related services	5,065,316	5,688,499	6,446,175	6,248,551	6,795,710	6,502,957	6,727,957	9,214,405	8,925,679	9,178,761
General administrative services	872,481	810,159	799,956	908,255	890,705	905,976	940,450	1,032,113	1,018,914	1,006,161
School administrative services	2,652,668	2,555,242	2,551,495	2,532,936	2,413,952	2,535,640	2,709,324	3,740,802	3,665,577	3,716,854
Business administrative services	870,618	968,567	1,016,998	1,020,546	970,690	1,428,241	1,216,390	1,962,460	1,525,487	1,599,977
Plant operations and maintenance	4,639,128	4,214,054	3,950,396	4,259,158	4,321,308	4,794,990	5,029,133	5,748,212	5,471,043	5,426,128
Pupil transportation	1,919,705	2,095,802	2,179,395	2,180,090	2,196,897	2,358,823	2,573,389	2,972,101	3,086,411	3,101,079
Capital Outlay										
Interest on long-term debt	1,303,565	1,242,891	1,200,898	1,167,844	1,132,063	1,109,565	623,150	828,638	777,134	649,111
Unallocated depreciation										
Total governmental activities expenses	45,042,111	46,866,218	48,932,576	49,001,372	49,820,463	51,284,201	54,885,504	72,667,095	70,164,014	69,268,338
Business-type activities:										
Food service	1,328,841	1,401,364	1,521,362	1,597,799	1,571,045	1,575,856	1,706,805	1,651,452	1,614,795	1,532,795
Child Care	101,050	88,896	99,632	93,032	112,572	78,190	8,630	10,066	9,066	7,441
Total business-type activities expense	1,429,891	1,490,260	1,620,994	1,690,831	1,683,617	1,654,046	1,715,435	1,661,518	1,623,861	1,540,236
Total district expenses	46,472,002	48,356,478	50,553,570	50,692,203	51,504,080	52,938,247	56,600,939	74,328,613	71,787,875	70,808,574
Program Revenues										
Governmental activities:										
Charges for services:										
Tuition			10,031,406	10,368,696	9,854,615	10,157,368	9,975,782	9,883,460	9,293,534	9,342,121
Transportation fees from other LEA's			106,688	89,274	72,947	94,371	108,371	84,489	92,510	39,545
Operating grants and contributions	5,474,420	6,026,604	6,692,741	6,204,617	6,115,780	5,604,529	2,722,657	19,056,324	14,532,501	12,078,916
Capital grants and contributions										
Total governmental activities program revenues	5,474,420	6,026,604	16,830,835	16,662,587	16,043,342	15,856,268	12,806,810	29,024,273	23,918,545	21,460,582
Business-type activities:										
Charges for services										
Food service	762,141	731,502	711,676	722,274	695,274	709,738	654,159	633,811	662,419	429,007
Child care	86,676	95,865	108,506	116,366	117,173	83,433	25			
Operating grants and contributions	649,340	741,431	789,090	860,941	843,503	900,247	932,864	937,595	966,618	845,111
Capital grants and contributions										
Total business type activities program revenues	1,498,157	1,568,798	1,609,272	1,699,581	1,655,950	1,693,418	1,587,048	1,571,406	1,629,037	1,274,118
Total district program revenues	6,972,577	7,595,402	18,440,107	18,362,168	17,699,292	17,549,686	14,393,858	30,595,679	25,547,582	22,734,700
Net (Expense)/Revenue										
Governmental activities	(39,567,691)	(40,839,614)	(32,101,741)	(32,338,785)	(33,777,121)	(35,427,933)	(42,078,694)	(43,642,822)	(46,245,469)	(47,807,756)
Business-type activities	68,266	78,538	(11,722)	8,750	(27,667)	39,372	(128,387)	(90,112)	5,176	(266,118)
Total district-wide net expense	(39,499,425)	(40,761,076)	(32,113,463)	(32,330,035)	(33,804,788)	(35,388,561)	(42,207,081)	(43,732,934)	(46,240,293)	(48,073,874)

TOWN OF HAMMONTON SCHOOL DISTRICT
Changes in Net Position, Last Ten Fiscal Years
Unaudited

		(Restated)								
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	15,873,706	15,868,258	16,147,974	16,212,385	16,506,429	16,506,429	17,224,826	17,665,378	18,018,685	18,018,685
Taxes levied for debt service	1,457,168	1,457,168	1,498,206	1,498,206	1,673,376	2,083,577	1,831,416	1,735,360	1,631,010	1,631,010
Unrestricted grants and contributions	11,993,921	13,328,842	14,349,088	16,376,166	16,882,546	15,918,801	21,731,505	23,450,750	27,271,317	29,251,174
Tuition Received	11,004,932	10,763,744								
Authorized bond proceeds		(1,380,341)								
Transportation fees from other LEA's	108,608	65,528								
Premium on BANS										
Investment earnings	136,986	122,949	36,456	13,302	17,799	17,502	16,964	17,244	84,757	120,415
Miscellaneous income	474,787	169,439	184,997	156,984	190,592	323,399	187,796	152,787	45,200	54,235
Canceled accounts payable, prior year		361,812	2,372		1,763					34,475
Prior year adjustment						58,707	32,567	108,596		
Transfer to cover deficit								(77,098)		(138,906)
Refund prior year expenditures									80,262	36,648
Total governmental activities	41,050,108	40,767,399	32,219,093	34,257,043	35,272,505	34,908,415	41,025,074	43,053,017	47,131,231	49,007,736
Business-type activities:										
Investment earnings	9,906	10,943	3,310	1,214	1,469	1,343	1,313	835	3,318	3,230
Transfer to cover deficit								77,098		138,906
Total business-type activities	9,906	10,943	3,310	1,214	1,469	1,343	1,313	77,933	3,318	142,136
Total district-wide	41,060,014	40,768,342	32,222,403	34,258,257	35,273,974	34,909,758	41,026,387	43,130,950	47,134,549	49,149,872
Change in Net Position										
Governmental activities	1,482,417	(82,215)	117,352	1,918,258	1,495,384	(519,518)	(1,053,620)	(589,805)	885,762	1,199,980
Business-type activities	78,172	89,481	(8,412)	9,964	(26,198)	40,715	(127,074)	(12,179)	8,494	(123,982)
Total district	1,560,589	7,266	108,940	1,928,222	1,469,186	(478,803)	(1,180,694)	(601,984)	894,256	1,075,998

Source: CAFR Schedule A-2

TOWN OF HAMMONTON SCHOOL DISTRICT
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
Unaudited

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Restricted	6,571,595	8,019,117	8,080,045	8,029,844	7,951,568	8,278,946	5,911,737	5,649,881	4,652,080	1,284,973
Assigned			1,057,814	316,838	300,000	332,306	1,892,463	2,236,991	3,295,852	7,218,768
Committed	379,814	195,926	82,586	82,644	85,195	86,444	31,018			
Unassigned (Deficit)	(361,174)	(709,662)	(994,931)	(791,592)	(460,749)	(840,528)	(718,405)	(1,154,738)	(881,932)	(813,335)
Reserved										
Unreserved (Deficit)										
Total general fund	<u>6,590,235</u>	<u>7,505,381</u>	<u>8,225,514</u>	<u>7,637,734</u>	<u>7,876,014</u>	<u>7,857,168</u>	<u>7,116,813</u>	<u>6,732,134</u>	<u>7,066,000</u>	<u>7,690,406</u>
All Other Governmental Funds										
Restricted (Deficit)	1,697,081	161,833	139,902	(44,734)	(48,658)	(44,733)	(45,518)			
Assigned				789,814	236,323	346,263	87,703	111,925	24,223	2
Committed	14,626									
Unassigned (Deficit)	(48,032)	134,027						(44,734)	(39,038)	(51,731)
Reserved										
Unreserved, reported in:										
Special revenue fund (Deficit)										
Debt service fund										
Total all other governmental funds	<u>1,663,675</u>	<u>295,860</u>	<u>139,902</u>	<u>745,080</u>	<u>187,665</u>	<u>301,530</u>	<u>42,185</u>	<u>67,191</u>	<u>(14,815)</u>	<u>(51,729)</u>

Source: CAFR Schedule B-1

TOWN OF HAMMONTON SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
Unaudited

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Tax levy	17,330,874	17,325,426	17,646,180	17,710,591	18,179,805	18,590,006	19,056,242	19,400,738	19,649,695	19,649,695
Tuition charges	11,004,932	10,763,744	10,031,406	10,368,696	9,854,615	10,157,368	9,972,782	9,882,710	9,293,534	9,342,121
Tuition from individuals							3,000	750		
Transportation fees from other LEA's	108,608	65,528	106,688	89,274	72,947	94,371	108,371	84,489	92,510	39,545
Premium on BANS										
Interest earnings	136,986	122,949	36,456	13,302	17,799	17,502	16,964	17,244	84,757	120,415
Miscellaneous	474,787	169,439	184,997	156,984	190,592	323,399	187,796	152,787	45,200	54,235
Local sources	24,821	30,732	39,102	38,541	44,422	36,561	29,382	33,402	24,086	22,064
State sources	15,324,843	17,153,603	19,234,007	20,690,437	21,777,444	21,629,304	22,503,418	24,155,112	27,891,581	29,865,575
Federal sources	2,118,677	2,171,111	1,768,721	1,851,806	2,228,162	1,927,222	1,921,362	1,989,899	1,978,283	1,922,689
Total revenue	46,524,528	47,802,532	49,047,557	50,919,631	52,365,786	52,775,733	53,799,317	55,717,131	59,059,646	61,016,339
Expenditures										
Instruction										
Regular instruction	16,000,702	15,953,026	15,988,102	16,429,630	17,030,103	17,292,906	17,475,579	17,313,000	18,480,473	18,085,276
Special education instruction	2,775,736	2,991,466	3,114,831	2,996,318	2,833,375	2,820,809	3,126,747	3,230,194	3,195,304	3,223,279
Other instruction	832,708	1,034,069	1,086,932	1,102,996	1,311,181	1,396,175	1,412,019	1,422,249	1,512,463	1,894,293
Support Services:										
Tuition	562,886	907,174	1,064,516	1,216,548	1,375,645	1,581,196	2,146,504	2,318,045	2,737,676	2,964,167
Student & instruction related services	3,987,763	4,508,703	5,019,181	4,972,797	5,025,883	4,876,964	4,738,094	4,785,537	4,983,067	5,237,467
General administrative services	751,321	683,550	659,991	775,753	771,690	789,706	797,759	737,601	765,636	769,589
School Administrative services	1,862,916	1,769,602	1,707,374	1,744,611	1,729,060	1,832,249	1,838,160	1,859,910	2,014,435	2,136,515
Plant operations and maintenance	3,143,460	3,319,292	3,172,144	3,450,414	3,577,016	4,043,281	4,127,997	4,331,123	4,083,227	4,148,913
Pupil transportation	1,576,219	1,720,327	1,738,395	1,772,024	1,715,234	1,765,000	1,898,312	1,925,262	2,118,636	2,208,215
Business administrative services	654,854	715,728	722,338	740,424	725,770	840,089	903,574	918,505	942,902	974,390
Unallocated employee benefits	9,348,170	10,440,306	11,260,668	11,233,264	11,214,715	12,229,786	13,624,521	14,423,298	15,152,218	15,793,355
Capital outlay	1,303,782	725,012	484,015	1,970,512	2,896,801	803,399	332,353	472,033	545,150	583,770
Debt service:										
Principal	1,270,000	1,205,000	1,235,000	1,310,000	1,330,000	1,385,000	1,515,000	1,505,000	1,550,000	1,600,000
Interest and other charges	1,139,830	1,263,417	1,222,267	1,186,942	1,150,211	1,102,861	894,965	866,545	806,861	741,835
Total expenditures	45,210,347	47,236,672	48,485,754	50,902,233	52,686,684	52,739,421	54,831,584	56,108,302	58,888,048	60,361,064
Excess (Deficiency) of revenues over (under) expenditures	1,314,181	565,860	561,803	17,398	(320,898)	36,312	(1,032,267)	(391,171)	171,598	655,275
Other Financing sources (uses)										
Refund prior year expenditures									80,262	36,648
Prior year adjustment						58,707	32,567	108,596		
Canceled accounts payable prior year		361,812	2,372		1,763					34,475
Canceled bond proceeds		(1,380,341)								
Capital leases (non-budgeted)	151,700									
Transfers in	818,799	724,837	413,100	1,953,850	1,167,967		626,524	272,000	433,537	388,901
Transfers out	(818,799)	(724,837)	(413,100)	(1,953,850)	(1,167,967)		(626,524)	(349,098)	(433,537)	(527,807)
Total other financing sources (uses)	151,700	(1,018,529)	2,372	-	1,763	58,707	32,567	31,498	80,262	(67,783)
Net change in fund balances	1,465,881	(452,669)	564,175	17,398	(319,135)	95,019	(999,700)	(359,673)	251,860	587,492
Debt service as a percentage of noncapital expenditures	5.49%	5.31%	5.12%	5.10%	4.98%	4.75%	4.42%	4.26%	4.04%	3.92%

Source: CAFR Schedule B-2

TOWN OF HAMMONTON SCHOOL DISTRICT
General Fund Other Local Revenue by Source
Last Ten Fiscal Years
Unaudited

<u>Fiscal Year Ended June 30,</u>	<u>Interest on Investments</u>	<u>Tuition Revenue</u>	<u>Transportation Fees from other LEA's</u>	<u>Misc.</u>	<u>Total</u>
2011	136,986	11,004,932	108,608	474,787	11,725,313
2012	122,949	10,763,744	65,528	169,439	11,121,660
2013	36,456	10,031,406	106,688	184,997	10,359,547
2014	13,302	10,368,696	89,274	156,984	10,628,256
2015	17,799	9,854,615	72,947	190,592	10,135,953
2016	17,502	10,157,368	94,371	323,399	10,592,640
2017	16,921	9,975,782	108,371	187,796	10,288,870
2018	17,244	9,883,460	84,489	152,787	10,137,980
2019	84,757	9,293,534	92,510	45,200	9,516,001
2020	120,415	9,342,121	39,545	54,235	9,556,316

Source: District Records

TOWN OF HAMMONTON SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax- Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2011	18,128,500	620,302,800	21,771,600	5,726,000	155,236,500	20,290,700	7,732,900	849,189,000	2,228,800	3,086,138	850,046,338	2.038	1,528,585,395
2012	17,929,300	621,441,600	22,363,700	5,689,800	179,267,900	13,320,200	7,608,200	867,620,700	928,900	3,328,262	870,020,062	2.028	1,411,600,333
2013	17,881,600	626,431,400	23,053,000	5,587,700	176,415,800	13,320,200	7,608,200	870,297,900	525,700	2,934,449	872,706,649	2.028	1,386,195,699
2014	17,158,800	629,107,800	23,171,000	5,646,100	175,014,400	13,320,200	7,608,200	871,026,500	222,000	2,550,308	873,354,808	2.082	1,324,214,087
2015	29,576,100	975,867,900	40,985,200	6,629,100	265,759,500	23,079,100	13,575,100	1,355,472,000	222,000	3,977,331	1,359,227,331	1.367	1,349,929,444
2016	29,106,200	979,218,400	40,698,900	6,634,500	265,007,500	18,006,800	18,459,400	1,357,131,700	-	-	1,357,131,700	1.404	1,345,322,069
2017	28,768,600	982,882,600	39,759,200	6,642,400	273,798,800	17,815,100	13,916,400	1,363,583,100	15,000	-	1,363,568,100	1.423	1,366,061,706
2018	27,671,800	985,192,700	39,471,000	6,699,500	272,919,900	17,828,900	13,670,200	1,363,454,000	47,500	-	1,363,406,500	1.442	1,371,361,775
2019	28,067,700	988,533,000	39,683,600	6,836,200	269,342,700	18,024,300	13,670,200	1,364,157,700	-	-	1,364,157,700	1.440	1,444,618,526
2020	28,070,400	994,522,100	38,536,500	6,726,000	270,282,300	17,852,700	13,286,200	1,369,276,200	-	-	1,369,276,200	1.440	1,466,053,960

Source: District records Tax list summary & 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, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

TOWN OF HAMMONTON SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Rate per \$100 of Assessed Value
Last Ten Fiscal Years
Unaudited

	Town of Hammonton Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Town of Hammonton	Atlantic County	
Fiscal Year Ended June 30,						
2011	1.867	0.171	2.038	0.769	0.656	3.463
2012	1.856	0.172	2.028	0.825	0.628	3.481
2013	1.856	0.172	2.028	0.875	0.746	3.649
2014	1.890	0.192	2.082	0.905	0.722	3.709
2015	1.214	0.153	1.367	0.624	0.495	2.486
2016	1.269	0.135	1.404	0.653	0.504	2.561
2017	1.296	0.127	1.423	0.677	0.558	2.658
2018	1.322	0.120	1.442	0.698	0.556	2.696
2019	1.320	0.120	1.440	0.697	0.572	2.709
2020	1.320	0.120	1.440	0.707	0.572	2.719

Source: District Records and 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 calculation.

- 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.

TOWN OF HAMMONTON
Principal Property Tax Payers,
Current Year and Nine Years Ago
Unaudited

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
NJ Manufacturers Ins. Comp	26,918,400	1	1.97%			
Kramer Beverage Real Estate LLC	9,147,800	2	0.67%			
Rt 206 Inc.	9,138,200	3	0.67%			
CT07-75 SWH LLC & DT07-75 SWH LLC	8,488,900	4	0.62%			
Wal-Mart RE Business Trust	8,400,000	5	0.61%			
Atlantic Health Land Holding LLC	8,358,900	6	0.61%			
Peachtree LLC	6,367,800	7	0.47%			
1001 Grant LLC	5,500,000	8	0.40%			
Atlanticare Regional Medical Center	4,988,700	9	0.36%			
Bellevue Property Group	3,650,500	10	0.27%			
Kramer Beverage Real Estate LLC				6,500,000	1	0.76%
FR Grand Avenue LLC				6,500,000	2	0.76%
Alan Litt Exchange-Hammonton LLC				6,200,000	3	0.73%
Rt 206 Inc				6,065,300	4	0.71%
1001 Grand St. Investors LLC				5,254,600	5	0.62%
Hammonton Realty Associates LLC				5,186,100	6	0.61%
Wal-Mart RE Bus. Trust				4,764,700	7	0.56%
Peachtree LLC				3,440,600	8	0.40%
Wm B Kessler Memorial Hospital				2,640,000	9	0.31%
Bellevue Property Group LLC				2,457,500	10	0.29%
Total	<u>90,959,200</u>		<u>6.64%</u>	<u>49,008,800</u>		<u>5.77%</u>

Source: District CAFR & Municipal Tax Assessor
District Total Taxable Value

TOWN OF HAMMONTON
Property Tax Levies and Collections,
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2011	17,330,874	17,330,874	100%	
2012	17,325,426	17,325,426	100%	
2013	17,646,180	17,646,180	100%	
2014	17,710,591	17,710,591	100%	
2015	18,179,805	18,179,805	100%	
2016	18,590,006	18,590,006	100%	
2017	19,056,242	19,056,242	100%	
2018	19,400,738	19,400,738	100%	
2019	19,649,695	19,649,695	100%	
2020	19,649,695	19,649,695	100%	

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

Note: 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, which is the amount voted upon or certified prior to the end of the school year.

TOWN OF HAMMONTON SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Governmental Activities				Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)			
2011	32,544,000		353,143		32,897,143	0.126%	39,153
2012	31,339,000		238,429		31,577,429	0.134%	39,545
2013	30,104,000		146,484		30,250,484	0.140%	41,338
2014	28,794,000		50,317		28,844,317	0.147%	41,927
2015	27,464,000		-		27,464,000	0.152%	41,659
2016	26,099,000		-		26,099,000	0.166%	43,336
2017	24,409,000		-		24,409,000	0.179%	43,695
2018	22,949,000		-		22,949,000	0.193%	44,254
2019	21,399,000		-		21,399,000	0.218%	46,557
2020	19,624,000		-		19,624,000	0.248%	48,668

Source: District CAFR Schedules I-1, I-2

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

- ^a See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

TOWN OF HAMMONTON
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited

<u>General Bonded Debt Outstanding</u>					
<u>Fiscal Year Ended June 30,</u>	<u>General Obligation Bonds</u>	<u>Deductions</u>	<u>Net General Bonded Debt Outstanding</u>	<u>Percentage of Actual Taxable Value ^a of Property</u>	<u>Per Capita ^b</u>
2011	32,544,000		32,544,000	3.83%	2,205
2012	31,339,000		31,339,000	3.60%	2,125
2013	30,104,000		30,104,000	3.46%	2,039
2014	28,794,000		28,794,000	3.30%	1,946
2015	27,464,000		27,464,000	2.02%	1,867
2016	26,099,000		26,099,000	1.92%	1,774
2017	24,409,000		24,409,000	1.79%	1,659
2018	22,949,000		22,949,000	1.68%	1,560
2019	21,399,000		21,399,000	1.57%	1,454
2020	19,624,000		19,624,000	1.43%	1,334

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.

TOWN OF HAMMONTON
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2020
Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Town of Hammonton	15,782,249	100.00%	15,782,249
Other debt			
Atlantic County	148,362,089	4.54%	6,735,639
Subtotal, overlapping debt			22,517,888
Town of Hammonton School District Direct Debt		100.00%	19,624,000
Total direct and overlapping debt			<u>42,141,888</u>

Sources: Town of Hammonton Finance Officer, Atlantic County Finance Office

Note: 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 Hammonton. 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.

TOWN OF HAMMONTON SCHOOL DISTRICT
Legal Debt Margin Information,
Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2020

Equalized valuation basis	
2019	1,452,931,835
2018	1,432,751,681
2017	1,364,113,745
[A]	<u>4,249,797,261</u>
Average equalized valuation of taxable property	[A/3] 1,416,599,087
Debt limit (4 % of average	[B] 56,663,963 a
Net bonded school debt	[C] <u>19,624,000</u>
Legal debt margin	[B-C] <u>37,039,963</u>

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	60,462,261	58,715,336	57,352,146	54,542,599	53,257,474	52,838,736	53,367,430	54,019,400	55,314,536	56,663,963
Total net debt applicable to limit	<u>32,544,000</u>	<u>31,339,000</u>	<u>30,104,000</u>	<u>28,794,000</u>	<u>27,464,000</u>	<u>26,099,000</u>	<u>24,409,000</u>	<u>22,949,000</u>	<u>21,399,000</u>	<u>19,624,000</u>
Legal debt margin	<u>27,918,261</u>	<u>27,376,336</u>	<u>27,248,146</u>	<u>25,748,599</u>	<u>25,793,474</u>	<u>26,739,736</u>	<u>28,958,430</u>	<u>31,070,400</u>	<u>33,915,536</u>	<u>37,039,963</u>
Total net debt applicable to the limit as a percentage of debt limit	53.83%	53.37%	52.49%	52.79%	51.57%	49.39%	45.74%	42.48%	38.69%	34.63%

Source: Abstract of Ratables and District Records CAFR Schedule J-7

TOWN OF HAMMONTON SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income (thousands of dollars) ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2011	14,784	612,593	39,153	16.00%
2012	14,761	624,129	39,545	16.20%
2013	14,750	627,126	41,338	16.80%
2014	14,766	628,442	41,927	8.40%
2015	14,713	626,405	41,659	8.30%
2016	14,618	633,486	43,336	8.10%
2017	14,428	630,431	43,695	6.90%
2018	14,369	635,886	44,254	6.50%
2019	14,085	655,755	46,557	5.90%
2020	13,934	678,140	48,668	5.10%

Source:

a Population information provided by the NJ Dept of Labor and Workforce Development

b Personal income is calculated by multiplying per capita income by the population

b Per Capita Income US Department of Commerce, Bureau of Economic Analysis

d Unemployment data provided by the NJ Dept of Labor and Workforce Development

Source:
GASB requires this table to present the principal taxpayers for the current year and nine years ago, however the information was not available.

TOWN OF HAMMONTON SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years
Unaudited

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Instruction										
Regular	208.0	203.6	191.0	199.5	199.5	199.5	199.5	200.0	200.0	210.9
Special education	86.0	62.0	66.0	60.0	60.0	60.0	60.0	63.0	63.0	58.6
Other special education		13.0	9.0	8.0	8.0	8.0	8.0	9.0	9.0	15.3
Vocational	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Support Services:										
Tuition										
Student & instruction related services	42.0	65.4	83.0	82.0	82.0	82.0	82.0	74.0	74.0	73.3
General administrative services	4.8	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
School administrative services	24.0	24.5	24.5	24.5	24.5	24.5	24.5	25.8	25.8	26.5
Business administrative services	8.0	9.0	10.0	9.5	9.5	9.5	9.8	9.9	9.9	10.0
Plant operations and maintenance	44.0	44.6	44.2	44.3	44.3	44.3	44.5	44.5	54.5	57.5
Pupil transportation	39.0	40.0	42.0	42.0	42.0	42.0	52.0	52.0	52.0	49.7
Food Service	19.5	19.0	19.0	21.0	21.0	21.0	20.0	20.0	20.0	19.5
Child Care	4.0	4.0	4.0	3.0	3.0	-	-	-	-	-
Total	481.3	490.1	497.7	498.8	498.8	495.8	505.3	503.2	513.2	526.3

Source: District Personnel Records

TOWN OF HAMMONTON SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil	Percentage Change	Teaching Staff ^c	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^d	Average Daily Attendance (ADA) ^d	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2011	3,551	43,738,546	12,317	-4.70%	296	1:15	1:12	1:14	3,521	3,280	2.95%	93.16%
2012	3,567	45,636,878	12,794	3.87%	281	1:15	1:12	1:14	3,540	3,312	0.54%	93.56%
2013	3,605	47,731,678	13,240	3.48%	268	1:15	1:12	1:14	3,595	3,352	1.55%	93.24%
2014	3,629	47,833,528	13,181	-0.45%	270	1:15	1:12	1:14	3,623	3,419	0.78%	94.37%
2015	3,601	48,688,400	13,521	2.58%	270	1:15	1:12	1:14	3,585	3,386	-1.05%	94.45%
2016	3,630	50,174,636	13,822	2.23%	270	1:15	1:12	1:14	3,627	3,416	1.17%	94.18%
2017	3,587	54,262,354	15,128	9.45%	270	1:15	1:12	1:14	3,581	3,360	-1.27%	93.83%
2018	3,495	71,838,457	20,555	35.88%	274	1:15	1:12	1:14	3,495	3,286	-2.40%	94.02%
2019	3,504	69,386,880	19,802	30.90%	274	1:15	1:12	1:14	3,515	3,303	-3.09%	93.97%
2020	3,494	68,619,227	19,639	29.82%	274	1:15	1:12	1:14	3,478	3,337	-2.88%	95.95%

Sources: District records, ASSA and Schedules J-12, J-14

Note: Enrollment based on annual October district count.

- a Enrollment is based on the annual October district count.
- b Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-2
- c Teaching staff includes only full-time equivalents of certificated staff.
- d Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

TOWN OF HAMMONTON SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years
Unaudited

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>District Building</u>										
<u>Early Childhood Learning Center</u>										
(2001)										
Square Feet	35,365	35,365	35,365	35,365	35,365	35,365	35,365	35,365	35,365	35,365
Capacity (students)	500	500	500	500	500	500	500	500	500	500
Enrollment	451	408	413	383	384	372	367	357	359	368
<u>Elementary</u>										
(1973)										
Square Feet	97,240	97,240	97,240	97,240	97,240	97,240	97,240	97,240	97,240	97,240
Capacity (students)	1,464	1,464	1,464	1,464	1,464	1,464	1,464	1,464	1,464	1,464
Enrollment	873	907	933	979	962	923	920	886	879	855
<u>Middle School</u>										
(1965)										
Square Feet	109,950	109,950	109,950	109,950	109,950	109,950	109,950	109,950	109,950	109,950
Capacity (students)	1,604	1,604	1,604	1,604	1,604	1,604	1,604	1,604	1,604	1,604
Enrollment	811	823	816	817	868	926	922	873	884	872
<u>High School</u>										
(2002)										
Square Feet	190,641	190,641	190,641	190,641	190,641	190,641	190,641	190,641	190,641	190,641
Capacity (students)	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850
Enrollment	1,415	1,427	1,443	1,450	1,387	1,409	1,378	1,379	1,393	1,399
<u>Other</u>										
Transportation										
Square Feet	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000

Number of Schools at June 30, 2020

Early Learning Center = 1

Elementary = 1

Middle School = 1

High School = 1

Source: District records, ASSA

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions. Enrollment is based on the annual October district count.

TOWN OF HAMMONTON SCHOOL DISTRICT
General Fund
Schedule of Required Maintenance for School Facilities
Last Ten Years
Unaudited

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

School Facilities	Project # (s)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
High School	SP99341L	286,799	187,754	170,105	262,752	426,596	297,036	286,839	741,117	270,203	266,589
Middle School	N/A	110,111	278,713	200,192	101,463	76,895	275,677	458,967	185,744	142,384	212,294
Elementary School	N/A	74,101	92,894	61,900	82,776	82,863	107,882	178,236	110,030	108,651	127,877
Early Childhood Center	SP99343	38,188	54,277	40,744	72,212	49,524	48,227	45,154	44,450	56,543	38,633
Total School Facilities		<u>509,199</u>	<u>613,638</u>	<u>472,941</u>	<u>519,203</u>	<u>635,878</u>	<u>728,822</u>	<u>969,196</u>	<u>1,081,341</u>	<u>577,781</u>	<u>645,393</u>
Other Facilities											
Grand Total		<u><u>509,199</u></u>	<u><u>613,638</u></u>	<u><u>472,941</u></u>	<u><u>519,203</u></u>	<u><u>635,878</u></u>	<u><u>728,822</u></u>	<u><u>969,196</u></u>	<u><u>1,081,341</u></u>	<u><u>577,781</u></u>	<u><u>645,393</u></u>

TOWN OF HAMMONTON SCHOOL DISTRICT

Insurance Schedule

June 30, 2020

Unaudited

	Coverage	Deductible
Atlantic & Cape May Counties Association of School Business Officials Joint Insurance Fund		
Property, Inland Marine and Automobile Physical Damages	175,000,000	500
ACCASBO JIF Self Insured Retention - Per Occurrence	250,000	
Perils Included	All Risk	
Property Valuation		
Buildings and Contents	Replacement Cost	
Contractors Equipment	Actual Cash Value	
Automobiles	Replacement Cost	
Boiler & Machinery		
Limit of Liability	125,000,000	1,000
ACCASBO JIF Self Insured Retention	None	
Crime		
Limit of Liability	500,000	500
ACCASBO JIF Self Insured Retention	250,000	
General and Automobile Liability		
Limit of Liability	20,000,000	None
ACCASBO JIF Self Insured Retention	250,000	
Workers' Compensation		
Limit of Liability	Statutory	None
ACCASBO JIF Self Insured Retention	250,000	
Educator's Legal Liability		
Limit of Liability	20,000,000	None
ACCASBO JIF Self Insured Retention	250,000	
Pollution Legal Liability		
Limit of Liability	3,000,000	25,000
Pollution Incident		100,000
Mold Incident		
ACCASBO JIF Self Insured Retention	None	
Cyber Liability		
Limit of Liability	2,000,000	10,000
ACCASBO JIF Self Insured Retention	None	
Violent Malicious Acts		
Limit of Liability	1,000,000	15,000
ACCASBO JIF Self Insured Retention	None	
Disaster Management Services		
Limit of Liability	2,000,000	
ACCASBO JIF Self Insured Retention	None	
RLI Insurance Company		
Surety Bond		
Business Administrator - Barbara S. Prettyman	25,000	None

Source: District Records.

Single Audit Section

NIGHTLINGER, COLAVITA & VOLPA

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Town of Hammonton School District
County of Atlantic, New Jersey

We have audited, in accordance with the 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, the 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 Town of Hammonton School District, in the County of Atlantic, State of New Jersey, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the of Education of the Town of Hammonton School District's basic financial statements, and have issued our report thereon dated December 21, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Hammonton Board of Education's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Hammonton Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Hammonton Board of Education's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Hammonton Board of Education'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 financial statements. 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 Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, the Town of Hammonton Board of Education, the New Jersey State Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915

December 21, 2020

NIGHTLINGER, COLAVITA & VOLPA

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REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Town of Hammonton School District
County of Atlantic, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Town of Hammonton School District, in the County of Atlantic, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Town of Hammonton School District's major federal and state programs for the fiscal year ended June 30, 2020. The Town of Hammonton Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of Hammonton Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. 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 of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and New Jersey OMB 15-08. Those standards, Uniform Guidance and New Jersey OMB 15-08, 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 and state program occurred.

An audit includes examining, on a test basis, evidence about the Town of Hammonton Board of Education'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 on compliance for each major federal and state program. Our audit does not provide a legal determination of the Town of Hammonton Board of Education's compliance.

Opinion on Each Major Federal and State Program

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

Report on Internal Control Over Compliance

Management of the Town of Hammonton School District's Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Hammonton Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal or state program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with Uniform Guidance and New Jersey OMB Treasury 15-08, 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 Town of Hammonton School District Board of Education's internal control over compliance.

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

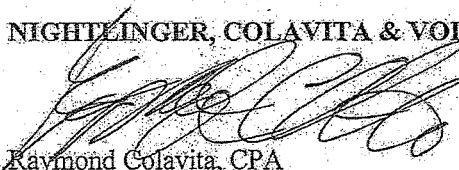
Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above or any instance of deficiency in internal control over compliance that we have to report to the Board of Education in a separate report entitled *Auditors' Management Report on Administrative Findings-Financial, Compliance and Performance* dated December 21, 2020. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance and New Jersey OMB 15-08. Accordingly, this report is not suitable for any other purpose.

This report is intended solely for the information and use of management, the Town of Hammonton Board of Education, the New Jersey State Department of Education, 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. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA


Raymond Colavita, CPA
Licensed Public School Accountant
No. 915
December 21, 2020

TOWN OF HAMMONTON SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period	Balance 6/30/19	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures (A)	Unearned Revenue 6/30/20	(Accounts Receivable) 6/30/20	Due to Grantor at 6/30/20
General Fund: Medical Assistance Program	93.778	2005NJ5MAP	N/A	118,541	07/01/19-06/30/20			118,541	(118,541)			
Total General Fund						-	0	118,541	(118,541)	0	0	0
U.S. Department of Agriculture Passed-through State Department of Education:												
Enterprise Fund: Non-Cash Assistance: Food Distribution Program Child Nutrition Cluster:	10.565	Unknown	N/A	68,587	07/01/19-06/30/20	1,781		68,587	(68,729)	1,649		
Cash Assistance: Summer Food Service Program	10.559	201NJ304N1099	N/A	-	07/01/19-06/30/20							
National School Lunch Program	10.555	201NJ304N1099	N/A	587,935	07/01/19-06/30/20			520,525	(587,935)		(87,410)	
National School Lunch Program	10.555	191NJ304N1099	N/A	714,528	07/01/18-06/30/19	(37,107)		37,107				
School Breakfast Program	10.553	201NJ304N1099	N/A	172,454	07/01/19-06/30/20			130,082	(172,454)		(42,372)	
School Breakfast Program	10.553	191NJ304N1099	N/A	158,201	07/01/18-06/30/19	(10,176)		10,176				
Total Enterprise Fund						(45,492)	0	766,477	(829,118)	1,649	(109,782)	0
U.S. Department of Education Passed-through State Department of Education:												
Special Revenue Fund:												
Elementary and Secondary Education Act (E.S.E.A.)												
Title I	84.010A	S010A180030	ESEA-1960-20	835,235	07/01/19-09/30/20			679,212	(807,298)		(128,086)	
Title I, Carryover	84.010A	S010A180030	ESEA-1960-19	849,462	07/01/18-06/30/19	(204,281)		220,536	(16,255)		-	
Title I, Carryover	84.010A	S010A170030	ESEA-1960-18	853,482	07/01/17-06/30/18	(35)		35				
Title II, Part A	84.367A	S367A190029	ESEA-1960-20	37,497	07/01/19-09/30/20			3,198	(3,458)		(280)	
Title II, Part A, Carryover	84.367A	S367A190029	ESEA-1960-19	78,557	07/01/18-06/30/19	(25,253)		44,581	(30,080)		(10,732)	
Title II, Part A, Carryover	84.367A	S367A170029	ESEA-1960-18	80,313	07/01/17-06/30/18	(5,373)		5,373				
Title III, English Lang Enhancement	84.365A	S365A190030	ESEA-1960-20	44,055	07/01/19-09/30/20			39,935	(39,936)		(1)	
Title III, Eng Lang Enhance, Carryover	84.365A	S365A180030	ESEA-1960-19	41,265	07/01/18-06/30/19	(7,300)		8,248	(948)		-	
Title III, Eng Lang Enhance, Carryover	84.365A	S365A170030	ESEA-1960-18	45,947	07/01/17-06/30/18	(1,404)		1,404				
Title III, Immigrant	84.365A	S365A190030	ESEA-1960-20	5,169	07/01/19-09/30/20			4,801	(4,802)		(1)	
Title III, Immigrant, Carryover	84.365A	S365A180030	ESEA-1960-19	3,358	07/01/18-06/30/19	(724)		724				
Title IV, Part A	84.358B	S358B190030	ESEA-1960-20	49,574	07/01/19-09/30/20			26,580	(27,699)		(1,119)	
Title IV, Part A, Carryover	84.358B	S358B180030	ESEA-1960-19	51,022	07/01/18-06/30/19	(16,802)		30,163	(13,361)		-	
IDEA Cluster:												
IDEA Part B, Basic Regular	84.027A	H027A190100	IDEA-1960-20	793,548	07/01/19-09/30/20			651,125	(756,304)		(105,179)	
IDEA Part B, Basic Reg, Carryover	84.027A	H027A180100	IDEA-1960-19	781,153	07/01/18-06/30/19	(103,478)		137,104	(33,626)		-	
IDEA Part B, Preschool	84.173A	H173A190114	IDEA-1960-20	25,246	07/01/19-09/30/20			22,720	(25,246)		(2,526)	
IDEA Part B, Preschool, Carryover	84.173A	H173A180114	IDEA-1960-19	24,666	07/01/18-06/30/19	(2,467)		2,467				
Carl D. Perkins, Secondary	84.048A	V048A190030	PERK-1960-20	34,048	07/01/19-06/30/20			34,048	(34,048)		-	
CARES Act 2020/ESSER	84.425D	S425D200027		639,368	03/13/20-09/30/22			-	(478,984)		(478,984)	
Total Special Revenue Fund						(367,117)	0	1,912,254	(2,272,025)	0	(726,888)	0
Total Federal Financial Awards						(412,609)	0	2,797,272	(3,219,684)	1,649	(836,670)	0

TOWN OF HAMMONTON SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year Ended June 30, 2020

For the Fiscal Year Ended June 30, 2020								Repayment of Prior Years' Balances/	Balance at June 30, 2020			MEMO	
State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period	Balance 6/30/19	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments for Prior Year Cancelled Encumbrances	(Accounts	Unearned	Due to	Budgetary	Cumulative
									Receivable)	Revenue	Grantor	Receivable	Total Expenditures
State Department of Education													
General Fund:													
Equalization Aid	20-495-034-5120-078	\$14,652,350	07/01/19-06/30/20			14,652,350	(14,652,350)					1,362,052	14,652,350
Special Education Aid	20-495-034-5120-089	2,297,445	07/01/19-06/30/20			2,297,445	(2,297,445)					213,565	2,297,445
School Choice Aid	20-495-034-5120-068	2,379,173	07/01/19-06/30/20			2,379,173	(2,379,173)					221,163	2,379,173
Special Education Extraordinary Aid	20-100-034-5120-044	322,800	07/01/19-06/30/20				(322,800)		(322,800)				322,800
Special Education Extraordinary Aid	19-100-034-5120-044	304,529	07/01/18-06/30/19	(\$304,529)		304,529							
Nonpublic Transportation Aid	20-495-034-5120-014	189	07/01/19-06/30/20				(189)		(189)				189
Nonpublic Transportation Aid	19-495-034-5120-014	13,050	07/01/18-06/30/19	(13,050)		13,050							
Transportation Aid	20-495-034-5120-014	757,886	07/01/19-06/30/20			757,886	(757,886)					70,451	757,886
Security Aid	20-495-034-5120-084	773,246	07/01/19-06/30/20			773,246	(773,246)					71,879	773,246
TPAF Non-Contributory (On-Behalf - Non-Budgeted)	20-495-034-5094-002	4,427,704	07/01/19-06/30/20			4,427,704	(4,427,704)						4,427,704
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)	20-495-034-5094-004	3,009	07/01/19-06/30/20			3,009	(3,009)						3,009
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)	20-495-034-5094-001	1,642,597	07/01/19-06/30/20			1,642,597	(1,642,597)						1,642,597
Reimbursed TPAF													
Social Security Contributions	20-495-034-5094-003	1,664,165	07/01/19-06/30/20			1,581,782	(1,664,165)		(82,383)				1,664,165
Social Security Contributions	19-495-034-5094-003	1,605,817	07/01/18-06/30/19	(79,759)		79,759							
Total General Fund				(397,338)	0	28,912,530	(28,920,564)	0	(405,372)	0	0	1,939,110	28,920,564

TOWN OF HAMMONTON SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year Ended June 30, 2020

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period	Balance 6/30/19	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances/ Adjustments for Prior Year Cancelled Encumbrances	Balance at June 30, 2020			MEMO		
									(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
State Department of Education														
Special Revenue Fund:														
Preschool Education Aid	20-495-034-5120-086	517,312	07/01/19-06/30/20		6,630	517,312	(509,247)			14,695		51,731	509,247	
Preschool Education Aid	19-495-034-5120-086	390,383	07/01/18-06/30/19	12,709						12,709				
Preschool Education Aid	18-495-034-5120-086	447,336	07/01/17-06/30/18	6,630	(6,630)									
N.J. Nonpublic Aid:														
Textbook Aid	20-100-034-5120-064	19,661	07/01/19-06/30/20			19,661	(6,202)				13,459		6,202	
Textbook Aid	19-100-034-5120-064	20,986	07/01/18-06/30/19	4,977				(4,977)						
Technology Aid	20-100-034-5120-373	13,428	07/01/19-06/30/20			13,428	(10,722)				2,706		10,722	
Technology Aid	19-100-034-5120-373	14,148	07/01/18-06/30/19	4,322				(4,322)						
Nursing Aid	20-100-034-5120-070	37,248	07/01/19-06/30/20			37,248	(20,821)				16,427		20,821	
Nursing Aid	19-100-034-5120-070	39,285	07/01/18-06/30/19	3,753				(3,753)						
Security Aid	20-100-034-5120-509	57,600	07/01/19-06/30/20			57,600	(21,132)				36,468		21,132	
Security Aid	19-100-034-5120-509	60,750	07/01/18-06/30/19	27,003				(27,003)						
Auxiliary Services:														
Compensatory Education	20-100-034-5120-067	128,168	07/01/19-06/30/20			128,168	(75,279)				52,889		75,279	
Compensatory Education	19-100-034-5120-067	135,365	07/01/18-06/30/19	12,695				(12,695)						
Home Instruction	20-100-034-5120-067	1,217	07/01/19-06/30/20			0	(1,217)		(1,217)				1,217	
English as a Second Language	20-100-034-5120-067	4,136	07/01/19-06/30/20			4,136	(1,158)				2,978		1,158	
English as a Second Language	19-100-034-5120-067	2,502	07/01/18-06/30/19	1,898				(1,898)						
Handicapped Services:														
Examination & Classification	20-100-034-5120-066	65,400	07/01/19-06/30/20			65,400	(40,327)				25,073		40,327	
Examination & Classification	19-100-034-5120-066	75,180	07/01/18-06/30/19	21,471				(21,471)						
Corrective Speech	20-100-034-5120-066	31,899	07/01/19-06/30/20			31,899	(14,765)				17,134		14,765	
Corrective Speech	19-100-034-5120-066	32,141	07/01/18-06/30/19	10,714				(10,714)						
Supplemental Instruction	20-100-034-5120-066	77,710	07/01/19-06/30/20			77,710	(44,765)				32,945		44,765	
Supplemental Instruction	19-100-034-5120-066	65,023	07/01/18-06/30/19	12,295				(12,295)						
Total Special Revenue Fund				118,467	0	952,562	(745,635)	(99,128)	(1,217)	27,404	200,079	51,731	745,635	
State Department of Education														
Debt Service Fund	20-495-034-5120-075	368,325	07/01/19-06/30/20			368,325	(368,325)						368,325	
State Department of Agriculture														
Enterprise Fund:														
State School Lunch Program	20-100-010-3350-023	15,993	07/01/19-06/30/20			11,192	(15,993)		(4,801)				15,993	
State School Lunch Program	19-100-010-3350-023	16,195	07/01/18-06/30/19	(830)		830								
				(830)	0	12,022	(15,993)	0	(4,801)	0	0	0	15,993	
Total State Financial Assistance				(\$279,701)	0	30,245,439	(30,050,517)	(99,128)	(411,390)	27,404	200,079	1,990,841	30,050,517	
Less: On-Behalf Pension System Contributions:														
TPAF Non-Contributory (On-Behalf - Non-Budgeted)	20-495-034-5094-002						4,427,704							
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)	20-495-034-5094-004						3,009							
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)	20-495-034-5094-001						1,642,597							
Total for State Financial Assistance-Major Program Determination							(23,977,207)							

Town of Hammonton School District
Notes to the Schedules of Financial Assistance
June 30, 2020

NOTE 1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Town of Hammonton School District. The Board of Education is defined in Note 1(A) to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on 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 Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and New Jersey Treasury Circular OMB 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE 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 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 P.L. 2003, c.97 (A3521). 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.

See the following schedules and the Note to the Required Supplementary Information/Budget to GAAP Reconciliation (Exhibit C-3) for a reconciliation of the budgetary basis to the GAAP basis of accounting for the General Fund and the Special Revenue Fund.

Town of Hammonton School District
Notes to the Schedules of Financial Assistance
June 30, 2020

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

Federal and state award revenues are reported in the District's basic financial statements on a GAAP basis as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Food Service Fund</u>	<u>Total</u>
State Assistance:					
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of State Financial Assistance	\$28,920,564	745,635	368,325	15,993	30,050,517
Difference – budget to "GAAP"					
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.					
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).	(156,256)	(12,693)			(168,949)
Total State revenue as reported on the statement of revenues, expenditures and changes in fund balances	<u>\$28,764,308</u>	<u>732,942</u>	<u>368,325</u>	<u>15,993</u>	<u>29,881,568</u>

Town of Hammonton School District
Notes to the Schedules of Financial Assistance
June 30, 2020

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service Fund</u>	<u>Total</u>
Federal Assistance:				
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of Federal Awards	\$118,541	2,272,025	829,118	3,219,684
Difference – budget to "GAAP" Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(467,877)		(467,877)
Total Federal revenue as reported on the statement of revenue, expenditures, and changes in fund balances	<u>\$118,541</u>	<u>1,804,148</u>	<u>829,118</u>	<u>2,751,807</u>

NOTE 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.

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. The amounts reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the district for the year ended June 30, 2020. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2020.

NOTE 6. SCHOOLWIDE PROGRAM FUNDS

Schoolwide programs are not separate Federal programs as defined in Uniform Guidance; amounts used in schoolwide programs are included in the total expenditures of the program contributing the funds in the Schedule of Expenditure of Federal Awards. The district does not operate any schoolwide programs.

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

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to basic financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a)? _____ yes X no

Identification of major programs:

CFDA Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
84.010A	S010A190030	Title I
84.425D	S425D200027	CARES Act 2020/ESSER

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

Auditee qualified as low-risk auditee? X yes _____ no

**TOWN OF HAMMONTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(continued)**

Section I - Summary of Auditor's Results (continued)

State Awards

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

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

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

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

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

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

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
20-495-034-5120-078	Equalization Aid
20-495-034-5120-089	Special Education Categorical Aid
20-495-034-5120-084	Security Aid
20-495-034-5120-068	School Choice Aid
20-495-034-5094-003	Reimbursed TPAF SSC Contributions

**TOWN OF HAMMONTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(continued)**

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weakness, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, and abuse related to the financial statements for which Government Auditing Standards requires reporting and with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey that requires reporting in the Uniform Guidance, New Jersey OMB Treasury Circular 15-08 audit.

Finding: N/A

Criteria or specific requirement:

Condition:

Context:

Effect:

Cause:

Recommendation:

Views of responsible officials and planned corrective actions:

**TOWN OF HAMMONTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(continued)**

**Section III - Federal Awards and State Financial Assistance
Findings and Questioned Costs**

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards* and NJOMB Circular Letter 15-08, as applicable.

FEDERAL AWARDS N/A

Finding:

Information on the federal program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Views of responsible officials and planned corrective actions:

STATE AWARDS N/A

Finding:

Information on the state program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Management's response:

**TOWN OF HAMMONTON SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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*, US OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* section .511(a)(b) and New Jersey OMB's Treasury Circular 15-08.

STATUS OF PRIOR - YEAR FINDINGS N/A

Condition:

Current Status:

