

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, 2021

Comprehensive Annual Financial Report

of the

Town of Hammonton Board of Education

Hammonton, New Jersey

For the Fiscal Year Ended June 30, 2021

Prepared by

Town of Hammonton Board of Education

Business Administration

TOWN OF HAMMONTON SCHOOL DISTRICT TABLE OF CONTENTS

INTRODUCTORY SECTION		Page
	Letter of Transmittal	1-5
	Organizational Chart	6
	Roster of Officials	7
	Consultants and Advisors	8
FINANCIAL SECTION		
	Independent Auditor's Report	9-11
	Required Supplementary Information - Part I Management's Discussion and Analysis	12-18
Basic Financial Statements		
A	District-wide Financial Statements:	
	A-1 Statement of Net Position	19
	A-2 Statement of Activities	20
B	Fund Financial Statement	
Governmental Funds:		
	B-1 Balance Sheet	21
	B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	22
	B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
Proprietary Funds:		
	B-4 Statement of Net Position	24
	B-5 Statement of Revenues, Expenses, and Changes in Net Position	25
	B-6 Statement of Cash Flows	26
Fiduciary Funds:		
	B-7 Statement of Fiduciary Net Position	N/A
	B-8 Statement of Changes in Fiduciary Net Position	N/A
	Notes to the Financial Statements	27-60

TOWN OF HAMMONTON SCHOOL DISTRICT TABLE OF CONTENTS (continued)

FINANCIAL SECTION (continued)

		Page
	Required Supplementary Information - Part II	
C	Budgetary Comparison Schedules	
	C-1 Budgetary Comparison Schedule - General Fund	61-70
	C-1a Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	N/A
	C-1b Community Development Block grant - Budget and Actual	N/A
	C-2 Budgetary Comparison Schedule - Special Revenue Fund	71-72
	Notes to the Required Supplementary Information - Part II	
	C-3 Budget-to-GAAP Reconciliation	73
	Required Supplementary Information - Part III (Unaudited)	
L	Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
	L-1 Schedule of the District's Proportionate Share of the Net Pension Liability - PERS	74
	L-2 Schedule of District Contributions - PERS	75
	L-3 Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF	76
	L-4 Schedule of the Districts' Contributions - TPAF	77
M	Schedules Related to Accounting and Reporting for Postemployment Benefits Other Than Pensions	
	M-1 Schedule of Changes in the Total OPEB Liability and Related Ratios	78
	Notes to the Required Supplementary Information - Part III	79
	Other Supplementary Information	
D	School Based Budget Schedules (if applicable)	
	D-1 Combining Balance Sheet	N/A
	D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
	D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual	N/A
E	Special Revenue Fund:	
	E-1 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	80-84
	E-2 Preschool Education Aid Schedule of Expenditures - Budgetary Basis Expenditures - Budgetary Basis	85
F	Capital Projects Fund:	
	F-1 Summary Schedule of Project Expenditures	N/A
	F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis	N/A

TOWN OF HAMMONTON SCHOOL DISTRICT

TABLE OF CONTENTS (continued)

	FINANCIAL SECTION (continued)	Page
	F-2a Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis- Middle School HVAC	N/A
	F-2b Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis - Middle School Windows	N/A
G	Proprietary Funds	
	Enterprise Fund:	
	G-1 Combining Schedule of Net Position	86
	G-2 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position	87
	G-3 Combining Schedule of Cash Flows	88
	Internal Service Fund:	
	G-4 Combining Schedule of Net Position	N/A
	G-5 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position	N/A
	G-6 Combining Schedule of Cash Flows	N/A
H	Fiduciary Funds:	
	H-1 Combining Statement of Fiduciary Net Position	N/A
	H-2 Combining Statement of Changes in Fiduciary Net Position	N/A
	H-3 Scholarship Expendable Trust Statement of Revenues, Expenditures and Changes in Fund Balance	N/A
	H-4 Unemployment Trust Statement of Revenues, Expenditures and Changes in Fund Balance	N/A
	H-5 Student Activity Schedule of Receipts and Disbursements	N/A
	H-6 Payroll Agency Schedule of Receipts and Disbursements	N/A
I	Long-Term Debt:	
	I-1 Schedule of Serial Bonds	89
	I-2 Debt Service Budgetary Comparison Schedule	90

STATISTICAL SECTION (Unaudited)

Financial Trends

J-1	Net Assets by Component	91
J-2	Changes in Net Position	92-93
J-3	Fund Balances - Governmental Funds	94
J-4	Changes in Fund Balances - Governmental Funds	95
J-5	General Fund Other Local Revenue by Source	96
Revenue Capacity		
J-6	Assessed Value and Estimated Actual Value of Taxable Property	97
J-7	Direct and Overlapping Property Tax Rates	98
J-8	Principal Property Taxpayers	99
J-9	Property Tax Levies and Collections	100
Debt Capacity		
J-10	Ratios of Outstanding Debt by Type	101
J-11	Ratios of General Bonded Debt Outstanding	102
J-12	Direct and Overlapping Governmental Activities Debt	103
J-13	Legal Debt Margin Information	104

TOWN OF HAMMONTON SCHOOL DISTRICT

TABLE OF CONTENTS (continued)

STATISTICAL SECTION (Unaudited,continued)	Page
Demographic and Economic Information	
J-14 Demographic and Economic Statistics	105
J-15 Principal Employers	106
Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	107
J-17 Operating Statistics	108
J-18 School Building Information	109
J-19 Schedule of Required Maintenance Expenditures by School Facility	110
J-20 Insurance Schedule	111
 SINGLE AUDIT SECTION 	
K-1 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	112-113
K-2 Report on Compliance for Each major Program; Report on Internal Control Over Compliance; and Report on Schedule of Awards required by OMB Circular A-133 and New Jersey OMB Circular Letter 04-04 and/or 15-08	114-115
K-3 Schedule of Expenditures of Federal Awards, Schedule A	116
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	117-118
K-5 Notes to the Schedules of Awards and Financial Assistance	119-121
K-6 Schedule of Findings and Question Costs - Summary of Auditor's Results	122-123
Financial Statement Findings and Federal Awards and State Financial Assistance Findings and Questioned Costs	124-125
K-7 Summary Schedule of Prior Audit Findings	126

Introductory Section

Hammonton Board of Education

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ROBIN CHIECO
Superintendent of Schools

BARBARA S. PRETTYMAN
Business Administrator/Board Secretary

January 28, 2022

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, 2021, 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 2020-2021 fiscal year with an average daily enrollment of 3,373 students, which is 105 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>
2020-2021	3,373	(3.02)
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

2) ECONOMIC CONDITION AND OUTLOOK: The cost per pupil a district allocates is not the sole indicator of the effectiveness of the educational programs. Although we have received a slight increase in state aid, 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 additional federal funds received for COVID relief have supported health and safety protocols, as well as additional programs for student support. The NJ Department of Education provides an analysis of 2020-2021 Budgeted Costs Amount Per Pupil. Hammonton spends \$13,530 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 2021-2022 school year, Hammonton will continue to implement a 1:1 initiative for students to devices as part of our restart plan. This includes the purchase of Chromebooks and Google Tablets to enhance in-person instruction and 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 enhance instruction. The major initiative for the 2021-2022 school year is the implementation of Linkit benchmarking in ELA and math across grade levels. This will provide relevant information related to student achievement and learning standards. An additional counselor was added to the middle school as well as a district-wide mental health counselor to provide student support. Professional development in the areas of technology integration along with benchmark assessments and mental health professional development 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. On-line learning platforms such as Google Classroom, Screencastify, Pear Deck, IXL, Edpuzzle and Defined Learning will continue to be used to enhance instruction and to provide additional learning supports. For the 2021-2022 school year, a new middle school ELA series and Grade 5 ELA series were implemented with numerous on-line supports. Linkit benchmarks will offer information to make data-informed decisions related to programming. 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 2021-2022 school year, we will focus on teacher/staff training for new textbook series as well as Linkit and mental health professional development. In addition, building level teams have been established to implement student-support instructional practices throughout the district to better meet student needs and to include equity awareness.

Technology: The Hammonton District has maintained 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 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. Additionally, on-going budgets will reflect the replacement of devices to maintain our technology needs.

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, 2021.

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, 2021, the District's outstanding debt issues included \$17,969,000 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;

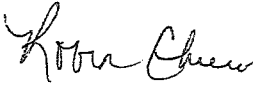
10) OTHER INFORMATION:

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:

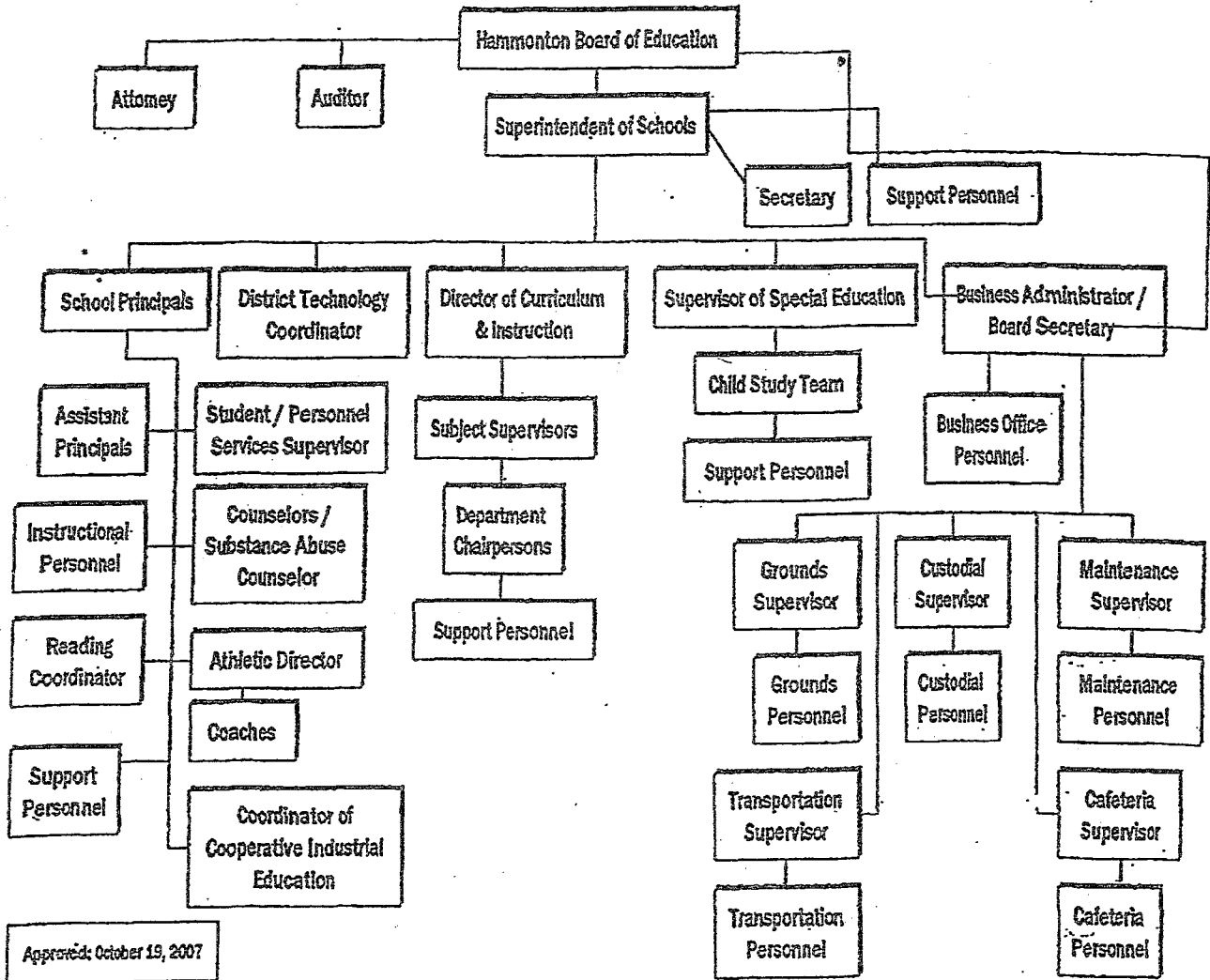
We would like to express our appreciation to the members of the Town of Hammonton Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial 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,

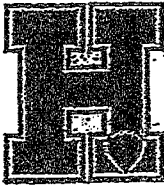

Robin Chieco
Superintendent


Barbara S. Prettyman
School Business Administrator/
Board Secretary

Hammonton Board of Education District Organizational Chart



Approved: October 19, 2007



TOWN OF HAMMONTON BOARD OF EDUCATION

**Roster of Officials
June 30, 2021**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Sam Mento III, President	2023
Mickey Pullia, Vice President	2021
Thomas Attanasi	2021
Barbara Berenato	2022
Linda Byrnes	2022
Kelli Fallon	2023
John Lyons	2022
Erica Polito	2021
Ray Scipione	2023
Al Pangia - Waterford Representative	2021
John Thomas - Folsom Representative	2021
<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
991 S. Black Horse Pike
P.O. Box 799
Williamstown, NJ 08094

Attorney

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

Bond Counsel

McManimon and Scotland, LLC
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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, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 School District, in the County of Atlantic, State of New Jersey, as of June 30, 2021, 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.

Emphasis of Matter

As discussed in Note 22 to the basic financial statements, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, during the fiscal year ended June 30, 2021. Our opinions are not modified with respect to this matter.

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 our report dated January 28, 2022 on our consideration of the Town of Hammonton School District's Board of Education internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 Hammonton School District's Board of Education of internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Hammonton School District's Board of Education internal control over financial reporting and compliance.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant
No. 915
January 28, 2022

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, 2021. 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 \$7,116,445. This amount represents net position, which increased by \$3,128,118 from the previous year end inclusive of a prior period adjustment of \$730,856.
- The District's total net position of governmental activities totaled \$7,116,445.
- General revenues accounted for \$52,177,397 in revenue, or 63% of all revenues. Program specific revenues in the form of charges for services, operating grants, contributions and capital grants accounted for \$30,637,755 or 37% to total revenues of \$82,815,152.
- Total net assets of governmental activities increased by \$3,022,782 made up of changes in cash and cash equivalents, various receivables and liabilities.
- The district had \$78,947,884 in governmental expenses, of which \$29,063,351 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 \$52,176,459 adequately provided for governmental activity programs.
- The General Fund had 59,126,211 in revenues, \$244,486 in transfers and prior year adjustments and \$57,365,858 in expenditures. As a result, the General Fund balance increased by \$2,004,839.

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 2021 and 2020.

Table 1
Net Position

	<u>2021</u>	<u>2020</u>
Assets		
Current and other assets	\$11,051,735	9,167,281
Capital assets, net	31,721,953	33,721,549
Total assets	<u>42,773,688</u>	<u>42,888,830</u>
Deferred Outflows	<u>2,086,190</u>	<u>1,825,129</u>
Liabilities		
Long-term liabilities	31,604,992	33,592,961
Other liabilities	850,378	1,648,652
Total liabilities	<u>32,455,370</u>	<u>35,241,613</u>
Deferred Inflows	<u>5,288,063</u>	<u>5,484,019</u>
Net position		
Invested in capital assets	13,752,953	14,097,549
Restricted	6,566,051	8,503,743
Unrestricted	(13,202,559)	(18,612,965)
Total net position	<u>\$7,116,445</u>	<u>3,988,327</u>

Table 2
Changes in Net Position

	<u>2021</u>	<u>2020</u>
Revenues		
Program Revenues		
Charges for Services	\$9,818,379	9,810,673
Operating Grants and Contributions	20,819,376	12,924,027
General Revenues		
Property Taxes	19,717,695	19,649,695
Grants and Entitlements	31,966,533	29,251,174
Other	493,169	249,003
Total Revenues	<u>82,815,152</u>	<u>71,884,572</u>
Program Expenses		
Instruction	47,909,155	41,626,100
Support Services		
Tuition	2,927,972	2,964,167
Pupils and Instructional Staff	11,219,182	9,178,761
General Administration, School		
Administration, Business	6,922,027	6,322,992
Operation and Maintenance	6,241,854	5,426,128
Pupil Transportation	3,169,670	3,101,079
Interest on Debt	558,024	649,111
Business Type Activities	1,470,006	1,540,236
Total Expenses	<u>80,417,890</u>	<u>70,808,574</u>
Prior Period Adjustment	<u>730,856</u>	
Increase (Decrease) in Net Position	<u>\$3,128,118</u>	<u>1,075,998</u>

Business-type Activities

The District's business-type activities net position increased \$105,336 from the previous year end. Operating and non-operating revenues increased \$159,088 and expenses decreased by \$70,230 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 2021</u>	<u>Net Cost of</u> <u>Services 2021</u>	<u>Total Cost of</u> <u>Services 2020</u>	<u>Net Cost of</u> <u>Services 2020</u>
Revenues				
Instruction	47,909,155	24,399,713	41,626,100	23,074,012
Support services:				
Tuition	2,927,972	2,927,972	2,964,167	2,964,167
Pupils and instructional staff	11,219,182	7,928,338	9,178,761	7,512,941
General Administration, School				
Administration, Business	6,922,027	5,410,469	6,322,992	5,379,881
Plant operations/maintenance	6,241,854	5,800,139	5,426,128	5,281,790
Pupil transportation	3,169,670	2,859,878	3,101,079	2,945,854
Interest on long term debt	558,024	558,024	649,111	649,111
Total expenses	<u>78,947,884</u>	<u>49,884,533</u>	<u>69,268,338</u>	<u>47,807,756</u>

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 and prior period adjustments of \$66,624,471 and expenditures of \$64,102,412. The net change in fund balance for the year was an increase of \$2,522,059.

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 2021, 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	
	2021	2020	2021	2020	2021	2020
	Land	324,908	324,908			324,908
Construction in progress	93,213	93,213			93,213	93,213
Site improvements	215,000	307,926			215,000	307,926
Bldgs and Bldg impr.	29,424,936	31,151,794			29,424,936	31,151,794
Machinery & equipment	1,071,479	1,227,261	592,417	616,447	1,663,896	1,843,708
Total	31,129,536	33,105,102	592,417	616,447	31,721,953	33,721,549

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 \$17,969,000.

	Balance 6/30/20	Issued	Retired	Balance 6/30/21
Governmental Activities				
Bonds payable	\$19,624,000		1,655,000	17,969,000
Compensated absences Payable	3,547,251	133,566		3,680,817
Total Governmental Activities	23,171,251	133,566	1,655,000	21,649,817
Business-type Activities				
Compensated absences Payable	40,569		1,606	38,963
Total Business-type Activities	40,569		1,606	38,963

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 \$58,300,969 of which \$40,331,969 or 69.18% 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 2021-2022 state aid funding increase was significant however, 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, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$9,317,842	422,889	9,740,731
Receivables, net	\$4,189	2,276	6,465
Due from other governments	\$1,108,205	181,482	1,289,687
Internal balances	\$287,525	(287,525)	0
Inventory		14,852	14,852
Capital assets not being depreciated:			
Land and CIP	\$418,121		418,121
Capital assets, net of accumulated depreciation	\$30,711,415	592,417	31,303,832
Total Assets	<u>\$41,847,297</u>	<u>926,391</u>	<u>42,773,688</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Deferred Outflows	<u>\$2,086,190</u>	<u>0</u>	<u>2,086,190</u>
LIABILITIES			
Accounts payable	\$373,586	37,001	410,587
Accrued interest payable	\$220,247		220,247
Intergovernmental payable	\$85,810		85,810
Unearned revenue	\$97,858	36,105	133,963
Net Pension Liability	\$9,916,212		9,916,212
Noncurrent liabilities:			
Due within one year	\$1,813,011		1,813,011
Due beyond one year	\$19,836,806	38,963	19,875,769
Total liabilities	<u>\$32,343,530</u>	<u>112,069</u>	<u>32,455,599</u>
DEFERRED INFLOWS OF RESOURCES			
Refunding of Long Term Debt	\$650,236		650,236
Pension Deferred Inflows	\$4,637,827		4,637,827
	<u>\$5,288,063</u>	<u>0</u>	<u>5,288,063</u>
NET POSITION			
Net investment in capital assets	\$13,160,536	592,417	13,752,953
Restricted for:			
Capital Reserve	\$2,165,100		2,165,100
Maintenance Reserve	\$1,887,953		1,887,953
Emergency Reserve	\$325,998		325,998
Tuition Reserve	\$800,000		800,000
Excess Surplus	\$504,173		504,173
Unemployment Compensation	\$451,095		451,095
Scholarships	\$141,924		141,924
Student Activities	\$289,808		289,808
Unrestricted (Deficit)	(\$13,424,464)	221,905	(13,202,559)
Total net position	<u>\$6,302,123</u>	<u>814,322</u>	<u>7,116,445</u>

TOWN OF HAMMONTON SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
		Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	\$29,708,011	8,949,253	9,275,245	12,404,842	(16,977,177)		(16,977,177)
Special education	4,929,817	1,624,849		1,506,256	(5,048,410)		(5,048,410)
Other instruction	1,968,409	728,816		323,099	(2,374,126)		(2,374,126)
Support services:							
Tuition	2,927,972				(2,927,972)		(2,927,972)
Student & instruction related services	8,684,201	2,534,981	445,869	2,844,975	(7,928,338)		(7,928,338)
School administrative services	3,128,754	1,071,174		1,067,368	(3,130,560)		(3,130,560)
General administrative services	885,627	161,737		129,592	(917,772)		(917,772)
Plant operations and maintenance	5,245,475	996,379		441,715	(5,800,139)		(5,800,139)
Pupil transportation	2,473,704	695,966	1,256	308,536	(2,859,878)		(2,859,878)
Business and other support services	1,246,472	430,263		314,598	(1,362,137)		(1,362,137)
Unallocated benefits	17,193,418	(17,193,418)			0		0
Interest on long-term debt	558,024				(558,024)		(558,024)
Total governmental activities	78,947,884	0	9,722,370	19,340,981	(49,884,533)		(49,884,533)
Business-type activities:							
Food Service	1,462,565		96,009	1,478,395		111,839	111,839
After School Program	7,441					(7,441)	(7,441)
Total business-type activities	1,470,006		96,009	1,478,395		104,398	104,398
Total primary government	\$80,417,890		9,818,379	20,819,376	(49,884,533)	104,398	(49,780,135)
General revenues:							
Taxes:							
Property taxes, levied for general purposes, net				18,086,685			18,086,685
Taxes levied for debt service				1,631,010			1,631,010
Federal and State aid not restricted				31,966,533			31,966,533
Investment Earnings				50,094	938		51,032
Miscellaneous Income				108,460			108,460
Prior year encumbrances				37			37
Refund prior year expenditures				258,640			258,640
Capital Lease Income				75,000			75,000
Total general revenues, special items, adjustments, extraordinary items and transfers				52,176,459	938		52,177,397
Change in Net Position				2,291,926	105,336		2,397,262
Net Position, July 1				3,279,341	708,986		3,988,327
Prior Period Adjustments				730,856	0		730,856
Net Position, July 1 (Restated)				4,010,197	708,986		4,719,183
Net Position—ending				\$6,302,123	814,322		7,116,445

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, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$4,678,952	431,732		83,901	5,194,585
Capital reserve cash	4,123,257				4,123,257
Interfund accounts receivable	758,203				758,203
Receivables, net	4,189				4,189
Receivables from other governments	353,604	754,601			1,108,205
Total assets	9,918,205	1,186,333	0	83,901	11,188,439
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	173,798	163,792			337,590
Payroll deductions and withholdings payable	35,996				35,996
Interfund payable		470,678			470,678
Due to other governments	666	85,144			85,810
Unearned revenue	12,500	85,129			97,629
Total liabilities	222,960	804,743	0	0	1,027,703
Fund Balances:					
Restricted:					
Capital Reserve	2,165,100				2,165,100
Maintenance Reserve	1,887,953				1,887,953
Emergency Reserve	325,998				325,998
Tuition Reserve	800,000				800,000
Excess Surplus	504,173				504,173
Unemployment Compensation	451,095				451,095
Scholarships		141,924			141,924
Student Activities		289,808			289,808
Assigned:					
Encumbrances	268,224				268,224
Designated for subsequent year's expenditures	3,235,909			83,901	3,319,810
Unassigned:					
General fund	56,793				56,793
Special revenue fund (deficit)		(50,142)			(50,142)
Total Fund balances	9,695,245	381,590	0	83,901	10,160,736
Total liabilities and fund balances	\$9,918,205	1,186,333	0	83,901	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$67,486,354, and the accumulated depreciation is \$36,356,818

31,129,536

Deferred outflows and deferred inflows related to pensions represent the consumption and acquisition, respectively, of resources that relate to future periods; therefore, such amounts are not reported in the fund financial statements.

(2,551,637)

Amounts payable related to pensions are not liquidated with current financial resources; therefore, such amounts are not recorded in the fund financial statements.

(9,916,212)

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

(220,247)

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

(22,300,053)

Net position of governmental activities

\$6,302,123

TOWN OF HAMMONTON SCHOOL DISTRICT
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local tax levy	\$18,086,685			1,631,010	19,717,695
Tuition from LEAs within State	9,271,002				9,271,002
Tuition from Other Governmental Sources within State	4,243				4,243
Transportation fees from other leas	1,256				1,256
Interest earned on capital reserves	3,087				3,087
Interest	47,007				47,007
Miscellaneous	108,460				108,460
Local sources		575,431			575,431
State sources	31,444,194	589,787		362,062	32,396,043
Federal sources	160,277	3,275,439			3,435,716
Total revenues	59,126,211	4,440,657	0	1,993,072	65,559,940
EXPENDITURES					
Current:					
Regular instruction	16,241,400	2,998,286			19,239,686
Special education instruction	3,239,855				3,239,855
Other instruction	1,562,909				1,562,909
Support services and undistributed costs:					
Tuition	2,927,972				2,927,972
Student & instruction related services	5,106,751	916,930			6,023,681
General administrative services	737,749				737,749
School administrative services	1,938,279	178,997			2,117,276
Plant operations and maintenance	4,527,952				4,527,952
Pupil transportation	2,086,481				2,086,481
Business and other support services	984,403				984,403
Unallocated Benefits	17,748,413	265,779			18,014,192
Debt service:					
Principal				1,655,000	1,655,000
Interest and other charges				590,933	590,933
Capital outlay	263,694	130,629			394,323
Total expenditures	57,365,858	4,490,621	0	2,245,933	64,102,412
Excess (Deficiency) of revenues over expenditures	1,760,353	(49,964)	0	(252,861)	1,457,528
OTHER FINANCING SOURCES (USES)					
Transfers in		154,917		336,760	491,677
Transfers out	(491,677)				(491,677)
Capital lease income	75,000				75,000
Prior year encumbrances	37				37
Refund prior year expenditures	258,640				258,640
Total other financing sources and uses	(158,000)	154,917	0	336,760	333,677
Net change in fund balances	1,602,353	104,953	0	83,899	1,791,205
Fund balance—July 1 (deficit)	7,690,406	(51,731)	0	2	7,638,677
Prior Period Adjustments	402,486	328,368			730,854
Fund balance—July 1, Restated	8,092,892	276,637		2	8,369,531
Fund balance—June 30 (deficit)	\$ 9,695,245	381,590	0	83,901	10,160,736

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, 2021

Total net change in fund balances - governmental funds (from B-2)		\$1,791,205
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	(2,206,734)	
Capital outlays	<u>231,166</u>	(1,975,568)
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		1,655,000
Amortization of premium on bond refunding in the statement of activities.		101,172
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.		32,909
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.		820,774
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 (+).		(133,566)
Change in net position of governmental activities		<u><u>\$2,291,926</u></u>

PROPRIETARY FUNDS

TOWN OF HAMMONTON SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2021

	Business-type Activities - Enterprise Funds		
	Food Service	Latchkey Program (Non Major Fund)	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$329,917	92,972	422,889
Accounts receivable	181,482		181,482
Other accounts receivable	2,276		2,276
Inventories	14,852		14,852
Total current assets	<u>528,527</u>	<u>92,972</u>	<u>621,499</u>
Noncurrent assets:			
Furniture, machinery & equipment	1,285,588	119,467	1,405,055
Less accumulated depreciation	<u>(735,958)</u>	<u>(76,680)</u>	<u>(812,638)</u>
Total noncurrent assets	<u>549,630</u>	<u>42,787</u>	<u>592,417</u>
Total assets	<u><u>1,078,157</u></u>	<u><u>135,759</u></u>	<u><u>1,213,916</u></u>
LIABILITIES			
Current liabilities:			
Interfund Accounts Payable	287,525		287,525
Accounts Payable	37,001		37,001
Unearned Revenue	36,105		36,105
Compensated absences	38,963		38,963
Total current liabilities	<u>399,594</u>	<u>0</u>	<u>399,594</u>
Total liabilities	<u>399,594</u>	<u>0</u>	<u>399,594</u>
NET POSITION			
Net investment in capital assets	549,630	42,787	592,417
Unrestricted	128,933	92,972	221,905
Total net position	<u><u>\$678,563</u></u>	<u><u>135,759</u></u>	<u><u>814,322</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, 2021

	Business-type Activities - Enterprise Fund		
	Food Service	Latchkey Program (Non Major Fund)	Total Enterprise
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$0		0
Daily sales - non-reimbursable programs	28,988		28,988
Special functions	2,461		2,461
Miscellaneous	64,560		64,560
Total operating revenues	96,009	0	96,009
 Operating expenses:			
Cost of sales-Reimbursable programs	527,390		527,390
Cost of sales-Nonreimbursable programs	32,271		32,271
Salaries	537,457		537,457
Employee benefits	253,670		253,670
General supplies & materials	52,139		52,139
Other costs	23,342		23,342
Depreciation	36,296	7,441	43,737
Total operating expenses	1,462,565	7,441	1,470,006
Operating (loss)	(1,366,556)	(7,441)	(1,373,997)
 Nonoperating revenues:			
State sources:			
State school lunch program	47,800		47,800
Federal sources:			
National school lunch program	934,412		934,412
National school breakfast program	452,762		452,762
Food distribution program	43,421		43,421
Interest and investment revenue	505	433	938
Total nonoperating revenues	1,478,900	433	1,479,333
Income(loss) before transfers	112,344	(7,008)	105,336
Transfers in (out)	0		0
Change in net position	112,344	(7,008)	105,336
Total net position—beginning	566,219	142,767	708,986
Total net position—ending	\$678,563	135,759	814,322

TOWN OF HAMMONTON SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds		
	Food Service	Latchkey Program (Non Major Fund)	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$101,514		101,514
Payments to employees	(661,188)		(661,188)
Payments to suppliers	(586,455)		(586,455)
Net cash provided/(used) by operating activities	<u>(1,146,129)</u>	<u>0</u>	<u>(1,146,129)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash received from state and federal reimbursements	1,368,075		1,368,075
Operating subsidies	0		0
Net cash provided by non-capital financing activities	<u>1,368,075</u>	<u>0</u>	<u>1,368,075</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	(19,707)		(19,707)
Net cash (used) by capital and related financing activities	<u>(19,707)</u>	<u>0</u>	<u>(19,707)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	505	433	938
Net cash provided by investing activities	<u>505</u>	<u>433</u>	<u>938</u>
Net increase (decrease) in cash and cash equivalents	202,744	433	203,177
Balances—beginning of year	127,173	92,539	219,712
Balances—end of year	<u>\$329,917</u>	<u>92,972</u>	<u>422,889</u>
Reconciliation of operating income/(loss) to net cash provided/(used) by operating activities:			
Operating income/(loss)	(\$1,366,556)	(\$7,441)	(1,373,997)
Adjustments to reconcile operating income(loss) to net cash provided/(used) by operating activities			
Depreciation and net amortization	36,296	7,441	43,737
Federal commodities	43,421		43,421
(Increase)/Decrease in accounts receivable, net	(700)		(700)
Decrease in inventories	(10,110)		(10,110)
(Decrease)/Increase in accounts payable	15,028		15,028
(Decrease)/Increase in interfund accounts payable	131,893		131,893
(Decrease)/Increase in unearned revenue	6,205		6,205
(Decrease)/Increase in compensated absences payable.	(1,606)		(1,606)
Total adjustments	<u>220,427</u>	<u>7,441</u>	<u>227,868</u>
Net cash provided/(used) by operating activities	<u>(\$1,146,129)</u>	<u>0</u>	<u>(1,146,129)</u>

Town of Hammonton School District
Notes to Financial Statements
June 30, 2021

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, 2021 of 3,373 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, 2021**

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, 2021**

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, 2021

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

Town of Hammonton School District
Notes to Financial Statements
June 30, 2021

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.

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.

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 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

**Town of Hammonton School District
Notes to Financial Statements
June 30, 2021**

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:

<u>Account Name</u>	<u>Amount</u>
Salaries of Teachers – Home Instruction	(171,901)
Regular Programs – General Supplies	(290,968)
Regular Programs – Textbooks	195,749
Resource Room – Salaries of Teachers	(100,000)
Tuition to Private Schools for the Disabled	(214,961)
Operation and Maintenance of Plant – General Supplies	424,094

Town of Hammonton School District
Notes to Financial Statements
June 30, 2021

Student Transportation – Contracted Services – Special Education – Joint Agreements	191,291
Equipment – Care and Upkeep of Grounds	(183,903)
Transfer to Cover Deficit – Enterprise Fund	(140,000)

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.

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

**Town of Hammonton School District
Notes to Financial Statements
June 30, 2021**

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.

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.

**Town of Hammonton School District
Notes to Financial Statements
June 30, 2021**

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.

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

Town of Hammonton School District
Notes to Financial Statements
June 30, 2021

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.
- 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

**Town of Hammonton School District
Notes to Financial Statements
June 30, 2021**

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.

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. 84, the District restated the beginning net position in the government-wide Statement of Net Position, effectively increasing net position as of July 1, 2020 by \$730,856.

**Town of Hammonton School District
Notes to Financial Statements
June 30, 2021**

I. RECENT ACCOUNTING PRONOUNCEMENTS

The School District has adopted the following GASB statements:

- 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 adoption of GASB 84 will impact the financial statements of the School District.
-
- 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. The adoption of GASB 90 did not impact the financial statements of the School District.

NOTE 2. – INVESTMENTS

As of June 30, 2021, 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.

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

**Town of Hammonton School District
Notes to Financial Statements
June 30, 2021**

equivalents. At June 30, 2021, the carrying amount of the District's deposits (cash and cash equivalents) was \$9,740,731 and the bank balance was \$11,347,033.

As of June 30, 2021, the School District's bank balance was exposed to custodial credit risk as follows:

FDIC Insured	\$ 250,000
GUDPA Insured	<u>11,097,033</u>
Bank balance, June 30, 2021	<u>\$ 11,347,033</u>

NOTE 4 – RECEIVABLES

Receivables at June 30, 2021, 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	\$ 1,108,205	\$ 1,289,687
Inter-funds	758,203	
Other	4,189	6,465
Total Receivables, Net	<u>\$ 1,870,597</u>	<u>\$ 1,296,152</u>

NOTE 5. INVENTORY

Inventory in the Food Service Enterprise Fund at June 30, 2021, consisted of the following which included \$5,461 in Federal Commodities:

Food	\$ 11,887
Supplies	<u>2,965</u>
	<u>\$ 14,852</u>

NOTE 6. CAPITAL ASSETS

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

	<u>Balance June 30, 2020</u>	<u>Additions</u>	<u>Disposals / Adjustments</u>	<u>Balance June 30, 2021</u>
Governmental Activities:				
Capital assets that are not being depreciated:				
Land	\$ 324,908			324,908
Construction in Progress	<u>93,213</u>			<u>93,213</u>
Total capital assets not being depreciated	<u>418,121</u>		<u>0</u>	<u>418,121</u>

**Town of Hammonton School District
Notes to Financial Statements
June 30, 2021**

Site improvements	3,551,267	3,031		3,554,298
Bldg and bldg improve	56,651,472	14,286		56,665,758
Machinery & equipment	6,994,002	213,849	(359,674)	6,848,177
Total at historical cost	<u>67,196,741</u>	<u>231,166</u>	<u>(359,674)</u>	<u>67,068,233</u>
Less accum depr for:				
Site improvements	(3,243,341)	(95,957)		(3,339,298)
Bldg and bldg improve	(25,499,678)	(1,741,144)		(27,240,822)
Machinery & equipment	(5,766,739)	(369,633)	(359,674)	(5,776,698)
Total accum deprec	<u>(34,509,758)</u>	<u>(2,206,734)</u>	<u>(359,674)</u>	<u>(36,356,818)</u>
Total capital assets being depr, net of accum depr	<u>32,686,983</u>	<u>(1,975,567)</u>	<u>359,674</u>	<u>30,711,416</u>
Governmental activities capital assets, net	<u>33,105,104</u>	<u>(1,975,567)</u>	<u>0</u>	<u>31,129,536</u>
Business-type activities:				
Equipment	1,385,348	19,707		1,405,055
Less accum depr for:				
Equipment	(768,901)	(43,737)		(812,638)
Business-type activities capital assets, net	<u>\$ 616,447</u>	<u>(24,030)</u>		<u>592,417</u>

Depreciation expense as charged to governmental functions as follows:

Regular instruction	1,148,615
Special education	208,545
Other instruction	93,542
Student & instruction related services	325,359
School administrative services	137,483
General administrative services	20,759
Plant operations and maintenance	127,883
Pupil transportation	89,326
Business and other support services	55,222
	<u>\$ 2,206,734</u>

NOTE 7. LONG-TERM OBLIGATIONS

Long-term liability activity for the year ended June 30, 2021 was as follows:

	<u>Balance 6-30-20</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 6-30-21</u>	<u>Amounts Due Within One year</u>
Governmental Activities					
Bonds & loans payable:					
School bonds	\$ 19,624,000		1,655,000	17,969,000	1,724,000
Other liabilities:					
Compensated absences payable	<u>3,547,251</u>	<u>133,566</u>		<u>3,680,817</u>	<u>89,011</u>
Governmental activities long-term liabilities	<u>23,171,251</u>	<u>133,566</u>	<u>1,655,000</u>	<u>21,649,817</u>	<u>1,813,011</u>

**Town of Hammonton School District
Notes to Financial Statements
June 30, 2021**

Business-type Activities:

Other liabilities:

Compensated absences Payable	40,569	1,606	38,963	0
Business-type activities long-term liabilities	\$ 40,569	1,606	38,963	0

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, 2021, 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.

\$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, 2021 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, 2021 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, 2021 was \$6,875,000.

\$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, 2021 was \$224,000.

Town of Hammonton School District
Notes to Financial Statements
June 30, 2021

\$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, 2021 was \$6,695,000.

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

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,705,000	347,906	2,052,906
2027-2031	9,825,000	800,139	10,625,139
	<u>\$ 17,969,000</u>	<u>3,151,935</u>	<u>21,120,935</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2021 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 year ended June 30, 2021 were \$11,064. The future minimum lease payments for this lease are as follows:

Year ending June 30,	
2022	\$ 32,393
2023	33,580
2024	24,653
2025	23,178
2026	23,178
Thereafter	1,934
	<u>\$ 138,916</u>

Town of Hammonton School District
Notes to Financial Statements
June 30, 2021

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.
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, 2021 were \$337,469. Employers in PERS are required to contribute at an actuarially

Town of Hammononton School District
Notes to Financial Statements
June 30, 2021

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, 2021, and 2020, were \$665,211 and \$561,625 respectively.

The total payroll for the year ended June 30, 2021 was \$33,402,375. Payroll covered by PERS was \$4,441,505 for fiscal year 2021.

Components of Net Pension Liability - At June 30, 2021, the District's proportionate share of the PERS net pension liability was \$9,916,212. The net pension liability was measured as of June 30, 2020. 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, 2020. The District's proportion measured as of June 30, 2020 was 0.060808% which was an increase of 0.00319% from its proportion measured as of June 30, 2019.

Pension Expense and Deferred Outflows/Inflows of Resources - The District's 2020 PERS pension expense, with respect to GASB 68, was (\$51,981). The District's 2021 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	\$ 180,558	\$ 35,068
Changes of assumptions	321,693	4,152,012
Net difference between projected and actual earnings on pension plan investments	338,944	
Changes in proportion	579,785	450,747
Contributions subsequent to the measurement date	665,210	
Total	\$ <u>2,086,190</u>	\$ <u>4,637,827</u>

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
2021	\$ (1,538,055)
2022	(988,034)
2023	(426,030)
2024	(215,337)
2025	(49,391)
Total	\$ <u>(3,216,847)</u>

Town of Hammonton School District
Notes to Financial Statements
June 30, 2021

Additional Information - Collective Balances at June 30, 2021 and 2020 are as follows:

Year	6/30/2021	6/30/2020
Collective deferred outflows of resources	\$ 2,086,190	\$ 1,825,129
Collective deferred inflows of resources	\$ 4,637,827	\$ 4,732,611
Collective Net Pension Liability	\$ 9,916,212	\$ 10,381,141
District's Proportion	0.060808%	0.057614%

Actuarial Assumptions - The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. 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	2.75%
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, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 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, 2020) 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.

Town of Hammonton School District
Notes to Financial Statements
June 30, 2021

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, 2020 are summarized in the following table:

PERS		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Total	<u>100.00%</u>	

Discount Rate - The discount rate, as of June 30, 2020, used to measure the total pension liability was 7.00% for PERS. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 78% 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to determine 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, 2020, 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 or 1-percentage-point higher than the current rate:

**Town of Hammonton School District
Notes to Financial Statements
June 30, 2021**

	<u>1% Decrease (6.00%)</u>	<u>Current Discount (7.00%)</u>	<u>1% Increase (8.00%)</u>
District's Proportionate Share of the Net Pension Liability	\$ <u>12,581,014</u>	\$ <u>9,916,212</u>	\$ <u>7,799,193</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:

<u>Tier</u>	<u>Definition</u>
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.
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.

**Town of Hammonton School District
Notes to Financial Statements
June 30, 2021**

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, 2021 because of the 100% special funding situation with the State of New Jersey.

During the fiscal year ended June 30, 2021, the State of New Jersey contributed \$5,916,346 to the TPAF for pension contributions, \$1,854,091 for post-retirement benefits on behalf of the School, and \$2,736 for long-term disability. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,682,535 during the year ended June 30, 2021 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, 2021, 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, 2021, the District recognized pension expense of \$8,120,395 and revenue of \$8,120,395 for support provided by the State.

Actuarial Assumptions - The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>TPAF</u>
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%

Town of Hammonton School District
Notes to Financial Statements
June 30, 2021

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, 2020 are summarized in the following table:

Asset Class	TPAF	
	Target Allocation	Long-Term Expected Real Rate of Return
Risk mitigation strategies	3.00%	3.40%
Cash equivalents	4.00%	0.50%
US Treasuries	5.00%	1.94%
Investment grade credit	8.00%	2.67%
High yield	2.00%	5.95%
Private credit	8.00%	7.59%
Real assets	3.00%	9.73%
Real estate	8.00%	9.56%
U.S. equity	27.00%	7.71%
Non-U.S. developed markets equity	13.50%	8.57%
Emerging markets equity	5.50%	10.23%
Private equity	13.00%	11.42%
Total	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. 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 2.21% as of June 30, 2020 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 78% 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 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 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, 2020, 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 (4.40%) or 1-percentage-point higher (6.40%) than the current rate:

**Town of Hammonton School District
Notes to Financial Statements
June 30, 2021**

	1% Decrease (4.40%)	Current Discount (5.40%)	1% Increase (6.40%)
State's Share of the Net Pension Liability associated with the District	\$ 153,725,646	\$ 130,586,022	\$ 111,897,682
State's Share of the Net Pension Liability	\$ <u>77,517,093,055</u>	\$ <u>65,993,498,688</u>	\$ <u>56,425,087,777</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
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, 2021, employee contributions totaled \$140,545 and the District's employer contribution, recognized in pension expense, was \$103,510. 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.

Town of Hammonton School District
Notes to Financial Statements
June 30, 2021

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.

The total non-employer 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, 2020, was \$67,809,962,608. Of this amount, the total OPEB liability attributable to the School District

**Town of Hammonton School District
Notes to Financial Statements
June 30, 2021**

was \$145,519,872. The State of New Jersey’s proportionate share of the total OPEB liability is 100%, including the proportion attributable to the School District of 0.21460%. The total OPEB liability for the School District measured as of June 30, 2020 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, 2020 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, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. 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% - 4.45%	2.00% - 6.00%	3.25% - 15.25%
Thereafter	1.55% - 4.45%	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. 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, 2019 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 5.6% 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 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Town of Hammonton School District
Notes to Financial Statements
June 30, 2021

Discount rate

The discount rate for June 30, 2020 was 2.21%. 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, 2019 Measurement Date	\$ <u>41,729,081,045</u>
Changes for the year:	
Service Cost	1,790,973,822
Interest	1,503,341,357
Changes of Benefit Terms	
Differences between Expected and Actual	11,544,750,637
Changes of Assumptions	12,386,549,981
Benefit Payments	(1,180,515,618)
Contributions from Members	<u>35,781,384</u>
Net Changes	<u>26,080,881,563</u>
Balance as of June 30, 2020 Measurement Date	\$ <u><u>67,809,962,608</u></u>

Sensitivity of Total Non-employer OPEB Liability to changes in the discount rate:

The following presents the total non-employer OPEB liability as of June 30, 2020, respectively, calculated using the discount rate as disclosed above as well as what the total non-employer 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, 2020		
	At 1.00% Decrease	At Discount Rate	At 1.00% Increase
	1.21%	2.21%	3.21%
\$	81,748,410,002	67,809,962,608	56,911,439,160

Sensitivity of Total Non-employer OPEB Liability to changes in the healthcare trend rate:

The following presents the total non-employer OPEB liability as of June 30, 2020, calculated using the healthcare trend rate as disclosed above as well as what the total non-employer 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:

**Town of Hammonton School District
Notes to Financial Statements
June 30, 2021**

	June 30, 2020		
	1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
\$	54,738,488,540	67,809,962,608	83,375,182,975

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

For the year ended June 30, 2021, the School District recognized OPEB expense of \$7,225,797. 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	\$ 22,093,707	\$ 19,680,288
Changes of Assumptions	24,752,451	16,604,642
Net difference Between Projected and Actual Earnings on OPEB Plan Investments		
Changes in Proportion	1,305,688	422,975
Contributions Subsequent to the Measurement Date		
Total	\$ 48,151,846	\$ 36,707,905

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 Ending June 30,	OPEB
2021	\$ 231,169
2022	231,169
2023	231,169
2024	231,169
2025	231,169
Thereafter	10,288,096
Total	\$ 11,443,941

NOTE 10. DEFERRED COMPENSATION

The Board offers its employees a deferred compensation plan created in accordance with Internal

Town of Hammonton School District
Notes to Financial Statements
June 30, 2021

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
Siracusa 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.

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, 2021, a liability existed for compensated absences in the Food Service Program in the amount of \$38,963.

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.

Town of Hammonton School District
Notes to Financial Statements
June 30, 2021

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 2021 fiscal year is as follows:

Beginning balance, July 1, 2020	\$2,818,752
Interest Earnings	622
Budgeted Withdrawal	(2,696,117)
Board Resolution dated June 3, 2021	<u>4,000,000</u>
Ending balance, June 30, 2021	<u>\$4,123,257</u>

The 2021-2022 Budget includes a withdrawal from the Capital Reserve Account in the amount of \$1,958,157.

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 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 \$577,113 for the 2021 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 2021 fiscal year is as follows:

Beginning balance, July 1, 2020	\$ 325,366
Interest Earnings	32
Budgeted Withdrawal	(319,400)
Board Resolution dated June 3, 2021	<u>320,000</u>
Ending balance, June 30, 2021	<u>\$ 325,998</u>

NOTE 14. MAINTENANCE RESERVE

New Jersey Statute 18A:7G-9 permits school districts to accumulate funds for the required

Town of Hammonton School District
Notes to Financial Statements
June 30, 2021

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 2021 fiscal year is as follows:

Beginning balance, July 1, 2020	\$1,913,020
Interest Earnings	2,433
Budgeted Withdrawal	(1,462,500)
Board Resolution dated June 3, 2021	<u>2,000,000</u>
Ending balance, June 30, 2020	<u><u>2,452,953</u></u>

The 2021-2022 Budget includes a withdrawal from the Maintenance Reserve Account in the amount of \$565,000.

NOTE 15. TUITION RESERVE 2020-2021

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 2021 fiscal year is as follows:

Beginning balance, July 1, 2020	\$ 0
Board Resolution dated June 3, 2021	<u>800,000</u>
Ending balance, June 30, 2021	<u><u>\$ 800,000</u></u>

NOTE 16. DEFICIT FUND BALANCES

The District has a deficit fund balance of \$50,142 in the Special Revenue Fund as of June 30, 2021 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.

Town of Hammonton School District
Notes to Financial Statements
June 30, 2021

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 \$50,142 in the Special revenue fund is equal to or less than the last state payment(s).

NOTE 17. FUND BALANCES

Restricted Fund Balance

General Fund:

Capital Reserve – As of June 30, 2021, there is a balance of \$4,123,257 in the Capital Reserve Account of which \$1,958,157 has been appropriated and included as anticipated revenue for the year ended June 30, 2021.

Maintenance Reserve – As of June 30, 2021, there is a balance of \$2,452,953 in the Maintenance Reserve Account of which \$565,000 has been appropriated and included as anticipated revenue for the year ended June 30, 2021.

Emergency Reserve – As of June 30, 2021, there is a balance of \$325,998 in the Emergency Reserve Account of which \$0 has been appropriated and included as anticipated revenue for the year ended June 30, 2021.

Unemployment Compensation Reserve – As of June 30, 2021, there is a balance of \$451,095 in the Unemployment Compensation Reserve Account of which \$0 has been appropriated and included as anticipated revenue for the year ended June 30, 2021.

Tuition Reserve – As of June 30, 2021, there is a balance of \$800,000 in the Tuition Reserve Account of which \$0 has been appropriated and included as anticipated revenue for the year ended June 30, 2021.

Excess Surplus – As of June 30, 2021, there is a balance of \$504,173 in the Excess Surplus Account.

Special Revenue Fund:

Scholarships Reserve – As of June 30, 2021, there is a balance of \$141,924 in the Scholarships Reserve Account of which \$0 has been appropriated and included as anticipated revenue for the year ended June 30, 2021.

Student Activities Reserve – As of June 30, 2021, there is a balance of \$289,808 in the Student Activities Reserve Account of which \$0 has been appropriated and included as anticipated revenue for the year ended June 30, 2021.

Town of Hammonton School District
Notes to Financial Statements
June 30, 2021

Assigned Fund Balance

General Fund – As of June 30, 2021, \$712,752 in Excess Surplus has been included as anticipated revenue for the subsequent year ended June 30, 2022. Additionally, \$268,224 is for year-end encumbrances.

Debt Service Fund – As of June 30, 2021, there is a balance of \$83,901 in the Debt Service Fund for the subsequent year ended June 30, 2023.

Unassigned Fund Balance (Deficit)

General Fund – As of June 30, 2021, there is a balance of \$56,793 in the general fund for the year ended June 30, 2021.

Special Revenue Fund Deficit – As of June 30, 2021, the special revenue fund deficit is \$50,142. 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, 2021 is \$504,173.

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, 2021 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 ending balance for the current and prior two years:

Town of Hammonton School District
Notes to Financial Statements
June 30, 2021

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020-2021	\$0	63,123	1,985	25,113	451,095
2019-2020	0	57,104	5,211	(79,186)	360,874
2018-2019	0	52,962	3,923	(9,628)	377,745

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 2020-2021 governmental operations.

NOTE 21. INTERFUND RECEIVABLES AND PAYABLES

The following Interfund balances remained on the balance sheet at June 30, 2021:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 758,203	
Special Revenue Fund		\$ 470,678
Food Service Program		\$ 287,525
	<u>\$ 758,203</u>	<u>\$ 758,203</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

In the subsequent period the District awarded a contract for High School Artificial Turf Field in the amount \$1,562,800.

Required Supplementary Information
Part II

TOWN OF HAMMONTON SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$18,086,685		18,086,685	18,086,685	0
Tuition from LEAs within State	9,153,783		9,153,783	9,271,002	117,219
Tuition from Other Governmental Sources within State				4,243	4,243
Transportation Fees from Other LEA's	80,000		80,000	1,256	(78,744)
Interest earned on Reserves			0	3,087	3,087
Interest earned				47,007	47,007
Miscellaneous	106,900		106,900	108,460	1,560
Total - Local Sources	27,427,368	0	27,427,368	27,521,740	94,372
State Sources:					
Equalization Aid	17,179,587	(1,724,116)	15,455,471	15,455,471	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	250,000		250,000	357,894	107,894
Public School Choice Aid	2,246,892	130,854	2,377,746	2,377,746	0
Non Public Transportation Aid				19,600	19,600
Securing Our Children's Future Bond Act (Alyssa's Law)				3,392	3,392
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				1,854,091	1,854,091
TPAF Non-Contributory (On-Behalf - Non-Budgeted)				5,916,346	5,916,346
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)				2,736	2,736
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,682,535	1,682,535
Total - State Sources	23,505,056	(1,593,262)	21,911,794	31,498,388	9,586,594
Federal Sources:					
Medicaid Reimbursement and unrestricted federal funds	85,639		85,639	149,456	63,817
FFCRA/SEMI				10,821	10,821
	85,639	0	85,639	160,277	74,638
Total Revenues	\$51,018,063	(1,593,262)	49,424,801	59,180,405	9,755,604

TOWN OF HAMMONTON SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	783,654	0	783,654	685,383	98,271
Grades 1-5	4,604,539	205	4,604,744	4,585,191	19,553
Grades 6-8	4,222,903	(2,205)	4,220,698	4,182,682	38,016
Grades 9-12	6,322,490	(3,000)	6,319,490	6,155,675	163,815
Regular Programs - Home Instruction:					
Salaries of Teachers	200,000	(171,901)	28,099	7,557	20,542
Purchased Professional-Educational Services	25,000	0	25,000	7,952	17,048
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	165,778	0	165,778	101,569	64,209
Purchased Professional-Educational Services	57,566	10,129	67,695	49,620	18,075
Purchased Technical Services	44,153	(6,489)	37,664	7,488	30,176
Other Purchased Services	60,050	13,700	73,750	52,124	21,626
General Supplies	722,558	(290,968)	431,590	173,106	258,484
Textbooks	68,250	195,749	263,999	232,471	31,528
Other Objects	12,800	0	12,800	582	12,218
Total Regular Programs	17,289,741	(254,780)	17,034,961	16,241,400	793,561
Special Education - Instruction:					
Learning and/or Language Disabilities					
Salaries of Teachers	375,291	(19,700)	355,591	310,691	44,900
Other Salaries for Instruction	183,279	0	183,279	171,928	11,351
General Supplies	2,529	(1,106)	1,423		1,423
Total Learning and/or Language Disabilities	561,099	(20,806)	540,293	482,619	57,674
Behavioral Disabilities					
Salaries of Teachers	368,236	5,100	373,336	373,336	0
Other Salaries for Instruction	120,674	24,055	144,729	126,297	18,432
Purchased Professional-Educational Services	3,200	0	3,200	2,457	743
General Supplies	3,230	0	3,230	742	2,488
Textbooks	1,000	0	1,000		1,000
Total Behavioral Disabilities	496,340	29,155	525,495	502,832	22,663
Multiple Disabilities					
Salaries of Teachers	1,007,853	(1,828)	1,006,025	991,635	14,390
Other Salaries for Instruction	431,758	(20,000)	411,758	342,734	69,024
Purchased Professional Educational Services	2,427	0	2,427	677	1,750
General Supplies	28,650	(18,689)	9,961	6,462	3,499
Textbooks	3,190	0	3,190		3,190
Total Multiple Disabilities	1,473,878	(40,517)	1,433,361	1,341,508	91,853

(continued)

TOWN OF HAMMONTON SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Resource Room/Resource Center					
Salaries of Teachers	679,444	(100,000)	579,444	564,377	15,067
Other Salaries for Instruction	159,714	(20,000)	139,714	133,480	6,234
General Supplies	9,500	0	9,500	1,100	8,400
Total Resource Room/Resource Center	848,658	(120,000)	728,658	698,957	29,701
Preschool Disabilities - Part-Time					
Salaries of Teachers	96,554	0	96,554	95,254	1,300
Other Salaries for Instruction	115,420	0	115,420	109,625	5,795
Other Purchased Services	100	0	100		100
General Supplies	2,500	0	2,500	340	2,160
Other Objects	115	0	115		115
Total Preschool Disabilities - Part-Time	214,689	0	214,689	205,219	9,470
Home Instruction					
Purchased Professional Education Services	23,300	0	23,300	8,720	14,580
Total Home Instruction	23,300	0	23,300	8,720	14,580
Total Special Education - Instruction	3,617,964	(152,168)	3,465,796	3,239,855	225,941
Bilingual Education - Instruction:					
Salaries of Teachers	796,419	(203)	796,216	782,365	13,851
Other Salaries for Instruction	107,225	21,203	128,428	96,157	32,271
Purchased Professional Educational Services	6,805	0	6,805	1,364	5,441
General Supplies	41,355	(9,100)	32,255	29,510	2,745
Textbooks		3,100	3,100	1,981	1,119
Total Bilingual Education - Instruction	951,804	15,000	966,804	911,377	55,427
School Sponsored Cocurricular Activities - Instruction:					
Salaries	324,000	0	324,000	142,848	181,152
Purchased Services	20,570	3,755	24,325		24,325
Supplies and Materials	42,110	(10,901)	31,209		31,209
Other Objects	3,700	818	4,518	129	4,389
Total School Sponsored Cocurricular Activities - Instruction	390,380	(6,328)	384,052	142,977	241,075
School-Sponsored Athletics - Instruction					
Salaries	389,000	0	389,000	330,755	58,245
Purchased Services	12,400	2,075	14,475	13,725	750
Supplies and Materials	96,000	2,861	98,861	82,580	16,281
Other Objects	5,550	(2,214)	3,336	1,495	1,841
Transfers to Cover Deficit (Agency Funds)	80,000	0	80,000	80,000	0
Total School-Sponsored Athletics - Instruction	582,950	2,722	585,672	508,555	77,117
Total Instruction	22,832,839	(395,554)	22,437,285	21,044,164	1,393,121

(continued)

TOWN OF HAMMONTON SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	57,107	(17,688)	39,419	28,772	10,647
Tuition to Other LEAs Within the State - Special	151,400	0	151,400	131,729	19,671
Tuition to Co. Voc. School District - Regular	594,324	3,700	598,024	587,875	10,149
Tuition to Co. Voc. School District - Special	15,000	7,500	22,500	15,000	7,500
Tuition to CSSD & Regional Day Schools	972,571	(83,562)	889,009	756,097	132,912
Tuition to Private Schools for the Disabled - Within State	1,565,201	(214,961)	1,350,240	1,328,755	21,485
Tuition - State Facilities	79,744	0	79,744	79,744	0
Total Undistributed Expenditures - Instruction	3,435,347	(305,011)	3,130,336	2,927,972	202,364
Undistributed Expenditures - Attendance and Social Work:					
Salaries	81,700	1,300	83,000	82,915	85
Purchased Professional & Technical Services	42,000	480	42,480	42,480	0
Other Purchased Services	1,000	0	1,000		1,000
Supplies and Materials	3,525	(830)	2,695	937	1,758
Total Undistributed Expenditures - Attendance and Social Work	128,225	950	129,175	126,332	2,843
Undistributed Expenditures - Health Services:					
Salaries	335,410	830	336,240	333,569	2,671
Purchased Professional and Technical Services	36,600	(61)	36,539	32,534	4,005
Other Purchased Services	6,050	(1,300)	4,750	1,025	3,725
Supplies and Materials	19,175	350	19,525	17,333	2,192
Total Undistributed Expenditures - Health Services	397,235	(181)	397,054	384,461	12,593
Undistributed Expenditures - Other Support Services - Students - Related Services:					
Salaries	328,900	7,000	335,900	326,704	9,196
Purchased Professional-Educational Services	56,000	53,100	109,100	96,904	12,196
Supplies and Materials	8,310	(1,000)	7,310	408	6,902
Total Undistributed Expenditures - Other Support Services - Students - Related Services	393,210	59,100	452,310	424,016	28,294
Undistributed Expenditures - Other Support Services - Students - Extraordinary Services:					
Salaries	703,639	68,600	772,239	755,631	16,608
Purchased Professional Educational Services	198,000	(79,042)	118,958	29,711	89,247
Supplies and Materials	3,393	0	3,393	1,855	1,538
Total Undistributed Expenditures - Other Support Services - Students - Extraordinary Services:	905,032	(10,442)	894,590	787,197	107,393

(continued)

TOWN OF HAMMONTON SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2021

	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	857,277	5,206	862,483	861,666	817
Salaries of Secretarial and Clerical Assistants	169,696	(24,000)	145,696	144,120	1,576
Purchased Professional Educational Services	5,300	470	5,770		5,770
Other Purchased Professional & Technical Services	6,589	0	6,589	538	6,051
Other Purchased Services	8,650	(1,000)	7,650	2,584	5,066
Supplies and Materials	21,199	530	21,729	4,225	17,504
Other Objects	2,625	0	2,625	1,692	933
Total Undistributed Expenditures - Other Support Services - Regular	1,071,336	(18,794)	1,052,542	1,014,825	37,717
Undistributed Expenditures - Other Support Services -					
Students - Special:					
Salaries of Other Professional Staff	990,223	(24,397)	965,826	901,197	64,629
Salaries of Secretarial and Clerical Assistants	89,605	2,293	91,898	91,898	0
Purchased Professional Educational Services	106,647	100	106,747	64,305	42,442
Other Purchased Professional and Technical Services	12,982	0	12,982	10,090	2,892
Miscellaneous Purchased Services	11,685	0	11,685	4,037	7,648
Supplies and Materials	22,900	(1,040)	21,860	9,032	12,828
Other Objects	1,375	1,040	2,415	1,540	875
Total Undistributed Expenditures - Other Support Services - Students - Special	1,235,417	(22,004)	1,213,413	1,082,099	131,314
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	3,480	3,200	6,680	6,180	500
Supplies and Materials	2,400	0	2,400		2,400
Total Undistributed Expenditures - Other Support Services - Improvement of Instructional Services	8,335	3,200	11,535	6,180	5,355
Undistributed Expenditures - Educational Media Services -					
School Library					
Salaries	277,846	19,687	297,533	296,357	1,176
Purchased Professional and Technical Services	28,150	9,313	37,463	35,744	1,719
Other Purchased Services	4,660	470	5,130		5,130
Supplies and Materials	61,100	(18,270)	42,830	6,909	35,921
Other Objects	36,015	(1,450)	34,565	26,775	7,790
Total Undistributed Expenditures - Educational Media Services - School Library	407,771	9,750	417,521	365,785	51,736

(continued)

TOWN OF HAMMONTON SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Instructional Staff Training Services					
Salaries of Supervisors of Instruction	844,234	0	844,234	843,540	694
Salaries of Secretarial and Clerical Assistants	62,194	3,196	65,390	65,390	0
Purchased Professional-Educational Services	11,300	(1,746)	9,554	1,111	8,443
Purchased Professional and Technical Services	1,300	660	1,960	1,960	0
Other Purchased Services	19,813	(660)	19,153		19,153
Supplies and Materials	9,225	0	9,225	1,973	7,252
Other Objects	3,950	0	3,950	1,882	2,068
Total Undistributed Expenditures - Instructional Staff Training Svcs	952,016	1,450	953,466	915,856	37,610
Undistributed Expenditures - Support Services - Gen. Admin.:					
Salaries	300,974	0	300,974	300,060	914
Legal Services	175,000	0	175,000	115,160	59,840
Audit Fees	25,000	0	25,000	19,305	5,695
Architectural/Engineering Services	22,200	(1,500)	20,700	6,419	14,281
Other Purchased Professional Services	2,000	0	2,000		2,000
Purchased Technical Services	80	0	80		80
Communications/Telephone	130,900	0	130,900	127,632	3,268
BOE Other Purchased Services	1,700	0	1,700	199	1,501
Other Purchased Services	158,100	(1,384)	156,716	143,722	12,994
General Supplies	2,800	1,948	4,748	4,657	91
BOE IN-House Training/Meeting Supplies	325	1,500	1,825	1,590	235
Miscellaneous Expenditures	6,000	(164)	5,836	2,479	3,357
Membership Dues and Fees	19,700	(400)	19,300	16,526	2,774
Total Undistributed Expenditures - Support Services - Gen. Admin.	844,779	0	844,779	737,749	107,030
Undistributed Expenditures - Support Serv. - School Admin.:					
Salaries of Principals/Assistant Principals	1,180,679	0	1,180,679	1,178,545	2,134
Salaries of Secretarial and Clerical Assistants	706,428	0	706,428	672,964	33,464
Purchased Professional and Technical Services	600	240	840	840	0
Other Purchased Services	101,880	(240)	101,640	57,471	44,169
Supplies and Materials	72,550	0	72,550	19,126	53,424
Other Objects	14,395	0	14,395	9,333	5,062
Total Undistributed Expenditures - Support Serv. - School Admin.	2,076,532	0	2,076,532	1,938,279	138,253
Undistributed Expenditures - Central Services					
Salaries	492,042	18,000	510,042	508,997	1,045
Purchased Professional Services	45,000	0	45,000	42,957	2,043
Purchased Technical Services	41,000	2,500	43,500	39,687	3,813
Misc. Purchased Services (400-500 series)	17,600	(500)	17,100	5,116	11,984
Supplies and Materials	4,700	0	4,700	2,669	2,031
Interest on Lease Purchased Agreements	800	0	800		800
Miscellaneous Expenditures	4,700	0	4,700	3,397	1,303
Total Undistributed Expenditures - Central Services	605,842	20,000	625,842	602,823	23,019

(continued)

TOWN OF HAMMONTON SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Admin. Info Technology					
Salaries	295,976	0	295,976	289,242	6,734
Purchased Technical Services	78,425	(26,000)	52,425	7,347	45,078
Other Purchased Services (400-500 series)	78,500	1,000	79,500	79,368	132
Supplies and Materials	24,689	(4,437)	20,252	5,623	14,629
Other Objects	820	0	820		820
Total Undistributed Expenditures - Admin. Info Technology	478,410	(29,437)	448,973	381,580	67,393
Undistributed Expenditures - Required Maint for School Facilities					
Interest Earned on Maintenance Reserve	2,500	0	2,500		2,500
Salaries	422,280	(7,000)	415,280	379,224	36,056
Cleaning, Repair, and Maintenance Services	1,495,960	(35,624)	1,460,336	180,386	1,279,950
General Supplies	52,380	90,112	142,492	127,821	14,671
Other Objects	1,950	0	1,950	745	1,205
Total Undistributed Expenditures - Required Maint for School Facilities	1,975,070	47,488	2,022,558	688,176	1,334,382
Undistributed Expenditures - Operation and Maintenance of Plant Services:					
Salaries	833,229	47,000	880,229	860,411	19,818
Salaries of Non-Instructional Aides	372,000	(68,400)	303,600	290,698	12,902
Purchased Professional and Technical Services	1,000	2,400	3,400	3,395	5
Cleaning, Repair, and Maintenance Services	75,900	(20,313)	55,587	41,197	14,390
Other Purchased Property Services	69,900	(500)	69,400	53,508	15,892
Insurance	210,000	(6,440)	203,560	202,993	567
Miscellaneous Purchased Services	8,635	12,780	21,415	13,963	7,452
General Supplies	229,700	424,094	653,794	356,306	297,488
Energy (Natural Gas)	232,700	98,100	330,800	321,083	9,717
Energy (Electricity)	896,450	52,842	949,292	942,703	6,589
Energy (Gasoline)	15,000	0	15,000	10,737	4,263
Other Objects	1,910	0	1,910		1,910
Total Undistributed Expenditures - Operation and Maintenance of Plant Services	2,946,424	541,563	3,487,987	3,096,994	390,993
Undistributed Expenditures - Care and Upkeep of Grounds					
Salaries	322,530	1,000	323,530	318,184	5,346
Purchased Professional & Technical Services	100	0	100		100
Cleaning, Repair, and Maintenance Services	35,050	(2,575)	32,475	18,272	14,203
General Supplies	78,100	10,216	88,316	69,865	18,451
Other Objects	6,350	(2,475)	3,875	3,875	0
Total Undistributed Expenditures - Care and Upkeep of Grounds	442,130	6,166	448,296	410,196	38,100

(continued)

TOWN OF HAMMONTON SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Security					
Salaries	84,260	0	84,260	74,201	10,059
Purchased Professional & Technical Services	230,245	(355)	229,890	221,354	8,536
Cleaning, Repair, & Maintenance Services	27,580	20,687	48,267	26,967	21,300
General Supplies	25,336	847	26,183	10,064	16,119
Total Undistributed Expenditures - Security	367,421	21,179	388,600	332,586	56,014
Total Operation & Maintenance Services	5,731,045	616,396	6,347,441	4,527,952	1,819,489
Undistributed Expenditures - Student Transportation Services:					
Salaries of Non-Instructional Aides	389,828	(85,770)	304,058	199,983	104,075
Sal for Pupil Transp (Between Home and School)-Reg.	1,012,779	0	1,012,779	906,008	106,771
Sal for Pupil Transp (Between Home and School)-Sp Ed	191,254	0	191,254	160,773	30,481
Sal for Pupil Transp (Other than Between Home & School)	63,000	0	63,000	24,419	38,581
Other Purchased Professional and Technical Services	10,000	0	10,000	8,200	1,800
Cleaning, Repair, and Maintenance Services	65,000	0	65,000	14,205	50,795
Contracted Services - (Betw Home/Sch) - Vendors	652	0	652		652
Contracted Services - (Other than betw Home/Sch) - Vendors	15,000	(1,700)	13,300		13,300
Contracted Services - (Betw Home/Sch) - Joint Agr	7,000	0	7,000		7,000
Contracted Services - (Special Education) - Vendors	1,200	0	1,200		1,200
Contracted Services - (Special Education) - Joint Agr	76,000	191,291	267,291	240,235	27,056
Contracted Services - ESCs	72,400	(72,400)			0
Contracted Services - (Special Education) - ESCs	318,600	(78,521)	240,079	240,079	0
Contracted Services - Aid in Lieu of Payments-Non Pub Sch	50,000	16,700	66,700	60,217	6,483
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	8,000	11,000	2,728	8,272
Miscellaneous Purchased Services	51,300	0	51,300	40,279	11,021
General Supplies	180,000	(89,099)	90,901	74,276	16,625
Transportation Supplies	180,000	0	180,000	114,879	65,121
Other Objects	2,000	0	2,000	200	1,800
Total Undistributed Expenditures - Student Transportation Serv.	2,690,013	(111,499)	2,578,514	2,086,481	492,033
Interest Earned on Current Expense Emergency Reserves	600	0	600		600
Unallocated Benefits:					
Social Security Contributions	720,000	0	720,000	699,227	20,773
Other Retirement Contributions - PERS	720,000	65,800	785,800	783,991	1,809
Unemployment Compensation	2,000	0	2,000	1,206	794
Workmen's Compensation	477,472	(23,679)	453,793	440,397	13,396
Health Benefits	5,952,000	(65,411)	5,886,589	5,868,244	18,345
Tuition Reimbursement	42,000	(7,700)	34,300	26,296	8,004
Other Employee Benefits	408,300	(43,401)	364,899	364,899	0
Unused Vac Payment to Term/Ret Staff	108,590	0	108,590	108,445	145
Total Unallocated Benefits	8,430,362	(74,391)	8,355,971	8,292,705	63,266

(continued)

TOWN OF HAMMONTON SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				1,854,091	(1,854,091)
TPAF Non-Contributory (On-Behalf - Non-Budgeted)				5,916,346	(5,916,346)
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)				2,736	(2,736)
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,682,535	(1,682,535)
Total On-behalf Contributions	0	0	0	9,455,708	(9,455,708)
Total Undistributed Expenditures	29,791,507	139,087	29,930,594	36,058,000	(6,127,406)
Total Current Expense	52,624,346	(256,467)	52,367,879	57,102,164	(4,734,285)
Capital Outlay:					
Interest Deposit to Capital Reserve	3,800	0	3,800		3,800
Equipment					
Grades 1- 5		2,220	2,220	2,220	0
Grades 6 - 8		4,936	4,936		4,936
School sponsored		21,910	21,910	14,353	7,557
Undistributed Expenditures:					
Support Services - Regular		5,003	5,003	5,003	0
Support Services - School Administration		7,046	7,046	7,046	0
Support Services - Admin. Info. Tech.		28,437	28,437	28,437	0
Undistr. Expenditures - Custodial		29,508	29,508	8,008	21,500
Undistr. Expenditures - Care and Upkeep of Grounds	200,000	(183,903)	16,097	13,572	2,525
Undistr. Expenditures - Security	1,000,000	0	1,000,000		1,000,000
Undistr. Expenditures - School buses - Regular	100,000	20,000	120,000		120,000
Undistr. Expenditures - School buses - Special		21,898	21,898	21,898	0
Total Equipment	1,300,000	(42,945)	1,257,055	100,537	1,156,518
Facilities Acquisition and Construction Services					
Construction Services	3,620,000	(1,400,000)	2,220,000		2,220,000
Assessment for Debt Service on SDA Funding	163,157	0	163,157	163,157	0
Total Facilities Acquisition and Construction Services	3,783,157	(1,400,000)	2,383,157	163,157	2,220,000
Total Capital Outlay	5,086,957	(1,442,945)	3,644,012	263,694	3,380,318

(continued)

TOWN OF HAMMONTON SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Total Expenditures	57,711,303	(1,699,412)	56,011,891	57,365,858	(1,353,967)
Other Financing Sources (Uses):					
Capital Reserve-Transfer to Debt Service	(336,760)	0	(336,760)	(336,760)	0
Local Contribution - Transfer to Special Revenue Fund	(154,917)	0	(154,917)	(154,917)	0
Transfer to Cover Deficit - Enterprise Fund		(140,000)	(140,000)		140,000
Capital Lease Income				75,000	75,000
Prior year encumbrances				37	37
Refund prior year expenditures				258,640	258,640
Total Other Financing Sources (Uses)	(491,677)	(140,000)	(631,677)	(158,000)	473,677
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(7,184,917)	(33,850)	(7,218,767)	1,656,547	8,875,314
Fund Balances, July 1	9,629,516		9,629,516	9,629,516	0
Prior Period Adjustment				402,486	
Fund Balances, July 1 Restated				10,032,002	
Fund Balances, June 30	\$2,444,599	(33,850)	2,410,749	11,688,549	8,875,314

Recapitulation of Fund Balance:

Restricted Fund Balance:	
Maintenance Reserve	1,887,953
Emergency Reserve	325,998
Capital Reserve	2,165,100
Tuition Reserve	800,000
Unemployment Compensation	451,095
Excess Surplus	504,173
Assigned Fund Balance:	
Year End Encumbrances	268,224
Prior Year Excess Surplus -	
Designated for Subsequent Year's Expenditures	712,752
Capital Reserve Designated for Subsequent Year's Exp.	1,663,157
Capital Reserve Designated for Debt Service	295,000
Maintenance Reserve Designated for Subsequent Year's Exp.	565,000
Emergency Reserve Designated for Subsequent Year's Exp.	
Unassigned Fund Balance	2,050,097
	11,688,549
Reconciliation to Governmental Funds Statements (GAAP):	
Last State Aid Payment Not Recognized on GAAP Basis:	(1,993,304)
Fund Balance per Governmental Funds (GAAP)	\$9,695,245

TOWN OF HAMMONTON SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources:					
Local Programs	26,773	15,472	42,245	575,431	533,186
Total - Local Sources	26,773	15,472	42,245	575,431	533,186
State Sources:					
Preschool Education Aid	514,129		514,129	477,191	(36,938)
Nonpublic aid	326,841	(130,690)	196,151	111,007	(85,144)
Total - State Sources	840,970	(130,690)	710,280	588,198	(122,082)
Federal Sources:					
Title I	639,147	373,920	1,013,067	788,556	(224,511)
I.D.E.A., Part B	639,315	254,002	893,317	870,554	(22,763)
Other	164,595	3,849,843	4,014,438	1,147,771	(2,866,667)
Total - Federal Sources	1,443,057	4,477,765	5,920,822	2,806,881	(3,113,941)
Total Revenues	2,310,800	4,362,547	6,673,347	3,970,510	(2,702,837)
EXPENDITURES:					
Instruction					
Salaries of Teachers	747,633	328,840	1,076,473	681,037	395,436
Other Salaries for Instruction	304,198	68,054	372,252	305,448	66,804
Purchased Professional, Technical and Educational Services	870,204	186,848	1,057,052	959,513	97,539
General Supplies	79,476	1,019,100	1,098,576	575,008	523,568
Textbooks	14,745	(2,832)	11,913	10,166	1,747
Other Objects	0	3,736	3,736	0	3,736
Total Instruction	2,016,256	1,603,746	3,620,002	2,531,172	1,088,830

(continued)

TOWN OF HAMMONTON SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
EXPENDITURES (CONT'D):					
Support Services					
Salaries of Principals	43,663	0	43,663	43,227	436
Salaries of Other Professional Staff	106,507	114,077	220,584	135,770	84,814
Personal Services - Employee Benefits	172,176	203,727	375,903	265,779	110,124
Purchased Professional and Technical Services	29,686	298,738	328,424	93,002	235,422
Other Purchased Services	54,229	28,396	82,625	32,983	49,642
Supplies and Materials	43,200	336,652	379,852	341,620	38,232
Other Objects	0	1,101	1,101	0	1,101
Scholarships Awarded	0	0	0	6,600	(6,600)
Student Activities	0	0	0	441,281	(441,281)
Total support services	<u>449,461</u>	<u>982,691</u>	<u>1,432,152</u>	<u>1,360,262</u>	<u>71,890</u>
Facilities acquisition and construction services					
Instructional equipment	0	32,604	32,604	32,604	0
Non-Instructional equipment	0	1,743,506	1,743,506	98,025	1,645,481
Total facilities acquisition and construction services	<u>0</u>	<u>1,776,110</u>	<u>1,776,110</u>	<u>130,629</u>	<u>1,645,481</u>
Total expenditures	<u>2,465,717</u>	<u>4,362,547</u>	<u>6,828,264</u>	<u>4,022,063</u>	<u>2,806,201</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(154,917)</u>	<u>0</u>	<u>(154,917)</u>	<u>(51,553)</u>	<u>103,364</u>
OTHER FINANCING SOURCES (USES)					
Transfer from Operating Budget - Preschool	154,917	0	154,917	154,917	0
Total other financing sources and uses	<u>154,917</u>	<u>0</u>	<u>154,917</u>	<u>154,917</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>103,364</u>	<u>103,364</u>
Fund Balance, July 1				0	
Prior Period Adjustment				<u>328,368</u>	
Fund Balance, July 1 (Restated)				<u>328,368</u>	
Fund Balance, June 30				<u>\$431,732</u>	
Recapitulation:					
Restricted:					
Scholarships				141,924	
Student Activities				<u>289,808</u>	
Total Fund Balance				<u>\$431,732</u>	

**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, 2021

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

	General Fund	Special Revenue
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$59,180,405	3,970,510
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized		
Prior year		468,787
Current year		(229)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,939,110	51,731
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(1,993,304)	(50,142)
Total revenues reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	59,126,211	4,440,657
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	57,365,858	4,022,063
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		
Prior year		468,787
Current year		(229)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$57,365,858	4,490,621

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)

	2020	2019	2018	2017	2016	2015	2014	2013
District's Proportion of the Net Pension Liability (Asset)	0.060808%	0.057614%	0.058204%	0.058789%	0.060652%	0.070345%	0.069498%	0.067962%
District's Proportionate Share of the Net Pension Liability (Asset)	\$9,916,212	\$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	\$4,505,862	\$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	220.07%	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	42.51%	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)

	2020	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contribution	\$665,211	\$561,625	\$580,071	\$547,556	\$539,844	\$604,780	\$572,931	\$512,082
Contributions in Relation to the Contractually Required Contribution	(665,211)	(561,625)	(580,071)	(547,556)	(539,844)	(604,780)	(572,931)	(512,082)
Contribution Deficiency (Excess)	<u>\$0</u>	<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	\$4,505,862	\$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	14.76%	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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	19.831193%	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	\$0
State's Proportionate Share of the Net Pension Liability (Asset) associated with the District	<u>\$130,586,022</u>	<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>\$130,586,022</u>	<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	\$23,177,232	\$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%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	24.60%	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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability				
Service cost	3,781,690	3,777,871	4,246,674	5,131,237
Interest	3,215,403	3,923,712	4,180,451	3,616,191
Changes of benefit terms				
Differences between expected and actual experience	25,093,205	(15,995,790)	(9,384,772)	
Changes of assumptions or other inputs	26,581,480	1,331,540	(11,352,424)	(15,430,462)
Member contributions	76,787	81,262	91,425	97,051
Benefit payments	<u>(2,533,381)</u>	<u>(2,741,388)</u>	<u>(2,645,286)</u>	<u>(2,635,651)</u>
Net change in total OPEB liability	56,215,184	(9,622,793)	(14,863,932)	(9,221,634)
Total OPEB liability - beginning	<u>89,304,688</u>	<u>98,927,481</u>	<u>113,791,413</u>	<u>123,013,047</u>
Total OPEB liability - ending	<u>145,519,872</u>	<u>\$ 89,304,688</u>	<u>98,927,481</u>	<u>113,791,413</u>
Covered-employee payroll	27,683,094	\$ 27,267,719	26,250,094	25,328,392
Total OPEB liability as a percentage of covered-employee payroll	525.66%	327.51%	376.87%	449.26%

Notes to Schedule:

Changes of benefit terms: None

Changes of assumptions: The increase in the liability from June 30, 2019 to June 30, 2020 is due to the decrease in the assumed discount rate from 3.50% as of June 30, 2019 to 2.21% as of June 30, 2020.

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, 2021**

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 ECEC Teacher of the Year Grant	HEF FY21 WES Teacher of the Year Grant	HEF FY20 ECEC Teacher of the Year Grant	HEF Pedal Pushers ECEC	HEF Cricut Creativity HS	HEF FY21 HS Teacher of the Year Grant	HEF Therapy Dog MS	HEF Gym Audio System WES	HEF Blue Devils Pantry HS
REVENUES:									
Local Sources	\$500	500	445	3,349	2,711	399	7,500	5,980	1,752
State Sources									
Federal Sources									
Total revenues	500	500	445	3,349	2,711	399	7,500	5,980	1,752
EXPENDITURES:									
Instruction:									
Salaries of teachers									
Other salaries of instruction									
Purchased professional, technical and educational svcs									
General supplies	500	500	445	3,349	2,711	399			
Textbooks									
Other objects									
Total instruction	500	500	445	3,349	2,711	399	0	0	0
Support services:									
Salaries of principals									
Salaries of other professional staff									
Personnel services- employee benefits									
Purchased professional and technical services									376
Other purchased services							7,500		
Supplies and materials									1,376
Scholarships Awarded									
Student Activities									
Total support services	0	0	0	0	0	0	7,500	0	1,752
Facilities acquisition and construction services									
Instructional equipment								5,980	
Non-Instructional equipment									
Total facilities acquisition and construction services	0	0	0	0	0	0	0	5,980	0
Total expenditures	500	500	445	3,349	2,711	399	7,500	5,980	1,752
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
Fund Balance, July 1									
Prior Period Adjustment									
Fund Balance, July 1 (Restated)									
Fund Balance, June 30	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

	HEF Lallo Literacy WES	Brain Alliance Grant	Scholarship Fund	Student Activity / Athletics Fund	Total Local Funds	Nonpublic Textbooks	Nonpublic Home Instruction	Nonpublic Auxiliary Aid	
								Compensatory Education	ESL
REVENUES:									
Local Sources	1,050		105,376	445,869	575,431				
State Sources						10,166		19,857	
Federal Sources									
Total revenues	1,050	0	105,376	445,869	575,431	10,166	0	19,857	0
EXPENDITURES:									
Instruction:									
Salaries of teachers									
Other salaries of instruction									
Purchased professional, technical and educational svcs	1,050				1,050			19,857	
General supplies					7,904				
Textbooks						10,166			
Other objects					0				
Total instruction	1,050	0	0	0	8,954	10,166	0	19,857	0
Support services:									
Salaries of principals									
Salaries of other professional staff									
Personnel services- employee benefits									
Purchased professional and technical services					376				
Other purchased services					7,500				
Supplies and materials					1,376				
Scholarships Awarded			6,600		6,600				
Student Activities				441,281	441,281				
Total support services	0	0	6,600	441,281	457,133	0	0	0	0
Facilities acquisition and construction services									
Instructional equipment					5,980				
Non-Instructional equipment									
Total facilities acquisition and construction services	0	0	0	0	5,980	0	0	0	0
Total expenditures	1,050	0	6,600	441,281	472,067	10,166	0	19,857	0
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	98,776	4,588	103,364	0	0	0	0
Fund Balance, July 1									
Prior Period Adjustment			43,148	285,220	328,368				
Fund Balance, July 1 (Restated)			43,148	285,220	328,368				
Fund Balance, June 30	0	0	141,924	289,808	431,732	0	0	0	0

81

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 Handicapped Aid			Nonpublic Nursing	Nonpublic Technology	Nonpublic Security	Preschool Education Aid	Total State Funds	Title I Part A	Carryover Title I Part A	Title I Reallocated Part A
	Examination & Classification	Corrective Speech	Supplemental Instruction								
REVENUES:											
Local Sources											
State Sources	23,781	1,185	18,052	19,140		18,826	477,191	588,198			
Federal Sources									697,831	28,641	62,084
Total revenues	23,781	1,185	18,052	19,140	0	18,826	477,191	588,198	697,831	28,641	62,084
EXPENDITURES:											
Instruction:											
Salaries of teachers							371,333	371,333	307,267		
Other salaries of instruction							131,988	131,988	124,874	9,826	
Purchased professional, technical and educational svcs	23,781	1,185	18,052					62,875	14,130	6,021	37,379
General supplies							5,366	5,366	6,019	1,184	
Textbooks								10,166			
Other objects											
Total instruction	23,781	1,185	18,052	0	0	0	508,687	581,728	452,290	17,031	37,379
Support services:											
Salaries of principals							43,227	43,227			
Salaries of other professional staff									67,896	5,436	7,544
Personnel services- employee benefits							80,194	80,194	176,488	1,168	576
Purchased professional and technical services				19,140				19,140			
Other purchased services											
Supplies and materials								0	1,157	5,006	16,585
Scholarships Awarded											
Student Activities											
Total support services	0	0	0	19,140	0	0	123,421	142,561	245,541	11,610	24,705
Facilities acquisition and construction services											
Instructional equipment								0			
Non-Instructional equipment							18,826	18,826			
Total facilities acquisition and construction services	0	0	0	0	0	0	18,826	0	18,826	0	0
Total expenditures	23,781	1,185	18,052	19,140	0	18,826	632,108	743,115	697,831	28,641	62,084
Other Financing Sources (Uses)											
Transfer from Operating Budget - Preschool							154,917	154,917			
Total Other Financing Sources (Uses)	0	0	0	0	0	0	154,917	154,917	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	0
Fund Balance, July 1											
Prior Period Adjustment											
Fund Balance, July 1 (Restated)											
Fund Balance, June 30	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
 Carryover :AL YEAR ENDED June 30, 2020

	Title III English Language Enhancement	Carryover Title III English Language Enhanc.	Title III Language Instruction for Immigrant Students	Title III Language Instruction for Immigrant Students	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
REVENUES:											
Local Sources											
State Sources											
Federal Sources	46,484	4,119	6,426	367	2,299	808,198	37,244	25,112	8,708	38,788	222,316
Total revenues	46,484	4,119	6,426	367	2,299	808,198	37,244	25,112	8,708	38,788	222,316
EXPENDITURES:											
Instruction:											
Salaries of teachers											2,437
Other salaries of instruction	35,730		3,030								
Purchased professional, technical and educational svcs	1,500		1,500			772,956		25,112			36,990
General supplies	1,898		468	367							77,999
Textbooks											
Other objects											
Total instruction	39,128	0	4,998	367	0	772,956	0	25,112	0	0	117,426
Support services:											
Salaries of principals											
Salaries of other professional staff	2,350	3,650			2,136				3,680	20,000	2,398
Personnel services- employee benefits	2,913	280	232		163				281	1,530	371
Purchased professional and technical services						35,242	37,244				
Other purchased services	2,093	189	1,196						4,747	17,258	
Supplies and materials											75,497
Scholarships Awarded											
Student Activities											
Total support services	7,356	4,119	1,428	0	2,299	35,242	37,244	0	8,708	38,788	78,266
Facilities acquisition and construction services											
Instructional equipment											26,624
Non-Instructional equipment											
Total facilities acquisition and construction services	0	0	0	0	0	0	0	0	0	0	26,624
Total expenditures	46,484	4,119	6,426	367	2,299	808,198	37,244	25,112	8,708	38,788	222,316
Other Financing Sources (Uses)											
Transfer from Operating Budget - Preschool											
Total Other Financing Sources (Uses)	0	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	0
Fund Balance, July 1											
Prior Period Adjustment											
Fund Balance, July 1 (Restated)											
Fund Balance, June 30	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 5

	Title IV Student Support and Academic Enrichment Carryover	Coronavirus Response and Relief Supplemental ESSER II	Learning Acceleration	Nonpublic Coronavirus Relief Fund Technology	Coronavirus Relief Fund	Digital Divide	Total Federal Funds	Totals
REVENUES:								
Local Sources								575,431
State Sources								588,198
Federal Sources	21,875	336,974	21,281	8,394	225,180	204,560	2,806,881	2,806,881
Total revenues	21,875	336,974	21,281	8,394	225,180	204,560	2,806,881	3,970,510
EXPENDITURES:								
Instruction:								
Salaries of teachers							309,704	681,037
Other salaries of instruction							173,460	305,448
Purchased professional, technical and educational svcs							895,588	959,513
General supplies		16,840	19,893	8,394	224,116	204,560	561,738	575,008
Textbooks							0	10,166
Other objects							0	0
Total instruction	0	16,840	19,893	8,394	224,116	204,560	1,940,490	2,531,172
Support services:								
Salaries of principals							0	43,227
Salaries of other professional staff	20,320		360				135,770	135,770
Personnel services- employee benefits	1,555		28				185,585	265,779
Purchased professional and technical services			1,000				73,486	93,002
Other purchased services							25,483	32,983
Supplies and materials		240,935			1,064		340,244	341,620
Scholarships Awarded							0	6,600
Student Activities							0	441,281
Total support services	21,875	240,935	1,388	0	1,064	0	760,568	1,360,262
Facilities acquisition and construction services								
Instructional equipment							26,624	32,604
Non-Instructional equipment		79,199					79,199	98,025
Total facilities acquisition and construction services	0	79,199	0	0	0	0	105,823	130,629
Total expenditures	21,875	336,974	21,281	8,394	225,180	204,560	2,806,881	4,022,063
Other Financing Sources (Uses)								
Transfer from Operating Budget - Preschool								154,917
Total Other Financing Sources (Uses)	0	0	0	0	0	0	0	154,917
Excess (Deficiency) of Revenues Over (Under)								
Expenditures and Other Financing Sources (Uses)	0	0	0	0	0	0	0	103,364
Fund Balance, July 1								
Prior Period Adjustment								328,368
Fund Balance, July 1 (Restated)								328,368
Fund Balance, June 30	0	0	0	0	0	0	0	431,732

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	\$371,333	371,333	0
Other Salaries for Instruction	155,010	131,988	23,022
Instructional Supplies	17,096	5,366	11,730
Total instruction	<u>543,439</u>	<u>508,687</u>	<u>34,752</u>
Support services:			
Salaries of Principals	43,663	43,227	436
Personnel Service Benefits	80,194	80,194	0
Purchased Educational Svcs	1,750	0	1,750
Total support services	<u>125,607</u>	<u>123,421</u>	<u>2,186</u>
Total expenditures	<u>\$669,046</u>	<u>632,108</u>	<u>36,938</u>

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2020-2021 Preschool Education Aid Allocation	\$501,420
Add: Actual ECPA Carryover (June 30, 2020)	27,404
Add: Budgeted Transfer from the General Fund 2020-21	154,917
Total Preschool Education Aid Funds Available for 2019-20 Budget	683,741
Less: 2020-21 Budgeted Preschool Education Aid(Including prior year budgeted carryover)	(669,046)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2021	14,695
Add: June 30, 2021 Unexpended Preschool Education Aid	36,938
Less: 2020-2021 Commissioner-approved Transfer to the General Fund	0
2020-21 Carryover - Preschool Education Aid/Preschool	<u>\$51,633</u>
2020-21 Preschool Education Aid Carryover Budgeted for Preschool Programs 2021-22	<u>\$14,695</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, 2021

	Food Service	Latchkey Program	2021
ASSETS:			
Cash and cash equivalents	\$329,917	92,972	422,889
Accounts Receivable:			
State	9,517		9,517
Federal	171,965		171,965
Other	2,276		2,276
Inventories	14,852		14,852
Total Current Assets	<u>528,527</u>	<u>92,972</u>	<u>621,499</u>
Capital Assets:			
Equipment	1,285,588	119,467	1,405,055
Accumulated depreciation	(735,958)	(76,680)	(812,638)
Total capital assets	<u>549,630</u>	<u>42,787</u>	<u>592,417</u>
Total assets	<u>1,078,157</u>	<u>135,759</u>	<u>1,213,916</u>
LIABILITIES AND FUND EQUITY:			
Current liabilities:			
Interfund accounts payable	287,525		287,525
Accounts payable	37,001		37,001
Unearned revenue	36,105		36,105
Compensated absences payable	38,963		38,963
Total current liabilities	<u>399,594</u>	<u>0</u>	<u>399,594</u>
Net Position:			
Unrestricted	128,933	92,972	221,905
Investment in capital assets	549,630	42,787	592,417
Total net position	<u>678,563</u>	<u>135,759</u>	<u>814,322</u>
Total liabilities and net position	<u>\$1,078,157</u>	<u>135,759</u>	<u>1,213,916</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, 2021

	Food Service	Latchkey	2021
OPERATING REVENUES:			
Local Sources:			
Daily sales- reimbursable programs			0
School lunch, breakfast, snack, summer program	\$0		0
Daily sales non- reimbursable programs	28,988		28,988
Miscellaneous	64,560		64,560
Special Functions	2,461		2,461
	<hr/>	<hr/>	<hr/>
Total Operating Revenues	96,009	0	96,009
OPERATING EXPENSES:			
Salaries	537,457		537,457
Employee benefits	253,670		253,670
Supplies & Materials	52,139		52,139
Depreciation	36,296	7,441	43,737
Cost of sales-Reimbursable programs	527,390		527,390
Cost of sales-Nonreimbursable programs	32,271		32,271
Other	23,342		23,342
	<hr/>	<hr/>	<hr/>
Total operating expenses	1,462,565	7,441	1,470,006
Operating income (loss)	(1,366,556)	(7,441)	(1,373,997)
Nonoperating revenues:			
State sources			
State school lunch program	47,800		47,800
Federal sources			
National school lunch program	934,412		934,412
National school breakfast program	452,762		452,762
Food Distribution Program	43,421		43,421
Interest revenue	505	433	938
	<hr/>	<hr/>	<hr/>
Total nonoperating revenues	1,478,900	433	1,479,333
Net income/(loss) before transfers	112,344	(7,008)	105,336
Transfers in (out)			0
Change in Net Position	112,344	(7,008)	105,336
Net Position, July 1	566,219	142,767	708,986
Net Position, June 30	<u>\$678,563</u>	<u>\$135,759</u>	<u>\$814,322</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, 2021

	Food Service	Latchkey	2021
Cash flows from operating activities:			
Cash received from customers	\$101,514		101,514
Cash payments to employees for services	(661,188)		(661,188)
Cash payments to suppliers for goods and services	(586,455)	0	(586,455)
Net cash provided/(used) by operating activities	<u>(1,146,129)</u>	<u>0</u>	<u>(1,146,129)</u>
Cash flows from noncapital financing activities:			
Cash received from state and federal reimbursements	1,368,075		1,368,075
Operating subsidies			0
Net cash provided by noncapital financing activities	<u>1,368,075</u>	<u>0</u>	<u>1,368,075</u>
Cash flows from capital and related financing activities:			
Purchases of capital assets	(19,707)		(19,707)
Net cash (used) by capital and related financing activities	<u>(19,707)</u>	<u>0</u>	<u>(19,707)</u>
Cash flows from investing activities:			
Interest on investments	505	433	938
Net cash provided by investing activities	<u>505</u>	<u>433</u>	<u>938</u>
Net increase (decrease) in cash and cash equivalents	202,744	433	203,177
Cash and cash equivalents, July 1	<u>127,173</u>	<u>92,539</u>	<u>219,712</u>
Cash and cash equivalents, June 30	<u>\$329,917</u>	<u>92,972</u>	<u>422,889</u>
Reconciliation of operating income/(loss) to net cash provided/(used) by operating activities:			
Operating income/(loss)	(\$1,366,556)	(7,441)	(1,373,997)
Adjustments to reconcile operating income/(loss) to cash provided (used) by operating activities:			
Depreciation	36,296	7,441	43,737
Federal Commodities	43,421		43,421
Change in assets and liabilities:			
Decrease/(Increase) in accounts receivable	(700)		(700)
Decrease/(Increase) in inventory	(10,110)		(10,110)
(Decrease)/Increase in accounts payable	15,028		15,028
(Decrease)/Increase in interfund accounts payable	131,893		131,893
(Decrease)/Increase in unearned revenue	6,205		6,205
(Decrease)/Increase in compensated absence payable	(1,606)		(1,606)
Net cash provided/(used) by operating activities	<u>(1,146,129)</u>	<u>0</u>	<u>(1,146,129)</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, 2021

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2020	Refunded	Retired	Balance June 30, 2021
			Date	Amount					
Refunding School Bonds	5/11/16	\$ 7,050,000	8/1/21-22	\$ 30,000	2.000%	6,905,000		30,000	6,875,000
			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%				
Refunding School Bonds	3/23/10	10,890,000				855,000	855,000	0	
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	7/15/21	224,000	4.300%	444,000		220,000	224,000
Various Improvements to W.E.S. Elementary School	6/24/10	11,800,000				550,000		550,000	0
Refunding School Bonds W.E.S. Elementary School	12/20/17	6,695,000	7/1/21-24	605,000	4.000%	6,695,000			6,695,000
			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%				
						<u>\$19,624,000</u>	<u>0</u>	<u>1,655,000</u>	<u>17,969,000</u>

TOWN OF HAMMONTON SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2021

	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	362,062	0	362,062	362,062	0
	<u>362,062</u>	<u>0</u>	<u>362,062</u>	<u>362,062</u>	<u>0</u>
Total - State Sources	<u>362,062</u>	<u>0</u>	<u>362,062</u>	<u>362,062</u>	<u>0</u>
Total Revenues	<u>1,993,072</u>	<u>0</u>	<u>1,993,072</u>	<u>1,993,072</u>	<u>0</u>
EXPENDITURES:					
Regular Debt Service:					
Interest	674,832		674,832	590,933	(83,899)
Redemption of Principal	1,655,000		1,655,000	1,655,000	0
	<u>2,329,832</u>	<u>0</u>	<u>2,329,832</u>	<u>2,245,933</u>	<u>(83,899)</u>
Total Regular Debt Service	<u>2,329,832</u>	<u>0</u>	<u>2,329,832</u>	<u>2,245,933</u>	<u>(83,899)</u>
Total expenditures	<u>2,329,832</u>	<u>0</u>	<u>2,329,832</u>	<u>2,245,933</u>	<u>(83,899)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(336,760)	0	(336,760)	(252,861)	83,899
OTHER FINANCING SOURCES (USES)					
Transfers in	336,760		336,760	336,760	0
	<u>336,760</u>	<u>0</u>	<u>336,760</u>	<u>336,760</u>	<u>0</u>
Total other financing sources (uses)	<u>336,760</u>	<u>0</u>	<u>336,760</u>	<u>336,760</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	0	0	0	83,899	83,899
Fund Balance, July 1	0	0	0	2	2
Fund Balance, June 30	<u>\$0</u>	<u>0</u>	<u>0</u>	<u>83,901</u>	<u>83,901</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	<u>\$0</u>		<u>0</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

	(Restated)									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 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	13,160,536
Restricted	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	6,566,051
Unrestricted (Deficit)	(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)	(13,424,464)
Total governmental activities net position	<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>	<u>6,302,123</u>
Business-type activities										
Net investment in capital assets	256,944	316,848	266,964	347,927	310,114	764,480	732,617	675,814	616,447	592,417
Restricted			140,000	50,000	-					
Unrestricted	690,714	622,398	542,246	525,085	653,613	72,173	91,857	157,154	92,539	221,905
Total business-type activities net position	<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>	<u>814,322</u>
District-wide										
Net investment in capital assets	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	13,752,953
Restricted	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	6,566,051
Unrestricted (Deficit)	(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)	(13,202,559)
Total district net position	<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>	<u>7,116,445</u>

Source: CAFR Schedule A-1

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

	(Restated)									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities										
Instruction										
Regular	\$ 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	38,657,264
Special education	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	6,554,666
Other instruction	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	2,697,225
Support Services:										
Tuition	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	2,927,972
Student & instruction related services	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	11,219,182
General administrative services	810,159	799,956	908,255	890,705	905,976	940,450	1,032,113	1,018,914	1,006,161	1,047,364
School administrative services	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	4,197,928
Business administrative services	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	1,676,735
Plant operations and maintenance	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	6,241,854
Pupil transportation	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	3,169,670
Capital Outlay										
Interest on long-term debt	1,242,891	1,200,898	1,167,844	1,132,063	1,109,565	623,150	828,638	777,134	649,111	558,024
Unallocated depreciation										
Total governmental activities expenses	<u>46,866,218</u>	<u>48,932,576</u>	<u>49,001,372</u>	<u>49,820,463</u>	<u>51,284,201</u>	<u>54,885,504</u>	<u>72,667,095</u>	<u>70,164,014</u>	<u>69,268,338</u>	<u>78,947,884</u>
Business-type activities:										
Food service	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	1,462,565
Child Care	88,896	99,632	93,032	112,572	78,190	8,630	10,066	9,066	7,441	7,441
Total business-type activities expense	<u>1,490,260</u>	<u>1,620,994</u>	<u>1,690,831</u>	<u>1,683,617</u>	<u>1,654,046</u>	<u>1,715,435</u>	<u>1,661,518</u>	<u>1,623,861</u>	<u>1,540,236</u>	<u>1,470,006</u>
Total district expenses	<u>48,356,478</u>	<u>50,553,570</u>	<u>50,692,203</u>	<u>51,504,080</u>	<u>52,938,247</u>	<u>56,600,939</u>	<u>74,328,613</u>	<u>71,787,875</u>	<u>70,808,574</u>	<u>80,417,890</u>
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	9,275,245
Transportation fees from other LEA's		106,688	89,274	72,947	94,371	108,371	84,489	92,510	39,545	1,256
Student & instruction related services										445,869
Operating grants and contributions	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	19,340,981
Capital grants and contributions										
Total governmental activities program revenues	<u>6,026,604</u>	<u>16,830,835</u>	<u>16,662,587</u>	<u>16,043,342</u>	<u>15,856,268</u>	<u>12,806,810</u>	<u>29,024,273</u>	<u>23,918,545</u>	<u>21,460,582</u>	<u>29,063,351</u>
Business-type activities:										
Charges for services										
Food service	731,502	711,676	722,274	695,274	709,738	654,159	633,811	662,419	429,007	96,009
Child care	95,865	108,506	116,366	117,173	83,433	25				
Operating grants and contributions	741,431	789,090	860,941	843,503	900,247	932,864	937,595	966,618	845,111	1,478,395
Capital grants and contributions										
Total business type activities program revenues	<u>1,568,798</u>	<u>1,609,272</u>	<u>1,699,581</u>	<u>1,655,950</u>	<u>1,693,418</u>	<u>1,587,048</u>	<u>1,571,406</u>	<u>1,629,037</u>	<u>1,274,118</u>	<u>1,574,404</u>
Total district program revenues	<u>7,595,402</u>	<u>18,440,107</u>	<u>18,362,168</u>	<u>17,699,292</u>	<u>17,549,686</u>	<u>14,393,858</u>	<u>30,595,679</u>	<u>25,547,582</u>	<u>22,734,700</u>	<u>30,637,755</u>
Net (Expense)/Revenue										
Governmental activities	(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)	(49,884,533)
Business-type activities	78,538	(11,722)	8,750	(27,667)	39,372	(128,387)	(90,112)	5,176	(266,118)	104,398
Total district-wide net expense	<u>\$ (40,761,076)</u>	<u>(32,113,463)</u>	<u>(32,330,035)</u>	<u>(33,804,788)</u>	<u>(35,388,561)</u>	<u>(42,207,081)</u>	<u>(43,732,934)</u>	<u>(46,240,293)</u>	<u>(48,073,874)</u>	<u>(49,780,135)</u>

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

	(Restated)									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 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	18,086,685
Taxes levied for debt service	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	1,631,010
Unrestricted grants and contributions	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	31,966,533
Tuition Received	10,763,744									
Authorized bond proceeds	(1,380,341)									
Transportation fees from other LEA's	65,528									
Capital lease										75,000
Investment earnings	122,949	36,456	13,302	17,799	17,502	16,964	17,244	84,757	120,415	50,094
Miscellaneous income	169,439	184,997	156,984	190,592	323,399	187,796	152,787	45,200	54,235	108,460
Canceled accounts payable prior year	361,812	2,372		1,763					34,475	37
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	258,640
Total governmental activities	40,757,399	32,219,093	34,257,043	35,272,505	34,908,415	41,025,074	43,053,017	47,131,231	49,007,736	52,176,459
Business-type activities:										
Investment earnings	10,943	3,310	1,214	1,469	1,343	1,313	835	3,318	3,230	938
Transfer to cover deficit							77,098		138,906	
Total business-type activities	10,943	3,310	1,214	1,469	1,343	1,313	77,933	3,318	142,136	938
Total district-wide	\$ 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	52,177,397
Change in Net Position										
Governmental activities	\$ (82,215)	117,352	1,918,258	1,495,384	(519,518)	(1,053,620)	(589,805)	885,762	1,199,980	2,291,926
Business-type activities	89,481	(8,412)	9,964	(26,198)	40,715	(127,074)	(12,179)	8,494	(123,982)	105,336
Total district	\$ 7,266	108,940	1,928,222	1,469,186	(478,803)	(1,180,694)	(601,984)	894,256	1,075,998	2,397,262

Source: CAFR Schedule A-2

93

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Restricted	\$ 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	6,134,319
Assigned		1,057,814	316,838	300,000	332,306	1,892,463	2,236,991	3,295,852	7,218,768	3,504,133
Committed	195,926	82,586	82,644	85,195	86,444	31,018				
Unassigned (Deficit)	(709,662)	(994,931)	(791,592)	(460,749)	(840,528)	(718,405)	(1,154,738)	(881,932)	(813,335)	56,793
Total general fund	<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>	<u>9,695,245</u>
All Other Governmental Funds										
Restricted (Deficit)	\$ 161,833	139,902	(44,734)	(48,658)	(44,733)	(45,518)				431,732
Assigned			789,814	236,323	346,263	87,703	111,925	24,223	2	83,901
Unassigned (Deficit)	134,027						(44,734)	(39,038)	(51,731)	(50,142)
Total all other governmental funds	<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>	<u>465,491</u>

Source: CAFR Schedule B-1

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Tax levy	\$ 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	19,717,695
Tuition charges	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	9,275,245
Tuition from individuals						3,000	750			
Transportation fees from other LEA's	65,528	106,688	89,274	72,947	94,371	108,371	84,489	92,510	39,545	1,256
Premium on BANS										
Interest earnings	122,949	36,456	13,302	17,799	17,502	16,964	17,244	84,757	120,415	50,094
Miscellaneous	169,439	184,997	156,984	190,592	323,399	187,796	152,787	45,200	54,235	108,460
Local sources	30,732	39,102	38,541	44,422	36,561	29,382	33,402	24,086	22,064	575,431
State sources	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	32,396,043
Federal sources	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	3,435,716
Total revenue:	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	65,559,940
Expenditures										
Instruction										
Regular instruction	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	19,239,686
Special education instruction	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	3,239,855
Other instruction	1,034,069	1,096,932	1,102,996	1,311,181	1,396,175	1,412,019	1,422,249	1,512,463	1,894,293	1,562,909
Support Services:										
Tuition	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	2,927,972
Student & instruction related services	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	6,022,524
General administrative services	683,550	659,991	775,753	771,690	789,706	797,759	737,601	765,636	769,589	737,749
School Administrative services	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	2,117,276
Plant operations and maintenance	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	4,527,952
Pupil transportation	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	2,086,481
Business administrative services	715,728	722,338	740,424	725,770	840,089	903,574	918,505	942,902	974,390	984,403
Unallocated employee benefits	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	18,015,349
Capital outlay	725,012	484,015	1,970,512	2,896,801	803,399	332,353	472,033	545,150	583,770	394,323
Debt service:										
Principal	1,205,000	1,235,000	1,310,000	1,330,000	1,365,000	1,515,000	1,505,000	1,550,000	1,600,000	1,655,000
Interest and other charges	1,263,417	1,222,267	1,186,942	1,150,211	1,102,861	894,965	866,545	806,861	741,835	590,933
Total expenditures	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	64,102,412
Excess (Deficiency) of revenues over (under) expenditures	565,860	561,803	17,398	(320,898)	36,312	(1,032,267)	(391,171)	171,598	655,275	1,457,528
Other Financing sources (uses)										
Refund prior year expenditures								80,262	36,648	258,640
Prior year adjustment					58,707	32,567	108,596			37
Canceled accounts payable prior year	361,812	2,372		1,763					34,475	
Canceled bond proceeds	(1,380,341)									
Capital lease income (non-budgeted)										75,000
Transfers in	724,837	413,100	1,953,850	1,167,967		626,524	272,000	433,537	388,901	491,677
Transfers out	(724,837)	(413,100)	(1,953,850)	(1,167,967)		(626,524)	(349,098)	(433,537)	(527,807)	(491,677)
Total other financing sources (uses)	(1,018,529)	2,372	-	1,763	58,707	32,567	31,498	80,262	(67,783)	333,677
Net change in fund balances	\$ (452,669)	564,175	17,398	(319,135)	95,019	(999,700)	(359,673)	251,860	587,492	1,791,205
Debt service as a percentage of noncapital expenditures	5.31%	5.12%	5.10%	4.98%	4.75%	4.42%	4.26%	4.04%	3.92%	3.53%

Source: CAFR Schedule B-2

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

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Transportation Fees from other LEA's	Misc.	Total
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
2021	50,094	9,275,245	1,256	108,460	9,435,055

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)
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
2021	26,660,100	1,003,267,400	40,067,300	6,674,800	270,787,000	17,852,700	15,929,700	1,381,239,000	-	-	1,381,239,000	1.436	1,507,625,162

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

Fiscal Year Ended June 30,	Town of Hammonton Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General	Total Direct	Town of Hammon- ton	Atlantic County	
		Obligation Debt Service ^b				
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
2021	1.320	0.116	1.436	0.706	0.591	2.733

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	2021			2012		
	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	\$ 27,068,400	1	1.96%			
Kramer Beverage Real Estate LLC	9,147,800	2	0.66%			
Rt 206 Inc.	9,138,200	3	0.66%			
CT07-75 SWH LLC & DT07-75 SWH LLC	8,488,900	4	0.61%			
Wal-Mart RE Business Trust	8,400,000	5	0.61%			
Atlantic Health Land Holding LLC	8,358,900	6	0.61%			
Peachtree LLC	6,450,000	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	4,709,500	10	0.34%			
NJ Manufacturers Ins. Comp				15,500,000	1	1.79%
Kramer Beverage Real Estate LLC				6,500,000	2	75.00%
Wells Fargo Bank				6,500,000	3	75.00%
Atlantic Health Land Holding LLC				6,200,000	4	71.00%
Rt 206 Inc.				6,065,300	5	70.00%
1001 Grant St Investors LLC				5,259,600	6	61.00%
Hammonton Realty Associates LLC				5,186,100	7	60.00%
Wal-Mart RE Business Trust				4,764,700	8	55.00%
Peachtee LLC				3,440,600	9	40.00%
Bell Atlantic - Property				3,328,262	10	38.00%
Total	\$ 92,250,400		6.68%	62,744,562		7.23%

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	
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%	
2021	19,717,695	19,717,695	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)			
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
2021	17,969,000		-		17,969,000	0.282%	50,631

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

Fiscal Year Ended June 30,	<u>General Bonded Debt Outstanding</u>		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
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
2021	17,969,000		17,969,000	1.31%	1,221

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, 2021
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	\$ 16,449,576	100.00%	16,449,576
Other debt			
Atlantic County	168,081,327	4.63%	<u>7,782,165</u>
Subtotal, overlapping debt			24,231,741
Town of Hammonton School District Direct Debt		100.00%	<u>17,969,000</u>
Total direct and overlapping debt			<u><u>\$ 42,200,741</u></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 2021

Equalized valuation basis	
2020	\$ 1,486,889,130
2019	1,452,931,835
2018	<u>1,432,751,681</u>
[A]	<u><u>4,372,572,646</u></u>
Average equalized valuation of taxable property	[A/3] 1,457,524,215
Debt limit (4 % of average	[B] 58,300,969 a
Net bonded school debt	[C] <u>17,969,000</u>
Legal debt margin	[B-C] <u><u>40,331,969</u></u>

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 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	58,300,969
Total net debt applicable to limit	<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>	<u>17,969,000</u>
Legal debt margin	<u><u>27,376,336</u></u>	<u><u>27,248,146</u></u>	<u><u>25,748,599</u></u>	<u><u>25,793,474</u></u>	<u><u>26,739,736</u></u>	<u><u>28,958,430</u></u>	<u><u>31,070,400</u></u>	<u><u>33,915,536</u></u>	<u><u>37,039,963</u></u>	<u><u>40,331,969</u></u>
Total net debt applicable to the limit as a percentage of debt limit	53.37%	52.49%	52.79%	51.57%	49.39%	45.74%	42.48%	38.69%	34.63%	30.82%

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

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
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%
2021	13,902	703,872	50,631	11.70%

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

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

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

TOWN OF HAMMONTON SCHOOL DISTRICT
Principal Employers,
Current Year and Nine Years Ago
Unaudited

Employer	2018			2009		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
		1	-			0.00%
		2	-			0.00%
		3	-			0.00%
		4	-			0.00%
		5	-			0.00%
		6	-			0.00%
		7	-			0.00%
		8	-			0.00%
		9	-			0.00%
		10	-			0.00%
	-		-	-		-

106

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

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Instruction										
Regular	203.6	191.0	199.5	199.5	199.5	199.5	200.0	200.0	210.0	210.0
Special education	62.0	66.0	60.0	60.0	60.0	60.0	63.0	63.0	58.0	58.0
Other special education	13.0	9.0	8.0	8.0	8.0	8.0	9.0	9.0	15.0	15.0
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	65.4	83.0	82.0	82.0	82.0	82.0	74.0	74.0	73.0	82.0
General administrative services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
School administrative services	24.5	24.5	24.5	24.5	24.5	24.5	25.8	25.8	26.0	25.0
Business administrative services	9.0	10.0	9.5	9.5	9.5	9.8	9.9	9.9	10.0	10.0
Plant operations and maintenance	44.6	44.2	44.3	44.3	44.3	44.5	44.5	54.5	58.0	60.0
Pupil transportation	40.0	42.0	42.0	42.0	42.0	52.0	52.0	52.0	50.0	51.0
Food Service	19.0	19.0	21.0	21.0	21.0	20.0	20.0	20.0	20.0	23.0
Child Care	4.0	4.0	3.0	3.0	-	-	-	-	-	-
Total	<u>490.1</u>	<u>497.7</u>	<u>498.8</u>	<u>498.8</u>	<u>495.8</u>	<u>505.3</u>	<u>503.2</u>	<u>513.2</u>	<u>525.0</u>	<u>539.0</u>

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				
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%
2020	3,384	78,389,860	23,165	53.13%	274	1:15	1:12	1:14	3,373	3,086	-5.81%	91.49%

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<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	408	413	383	384	372	367	357	359	368	386
<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	907	933	979	962	923	920	886	879	855	751
<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	823	816	817	868	926	922	873	884	872	868
<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	1,427	1,443	1,450	1,387	1,409	1,378	1,379	1,393	1,399	1,379
<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, 2021

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)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
High School	SP99341L	\$ 187,754	170,105	262,752	426,596	297,036	286,839	741,117	270,203	266,589	245,168
Middle School	N/A	278,713	200,192	101,463	76,895	275,677	458,967	185,744	142,384	212,294	173,557
Elementary School	N/A	92,894	61,900	82,776	82,863	107,882	178,236	110,030	108,651	127,877	145,423
Early Childhood Center	SP99343	54,277	40,744	72,212	49,524	48,227	45,154	44,450	56,543	38,633	124,028
Total School Facilities		\$ 613,638	472,941	519,203	635,878	728,822	969,196	1,081,341	577,781	645,393	688,176
Other Facilities											
Grand Total		\$ 613,638	472,941	519,203	635,878	728,822	969,196	1,081,341	577,781	645,393	688,176

TOWN OF HAMMONTON SCHOOL DISTRICT

Insurance Schedule
June 30, 2021
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Atlantic & Cape May Counties Association of School Business Officials Joint Insurance Fund		
Property, Inland Marine and Automobile Physical Damages \$	175,000,000	
ACCASBO JIF Self Insured Retention - Per Occurrence	250,000	500
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 (Statutory)		
Limit of Liability	10,000,000	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	
Pollution/Mold Incident		25,000-250,000
ACCASBO JIF Self Insured Retention	None	
Cyber Liability		
Limit of Liability	2,000,000	50,000-100,000
ACCASBO JIF Self Insured Retention	None	
Crisis Protection & Disaster Management Services		
Limit of Liability	1,000,000	10,000
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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Certified Public Accountants

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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, 2021, 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 January 28, 2022.

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.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915
January 28, 2022

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, 2021. 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, 2021.

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 January 28, 2022. 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.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915
January 28, 2022

TOWN OF HAMMONTON SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year Ended June 30, 2021

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 6/30/20	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures (A)	Unearned Revenue 6/30/21	(Accounts Receivable) 6/30/21	Due to Grantor at 6/30/21
General Fund:												
Medical Assistance Program	93.778	2105NJ5MAP	N/A	149,456	07/01/20-06/30/21			149,456	(149,456)			
FFCRA/SEMI	93.778	2105NJ5MAP	N/A	10,821	01/01/20-12/31/20			10,821	(10,821)			
Total General Fund							0	160,277	(160,277)	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:	10.585	Unknown	N/A	47,233	07/01/20-06/30/21	1,649		47,233	(43,421)	5,461		
Cash Assistance:												
National School Lunch Program	10.555	211NJ304N1099	N/A	934,412	07/01/20-06/30/21			862,452	(934,412)		(71,960)	
National School Lunch Program	10.555	201NJ304N1099	N/A	587,935	07/01/19-06/30/20	(67,410)		67,410				
School Breakfast Program	10.553	211NJ304N1099	N/A	452,762	07/01/20-06/30/21			415,657	(452,762)		(37,105)	
School Breakfast Program	10.553	201NJ304N1099	N/A	172,454	07/01/19-06/30/20	(42,372)		42,372				
P-EBT Administrative Cost	10.649	202121S900941	N/A	3,063	07/01/20-08/30/21				(3,063)		(3,063)	
Emergency Operational Cost Program-Schools	10.555	202121H170341	N/A	59,837	07/01/20-06/30/21				(59,837)		(59,837)	
Total Enterprise Fund						(108,133)	0	1,435,124	(1,493,495)	5,461	(171,965)	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	84.010	S010A200030	ESEA-1960-21	889,552	07/01/20-09/30/21			459,019	(697,831)		(238,812)	
Title I, Carryover	84.010	S010A190030	ESEA-1960-20	835,235	07/01/19-09/30/20	(128,086)		151,650	(28,641)		(5,077)	
Title I Reallocated	84.010A	S010A200030	ESEA-1960-21	94,874	07/01/20-09/30/21			57,563	(62,084)		(4,521)	
Title II, Part A	84.367A	S367A200029	ESEA-1960-21	26,208	07/01/20-09/30/21			3,470	(8,708)		(5,238)	
Title II, Part A, Carryover	84.367A	S367A190029	ESEA-1960-20	37,497	07/01/19-09/30/20	(260)		28,282	(38,788)		(10,766)	
Title II, Part A, Carryover	84.367A	S367A180029	ESEA-1960-21	78,557	07/01/18-06/30/19	(10,732)		10,732				
Title III, English Lang Enhancement	84.385	S365A200030	ESEA-1960-21	49,228	07/01/20-09/30/21			39,791	(46,484)		(6,693)	
Title III, Eng Lang Enhance, Carryover	84.385	S365A190030	ESEA-1960-20	44,055	07/01/19-09/30/20	(1)		1,804	(4,119)		(2,316)	
Title III, Immigrant	84.385	S365A200030	ESEA-1960-21	7,634	07/01/20-09/30/21			5,085	(6,426)		(1,341)	
Title III, Immigrant, Carryover	84.385	S365A190030	ESEA-1960-20	5,189	07/01/19-09/30/20	(1)		368	(367)		-	
Title IV, Part A	84.359B	S424A200031	ESEA-1960-21	8,725	07/01/20-09/30/21			1,001	(2,299)		(1,298)	
Title IV, Part A, Carryover	84.359B	S424A190031	ESEA-1960-20	49,574	07/01/19-09/30/20	(1,119)		12,228	(21,875)		(10,766)	
IDEA Cluster:												
IDEA Part B, Basic Regular	84.027	H027A200100	IDEA-1960-21	830,961	07/01/20-09/30/21			709,742	(808,198)		(98,456)	
IDEA Part B, Basic Reg, Carryover	84.027	H027A190100	IDEA-1960-20	793,548	07/01/19-09/30/20	(105,179)		142,423	(37,244)		-	
IDEA Part B, Preschool	84.173	H173A200114	IDEA-1960-21	25,112	07/01/20-09/30/21			22,800	(25,112)		(2,512)	
IDEA Part B, Preschool, Carryover	84.173	H173A190114	IDEA-1960-20	25,246	07/01/19-09/30/20	(2,526)		2,526				
Coronavirus Response and Supplement Act												
CRRSA-ESSER II	84.425D	S425D200027		2,620,797	03/13/20-09/30/23			-	(336,974)		(336,974)	
Learning Acceleration	84.425D	S425D200027		168,189	03/13/20-09/30/23			-	(21,281)		(21,281)	
CARES Act 2020/ESSER	84.425D	S425D200027		639,368	03/13/20-09/30/22	(478,984)		692,750	(222,316)		(8,550)	
Digital Divide	84.425D & 21.019			558,697	07/18/20-10/31/20			204,560	(204,560)		-	
COVID Relief Fund-Public	21.019			225,180	09/23/20-12/31/20			225,180	(225,180)		-	
COVID Relief Fund-Non Public	21.019			8,394	09/16/20-10/31/20			8,394	(8,394)		-	
Total Special Revenue Fund						(726,888)	0	2,779,168	(2,806,881)	0	(754,601)	0
Total Federal Financial Awards						(835,021)	0	4,374,569	(4,460,653)	5,461	(926,566)	0

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

TOWN OF HAMMONTON SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year Ended June 30, 2021

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period	Balance 6/30/20	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances/ Adjustments for Prior Year Cancelled Encumbrances	Balance at June 30, 2021			MEMO		
									(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
State Department of Education														
General Fund:														
Equalization Aid	21-495-034-5120-078	\$15,455,471	07/01/20-06/30/21			15,455,471	(15,455,471)						1,422,202	15,455,471
Special Education Aid	21-495-034-5120-089	2,297,445	07/01/20-06/30/21			2,297,445	(2,297,445)						211,409	2,297,445
School Choice Aid	21-495-034-5120-068	2,377,746	07/01/20-06/30/21			2,377,746	(2,377,746)						218,799	2,377,746
Special Education Extraordinary Aid	21-100-034-5120-044	357,894	07/01/20-06/30/21			32,334	(357,894)			(325,560)				357,894
Special Education Extraordinary Aid	20-100-034-5120-044	322,800	07/01/19-06/30/20	(\$322,800)		322,800								
Nonpublic Transportation Aid	21-495-034-5120-014	19,600	07/01/20-06/30/21				(19,600)			(19,600)				19,600
Nonpublic Transportation Aid	20-495-034-5120-014	189	07/01/19-06/30/20	(189)		189								
Transportation Aid	21-495-034-5120-014	757,886	07/01/20-06/30/21			757,886	(757,886)						69,740	757,886
Security Aid	21-495-034-5120-084	773,246	07/01/20-06/30/21			773,246	(773,246)						71,154	773,246
Securing Our Children's Future Bond Act (Alyssa's Law)		3,392	07/01/20-06/30/21			3,392	(3,392)							3,392
TPAF Non-Contributory (On-Behalf - Non-Budgeted)	21-495-034-5094-002	5,916,346	07/01/20-06/30/21			5,916,346	(5,916,346)							5,916,346
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)	21-495-034-5094-004	2,736	07/01/20-06/30/21			2,736	(2,736)							2,736
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)	21-495-034-5094-001	1,854,091	07/01/20-06/30/21			1,854,091	(1,854,091)							1,854,091
Reimbursed TPAF														
Social Security Contributions	21-495-034-5094-003	1,682,535	07/01/20-06/30/21			1,682,535	(1,682,535)							1,682,535
Social Security Contributions	20-495-034-5094-003	1,664,165	07/01/19-06/30/20	(82,383)		82,383								
Total General Fund				(405,372)	0	31,558,600	(31,498,388)	0	(345,160)	0	0	1,993,304	31,498,388	

117

TOWN OF HAMMONTON SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year Ended June 30, 2021

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period	Balance 6/30/20	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances/ Adjustments for Prior Year Cancelled Encumbrances	Balance at June 30, 2021			MEMO		
									(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
State Department of Education														
Special Revenue Fund:														
Preschool Education Aid	21-495-034-5120-086	501,420	07/01/20-06/30/21		12,709	501,420	(477,191)							
Preschool Education Aid	20-495-034-5120-086	517,312	07/01/19-06/30/20	14,695						36,938		50,142		477,191
Preschool Education Aid	19-495-034-5120-086	390,383	07/01/18-06/30/19	12,709	(12,709)					14,695				
N.J. Nonpublic Aid:														
Textbook Aid	21-100-034-5120-084	11,913	07/01/20-06/30/21			11,913	(10,166)					1,747		10,166
Textbook Aid	20-100-034-5120-064	19,661	07/01/19-06/30/20	13,459										
Technology Aid	20-100-034-5120-373	13,428	07/01/19-06/30/20	2,706				(13,459)						
Nursing Aid	21-100-034-5120-070	20,706	07/01/20-06/30/21			20,706	(19,140)							19,140
Nursing Aid	20-100-034-5120-070	37,248	07/01/19-06/30/20	16,427								1,566		
Security Aid	21-100-034-5120-509	35,525	07/01/20-06/30/21			35,525	(18,826)					16,699		18,826
Security Aid	20-100-034-5120-509	57,600	07/01/19-06/30/20	36,468										
Auxiliary Services:														
Compensatory Education	21-100-034-5120-067	66,189	07/01/20-06/30/21			66,189	(19,857)					46,332		19,857
Compensatory Education	20-100-034-5120-067	128,168	07/01/19-06/30/20	52,889										
Home Instruction	20-100-034-5120-067	1,217	07/01/19-06/30/20	(1,217)		1,217								
English as a Second Language	20-100-034-5120-067	4,136	07/01/19-06/30/20	2,978										
Handicapped Services:														
Examination & Classification	21-100-034-5120-066	29,739	07/01/20-06/30/21			29,739	(23,781)					5,958		23,781
Examination & Classification	20-100-034-5120-066	65,400	07/01/19-06/30/20	25,073										
Corrective Speech	21-100-034-5120-066	4,557	07/01/20-06/30/21			4,557	(1,185)					3,372		1,185
Corrective Speech	20-100-034-5120-066	31,899	07/01/19-06/30/20	17,134										
Supplemental Instruction	21-100-034-5120-066	27,522	07/01/20-06/30/21			27,522	(18,052)					9,470		18,052
Supplemental Instruction	20-100-034-5120-066	77,710	07/01/19-06/30/20	32,945										
Total Special Revenue Fund				226,266	0	698,788	(588,198)	(200,079)	0	51,633	85,144	50,142		588,198
State Department of Education														
Debt Service Fund	21-495-034-5120-075	362,062	07/01/20-06/30/21			362,062	(362,062)							362,062
State Department of Agriculture														
Enterprise Fund:														
State School Lunch Program	21-100-010-3350-023	47,800	07/01/20-06/30/21			38,283	(47,800)			(9,517)				47,800
State School Lunch Program	20-100-010-3350-023	15,993	07/01/19-06/30/20	(4,801)		4,801								
Total State Financial Assistance				(\$183,907)	0	32,662,534	(32,496,448)	(200,079)	(354,677)	51,633	85,144	2,043,446		32,496,448
Less: On-Behalf Pension System Contributions:														
TPAF Non-Contributory (On-Behalf - Non-Budgeted)	21-495-034-5094-002						5,916,346							
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)	21-495-034-5094-004						2,736							
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)	21-495-034-5094-001						1,854,081							
Total for State Financial Assistance-Major Program Determination							(24,723,275)							

118

Town of Hammonton School District
Notes to the Schedules of Financial Assistance
June 30, 2021

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, 2021

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	\$31,498,388	588,198	362,062	47,800	32,496,448
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).	(54,194)	1,589			(52,605)
Total State revenue as reported on the statement of revenues, expenditures and changes in fund balances	<u>\$31,444,194</u>	<u>589,787</u>	<u>362,062</u>	<u>47,800</u>	<u>32,443,843</u>

Town of Hammonton School District
Notes to the Schedules of Financial Assistance
June 30, 2021

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	\$160,277	2,806,881	1,493,495	4,460,653
Difference – budget to “GAAP” Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		468,558		468,558
Total Federal revenue as reported on the statement of revenue, expenditures, and changes in fund balances	<u>\$160,277</u>	<u>3,275,439</u>	<u>1,493,495</u>	<u>4,929,211</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, 2021. 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, 2021.

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, 2021**

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 reported

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 reported

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
10.555	21NJ304N1099	National School Lunch Program
10.553	21NJ304N1099	National School Breakfast Program
84.425	S425D200027	Education Stabilization Fund
21.019	N/A	Covid Relief Fund

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, 2021
(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>
21-495-034-5120-078	Equalization Aid
21-495-034-5120-089	Special Education Categorical Aid
21-495-034-5120-084	Security Aid
21-495-034-5120-068	School Choice Aid
21-495-034-5120-086	Preschool Education Aid

**TOWN OF HAMMONTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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: None

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, 2021
(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

Finding: None

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

Finding: None

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, 2021**

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

There were no prior year findings.