

SCHOOL DISTRICT
OF
TOWN
OF
HAMMONTON

Town of Hammonton Board of Education
Hammonton, New Jersey

Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2022

Annual Comprehensive Financial Report

of the

Town of Hammonton Board of Education

Hammonton, New Jersey

For the Fiscal Year Ended June 30, 2022

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	27-61

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	62-71
	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	72-73
	Notes to the Required Supplementary Information - Part II	
	C-3 Budget-to-GAAP Reconciliation	74
	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	75
	L-2 Schedule of District Contributions - PERS	76
	L-3 Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF	77
	L-4 Schedule of the Districts' Contributions - TPAF	78
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	79
	Notes to the Required Supplementary Information - Part III	80
	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	81-85
	E-2 Preschool Education Aid Schedule of Expenditures - Budgetary Basis Expenditures - Budgetary Basis	86
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	N/A
	F-2b Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis	N/A
G	Proprietary Funds	
	Enterprise Fund:	
	G-1 Combining Schedule of Net Position	87
	G-2 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position	88
	G-3 Combining Schedule of Cash Flows	89
	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	90
	I-2 Debt Service Budgetary Comparison Schedule	91

STATISTICAL SECTION (Unaudited)

Financial Trends

J-1	Net Assets by Component	92
J-2	Changes in Net Position	93-94
J-3	Fund Balances - Governmental Funds	95
J-4	Changes in Fund Balances - Governmental Funds	96
J-5	General Fund Other Local Revenue by Source	97
	Revenue Capacity	
J-6	Assessed Value and Estimated Actual Value of Taxable Property	98
J-7	Direct and Overlapping Property Tax Rates	99
J-8	Principal Property Taxpayers	100
J-9	Property Tax Levies and Collections	101
	Debt Capacity	
J-10	Ratios of Outstanding Debt by Type	102
J-11	Ratios of General Bonded Debt Outstanding	103
J-12	Direct and Overlapping Governmental Activities Debt	104
J-13	Legal Debt Margin Information	105

TOWN OF HAMMONTON SCHOOL DISTRICT TABLE OF CONTENTS (continued)

STATISTICAL SECTION (Unaudited,continued)	Page
Demographic and Economic Information	
J-14 Demographic and Economic Statistics	106
J-15 Principal Employers	107
Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	108
J-17 Operating Statistics	109
J-18 School Building Information	110
J-19 Schedule of Required Maintenance Expenditures by School Facility	111
J-20 Insurance Schedule	112
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	113-114
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	115-117
K-3 Schedule of Expenditures of Federal Awards, Schedule A	118
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	119-120
K-5 Notes to the Schedules of Awards and Financial Assistance	121-123
K-6 Schedule of Findings and Question Costs - Summary of Auditor's Results	124-125
Financial Statement Findings and Federal Awards and State Financial Assistance Findings and Questioned Costs	126-127
K-7 Summary Schedule of Prior Audit Findings	128

Introductory Section

Hammonton Board of Education

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Website: www.hammontonps.org

ROBIN CHIECO
Superintendent of Schools

BARBARA S. PRETTYMAN
Business Administrator/Board Secretary

February 16, 2023

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

Dear Board Members:

The annual comprehensive financial report of the Town of Hammonton School District (District) for the fiscal year ended June 30, 2022, 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 annual comprehensive 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 2021-2022 fiscal year with an average daily enrollment of xx students, which is xx 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>
2021-2022	3,322	(1.51)
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

2) ECONOMIC CONDITION AND OUTLOOK: The cost per pupil a district allocates is not the sole indicator of the effectiveness of the educational programs. The NJ Department of Education provides an analysis of 2021-2022 Budgeted Costs Amount Per Pupil. Hammonton spends \$15,599 and is one of the lowest spending districts in the state. With the additional aid revenue received, the cost per pupil has increased over the past few years. The additional aid has assisted with the reinstatement of several positions that were previously cut, as well as additional resources and supplemental programs purchased to assist in meeting the needs of students. Although our aid has increased, 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.

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. The district will be undergoing another NJQSAC review in February of 2023.

With a student population of approximately 3400 students in combination 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 2022-2023 school year, Hammonton continues to maintain the 1:1 initiative for students to devices as part of our regular instructional program by purchasing Chromebooks to enhance instruction. All staff utilizes Google Classroom to post assignments and to reduce the amount of paper copies required. In addition, teaching staff incorporate various technology tools such as Pear Deck, IXL, and Edpuzzle to enhance instruction. One major initiative for the 2022-2023 school year was the implementation of LinkIt Intervention Manager as part of MTSS. PBSIS was also instituted in Hammonton High School and Hammonton Middle School to improve school climate. With the revised NJSLs in multiple content areas, Atlas Curriculum Mapping was also implemented to provide cohesive units of study while providing easy access for the school community. 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 articulate our district curriculum vertically and horizontally to continuously improve our programs. To accommodate the numerous changes and updated to the 2020 NJSLs, Atlas Curriculum Mapping was purchased and implemented for all content areas. Numerous staff members worked in PLC structures to develop units of study along with curriculum maps. The new curricula are available for all parents on the district website. On-line learning platforms such as Google Classroom, Pear Deck, IXL, and Edpuzzle continue to be used to enhance instruction and to provide additional learning supports. LinkIt Benchmarks are used to measure student growth and to identify areas of need. IXL is used to provide targeted skill reinforcement to assist students in acquiring necessary mastery. Common Lit, Actively Learn, Mystery Science and Studies Weekly were purchased and will continue to be used to address skills needed to analyze informational text. 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 2022-2023 school year, training was provided on mental health and wellness, student engagement, implementation of PBSIS, Common Lit, Actively Learn, Mystery Science and Studies Weekly. Designated staff will also be trained in CPI. 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 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. Go Guardian is utilized to manage student usage of internet sites. The curriculum has been adjusted to connect academics with application. To support this initiative, numerous infrastructure upgrades have been required throughout the district and devices are regularly updated and replaced. Additionally, on-going budgets reflect the replacement of devices to maintain our technology needs with a specific amount of funding reserved for technology: devices and infrastructure.

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, 2022.

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, 2022, the District's outstanding debt issues included \$16,245,000 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,

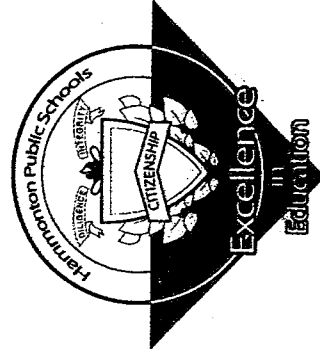
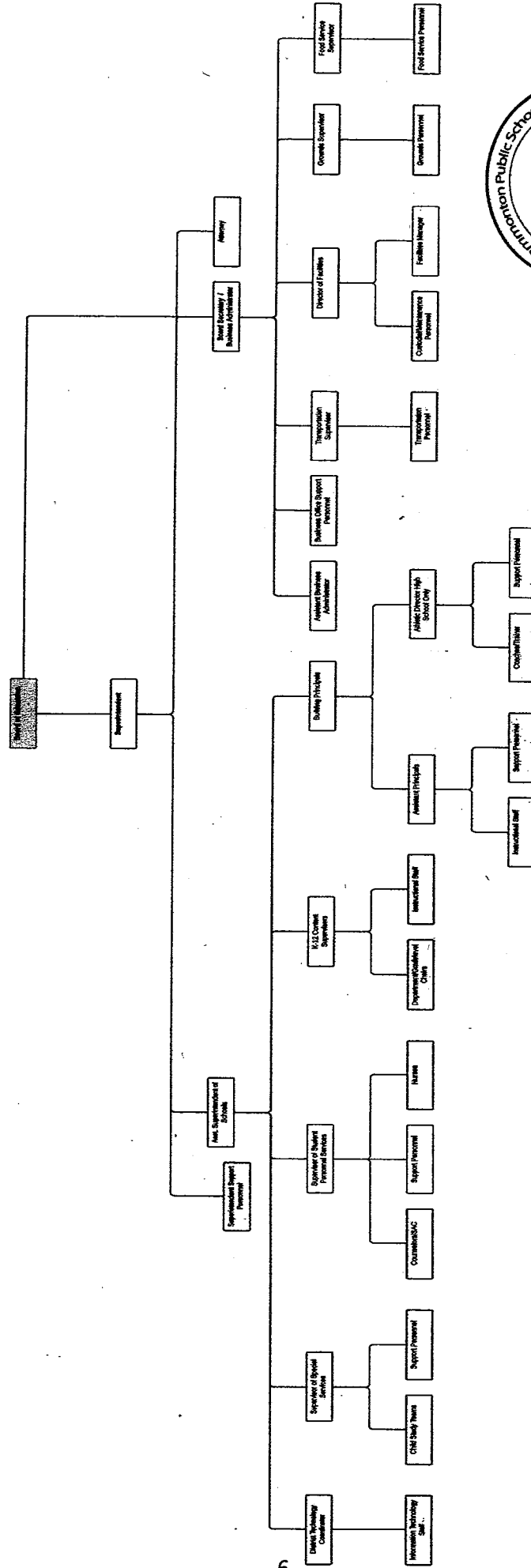


Robin Chicco
Superintendent



Barbara S. Prettyman
School Business Administrator/
Board Secretary

**Hammontron Public School District
Table of Organization
2022 - 2023**



TOWN OF HAMMONTON BOARD OF EDUCATION

**Roster of Officials
June 30, 2022**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Sam Mento III, President	2023
Linda Byrnes, Vice President	2022
Thomas Attanasi	2024
Barbara Berenato	2022
Luke Coia	2024
Kelly Donio	2024
Kelli Fallon	2023
John Lyons	2022
Ray Scipione	2023
Roe Hunter - Waterford Representative	2022
John Thomas - Folsom Representative	2022
<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

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Official Depository

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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

Opinions

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 year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Board of Education of the Town of Hammonton School District in the County of Atlantic, State of New Jersey's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Town of Hammonton School District in the County of Atlantic, State of New Jersey, as of June 30, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Board of Education of the Town of Hammonton School District in the County of Atlantic, State of New Jersey, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board of Education of the Town of Hammonton School District in the County of Atlantic, State of New Jersey's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Board of Education of the Town of Hammonton School District in the County of Atlantic, State of New Jersey's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board of Education of the Town of Hammonton School District in the County of Atlantic, State of New Jersey's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board of Education of the Town of Hammonton School District in the County of Atlantic, State of New Jersey's basic financial statements. The combining and individual fund financial statements 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 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 statements and related major fund supporting financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report, as required by the Office of School Finance, Department of Education, State of New Jersey. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

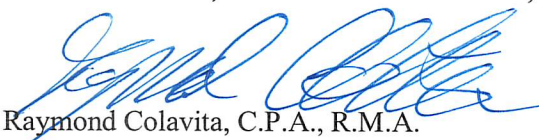
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2023 on our consideration of the Town of Hammonton Education's 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 Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governments Auditing Standards* in considering Town of Hammonton School District's internal control over financial reporting and compliance.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



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

No. 915
February 16, 2023

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, 2022. 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 \$11,868,226. This amount represents net position, which increased by \$4,751,781 from the previous year end.
- The District's total net position of governmental activities totaled \$11,868,226.
- General revenues accounted for \$58,144,724 in revenue, or 67% of all revenues. Program specific revenues in the form of charges for services, operating grants, contributions and capital grants accounted for \$27,526,045 or 33% to total revenues of \$85,670,769.
- Total net assets of governmental activities increased by \$4,196,868 made up of changes in cash and cash equivalents, various receivables and liabilities.
- The district had \$79,102,141 in governmental expenses, of which \$25,155,520 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 \$58,143,489 adequately provided for governmental activity programs.
- The General Fund had \$64,906,825 in revenues, \$239,924 in other financing uses and \$66,113,770 in expenditures. As a result, the General Fund balance decreased by \$1,446,869.

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 2022 and 2021.

Table 1
Net Position

	<u>2022</u>	<u>2021</u>
Assets		
Current and other assets	12,428,724	11,051,735
Capital assets, net	<u>33,725,528</u>	<u>31,721,953</u>
Total assets	<u>46,154,252</u>	<u>42,773,688</u>
Deferred Outflows	<u>1,293,266</u>	<u>2,086,190</u>
Liabilities		
Long-term liabilities	27,168,636	31,604,992
Other liabilities	<u>3,143,045</u>	<u>850,378</u>
Total liabilities	<u>30,311,681</u>	<u>32,455,370</u>
Deferred Inflows	<u>5,267,611</u>	<u>5,288,063</u>
Net position		
Invested in capital assets	17,397,179	13,752,953
Restricted	6,718,782	6,566,051
Unrestricted	<u>(12,247,735)</u>	<u>(13,202,559)</u>
Total net position	<u>11,868,226</u>	<u>7,116,445</u>

Table 2
Changes in Net Position

	<u>2022</u>	<u>2021</u>
Revenues		
Program Revenues		
Charges for Services	9,250,607	9,818,379
Operating Grants and Contributions	18,275,438	20,819,376
General Revenues		
Property Taxes	19,843,417	19,717,695
Grants and Entitlements	37,832,033	31,966,533
Other	469,274	493,169
Total Revenues	<u>85,670,769</u>	<u>82,815,152</u>
Program Expenses		
Instruction	45,779,466	47,909,155
Support Services		
Tuition	3,177,949	2,927,972
Pupils and Instructional Staff	11,361,857	11,219,182
General Administration, School		
Administration, Business	7,207,816	6,922,027
Operation and Maintenance	6,795,692	6,241,854
Pupil Transportation	4,209,843	3,169,670
Interest on Debt	569,518	558,024
Business Type Activities	1,816,847	1,470,006
Total Expenses	<u>80,918,988</u>	<u>80,417,890</u>
Prior Period Adjustment	<u>0</u>	<u>730,856</u>
Increase (Decrease) in Net Position	<u>4,751,781</u>	<u>3,128,118</u>

Business-type Activities

The District's business-type activities net position increased \$554,913 from the previous year end. Operating and non-operating revenues increased \$796,418 and expenses increased by \$346,841 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 Services 2022</u>	<u>Net Cost of Services 2022</u>	<u>Total Cost of Services 2021</u>	<u>Net Cost of Services 2021</u>
Revenues				
Instruction	45,779,466	25,991,680	47,909,155	24,399,713
Support services:				
Tuition	3,177,949	3,177,949	2,927,972	2,927,972
Pupils and instructional staff	11,361,857	8,606,235	11,219,182	7,928,338
General Administration, School Administration, Business	7,207,816	5,639,081	6,922,027	5,410,469
Plant operations/maintenance	6,795,692	6,223,354	6,241,854	5,800,139
Pupil transportation	4,209,843	3,738,804	3,169,670	2,859,878
Interest on long term debt	569,518	569,518	558,024	558,024
Total expenses	<u>79,102,141</u>	<u>53,946,621</u>	<u>78,947,884</u>	<u>49,884,533</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 \$73,472,382 and expenditures of \$74,988,303. The net change in fund balance for the year was a decrease of \$1,515,921.

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 2022, the District had invested \$33.7 million in a broad range of capital assets, including land, buildings, improvements, machinery and equipment.

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	324,908	324,908			324,908	324,908
Construction in progress	1,742,255	93,213			1,742,255	93,213
Site improvements	170,863	215,000			170,863	215,000
Bldgs and Bldg impr.	28,183,643	29,424,936			28,183,643	29,424,936
Machinery & equipment	2,664,571	1,071,479	565,003	592,417	3,229,574	1,663,896
Right-to-use lease assets	74,285				74,285	0
Total	33,160,525	31,129,536	565,003	592,417	33,725,528	31,721,953

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 \$16,245,000.

	Balance 6/30/21	Issued	Retired	Balance 6/30/22
Governmental Activities				
Bonds payable	\$17,969,000		1,724,000	16,245,000
Right-to-use lease liability		124,428	41,079	83,349
Compensated absences Payable	3,680,817	3,461		3,684,278
Total Governmental Activities	21,649,817	127,889	1,765,079	20,012,627
Business-type Activities				
Compensated absences Payable	38,963	262		39,225
Total Business-type Activities	38,963	262	0	39,225

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 \$59,388,952 of which \$43,143,952 or 72.65% 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 2022-2023 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, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$8,183,553	1,040,147	9,223,700
Receivables, net	\$13,817	1,246	15,063
Due from other governments	\$3,087,905	96,693	3,184,598
Internal balances	\$162,998	(162,998)	0
Inventory		5,363	5,363
Capital assets not being depreciated:			
Land and CIP	\$2,067,163		2,067,163
Capital assets, net of accumulated depreciation and amortization	\$31,093,362	565,003	31,658,365
Total Assets	\$44,608,798	1,545,454	46,154,252
DEFERRED OUTFLOWS OF RESOURCES			
Pension Deferred Outflows	\$1,293,266	0	1,293,266
LIABILITIES			
Accounts payable	\$2,039,489	111,025	2,150,514
Accrued interest payable	\$202,593		202,593
Intergovernmental payable	\$57,885		57,885
Unearned revenue	\$706,084	25,969	732,053
Net Pension Liability	\$7,116,784		7,116,784
Noncurrent liabilities:			
Due within one year	\$1,726,538		1,726,538
Due beyond one year	\$18,286,089	39,225	18,325,314
Total liabilities	\$30,135,462	176,219	30,311,681
DEFERRED INFLOWS OF RESOURCES			
Refunding of Long Term Debt	\$549,064		549,064
Pension Deferred Inflows	\$4,718,547		4,718,547
	\$5,267,611	0	5,267,611
NET POSITION			
Net investment in capital assets	\$16,832,176	565,003	17,397,179
Restricted for:			
Capital Reserve	\$3,770,857		3,770,857
Maintenance Reserve	\$1,657,431		1,657,431
Emergency Reserve	\$327,447		327,447
Tuition Reserve	\$2,080		2,080
Unemployment Compensation	\$509,387		509,387
Scholarships	\$136,076		136,076
Student Activities	\$315,504		315,504
Unrestricted (Deficit)	(\$13,051,967)	804,232	(12,247,735)
Total net position	\$10,498,991	1,369,235	11,868,226

TOWN OF HAMMONTON SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2022

Exhibit A-2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:							
Instruction:							
Regular	\$25,899,699	10,424,177	9,072,178	9,195,224	(18,056,474)		(18,056,474)
Special education	4,297,256	1,759,047		1,045,944	(5,010,359)		(5,010,359)
Other instruction	2,410,708	988,579		474,440	(2,924,847)		(2,924,847)
Support services:							
Tuition	3,177,949				(3,177,949)		(3,177,949)
Student & instruction related services	8,314,208	3,047,649		2,755,622	(8,606,235)		(8,606,235)
School administrative services	3,110,102	1,320,989		1,198,821	(3,232,270)		(3,232,270)
General administrative services	816,633	182,041		102,679	(895,995)		(895,995)
Plant operations and maintenance	5,603,125	1,192,567		572,338	(6,223,354)		(6,223,354)
Pupil transportation	3,327,242	882,601	47,458	423,581	(3,738,804)		(3,738,804)
Business and other support services	1,289,479	488,572		267,235	(1,510,816)		(1,510,816)
Unallocated benefits	20,286,222	(20,286,222)			0		0
Interest on long-term debt	569,518				(569,518)		(569,518)
Total governmental activities	79,102,141	0	9,119,636	16,035,884	(53,946,621)		(53,946,621)
Business-type activities:							
Food Service	1,790,068		130,971	2,239,554		580,457	580,457
After School Program	26,779					(26,779)	(26,779)
Total business-type activities	1,816,847		130,971	2,239,554		553,678	553,678
Total primary government	\$80,918,988		9,250,607	18,275,438	(53,946,621)	553,678	(53,392,943)
General revenues:							
Taxes:							
Property taxes, levied for general purposes, net				18,198,582			18,198,582
Taxes levied for debt service				1,644,835			1,644,835
Federal and State aid not restricted				37,832,033			37,832,033
Investment Earnings				25,499	1,235		26,734
Miscellaneous Income				102,411			102,411
Prior year encumbrances				2,008			2,008
Refund prior year expenditures				246,185			246,185
Capital Lease Income				77,250			77,250
Special items:							
Prior year right-to-use assets and lease liability adjustment				14,686			14,686
Total general revenues, special items, adjustments, extraordinary items and transfers				58,143,489	1,235		58,144,724
Change in Net Position				4,196,868	554,913		4,751,781
Net Position, July 1				6,302,123	814,322		7,116,445
Net Position—ending				\$10,498,991	1,369,235		11,868,226

See Accompanying Notes to the Financial Statements

FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUNDS

TOWN OF HAMMONTON SCHOOL DISTRICT

Balance Sheet
Governmental Funds
June 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$3,676,559	451,580		83,900	4,212,039
Capital reserve cash	3,971,514				3,971,514
Interfund accounts receivable	1,708,433				1,708,433
Receivables, net	13,817				13,817
Receivables from other governments	694,976	2,392,929			3,087,905
Total assets	<u>10,065,299</u>	<u>2,844,509</u>	<u>0</u>	<u>83,900</u>	<u>12,993,708</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	1,737,446	277,566			2,015,012
Payroll deductions and withholdings payable	24,477				24,477
Interfund payable		1,545,435			1,545,435
Due to other governments		57,885			57,885
Unearned revenue	55,000	651,084			706,084
Total liabilities	<u>1,816,923</u>	<u>2,531,970</u>	<u>0</u>	<u>0</u>	<u>4,348,893</u>
Fund Balances:					
Restricted:					
Capital Reserve	3,770,857				3,770,857
Maintenance Reserve	1,657,431				1,657,431
Emergency Reserve	327,447				327,447
Tuition Reserve	2,080				2,080
Unemployment Compensation	509,387				509,387
Scholarships		136,076			136,076
Student Activities		315,504			315,504
Assigned:					
Encumbrances	543,809				543,809
Designated for subsequent year's expenditures	1,647,560			83,900	1,731,460
Unassigned:					
General fund	(210,195)				(210,195)
Special revenue fund (deficit)		(139,041)			(139,041)
Total Fund balances	<u>8,248,376</u>	<u>312,539</u>	<u>0</u>	<u>83,900</u>	<u>8,644,815</u>
Total liabilities and fund balances	<u>\$10,065,299</u>	<u>2,844,509</u>	<u>0</u>	<u>83,900</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$69,413,529, and the accumulated depreciation is \$36,253,004.

33,160,525

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.

(3,425,281)

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

(7,116,784)

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

(202,593)

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

(20,561,691)

Net position of governmental activities

\$10,498,991

TOWN OF HAMMONTON SCHOOL DISTRICT
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local tax levy	\$18,198,582			1,644,835	19,843,417
Tuition from LEAs within State	9,064,680				9,064,680
Tuition from Other Governmental Sources within State	7,498				7,498
Transportation fees from other leas	47,458				47,458
Interest earned on capital reserves	12,705				12,705
Interest	12,794				12,794
Miscellaneous	102,411				102,411
Local sources		729,387			729,387
State sources	37,343,011	928,677		371,336	38,643,024
Federal sources	117,686	4,565,879			4,683,565
Total revenues	64,906,825	6,223,943	0	2,016,171	73,146,939
EXPENDITURES					
Current:					
Regular instruction	16,679,284	3,000,363			19,679,647
Special education instruction	3,304,337				3,304,337
Other instruction	1,966,068				1,966,068
Support services and undistributed costs:					
Tuition	3,167,488				3,167,488
Student & instruction related services	5,650,454	927,791			6,578,245
General administrative services	719,442				719,442
School administrative services	1,951,102	451,962			2,403,064
Plant operations and maintenance	4,879,829				4,879,829
Pupil transportation	2,875,024				2,875,024
Business and other support services	1,138,144				1,138,144
Unallocated Benefits	21,720,964	491,042			22,212,006
Transfer to Charter School	10,461				10,461
Debt service:					
Principal				1,724,000	1,724,000
Interest and other charges				587,172	587,172
Capital outlay	2,051,173	1,692,203			3,743,376
Total expenditures	66,113,770	6,563,361	0	2,311,172	74,988,303
Excess (Deficiency) of revenues over expenditures	(1,206,945)	(339,418)	0	(295,001)	(1,841,364)
OTHER FINANCING SOURCES (USES)					
Transfers in		270,367		295,000	565,367
Transfers out	(565,367)				(565,367)
Capital lease income	77,250				77,250
Refund prior year expenditures	246,185				246,185
Prior year encumbrances	2,008				2,008
Total other financing sources and uses	(239,924)	270,367	0	295,000	325,443
Net change in fund balances	(1,446,869)	(69,051)	0	(1)	(1,515,921)
Fund balance—July 1 (deficit)	9,695,245	381,590	0	83,901	10,160,736
Fund balance—June 30 (deficit)	<u>\$ 8,248,376</u>	<u>312,539</u>	<u>0</u>	<u>83,900</u>	<u>8,644,815</u>

TOWN OF HAMMONTON SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2022

Total net change in fund balances - governmental funds (from B-2) **(\$1,515,921)**

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the period.

Depreciation expense	(1,568,276)	
Amortization expense	(31,214)	
Loss on disposal	(55,239)	
Right-to-use prior year adjustment	14,686	
Right-to-use asset additions	7,464	
Capital outlays	<u>3,580,219</u>	1,947,640

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. 1,724,000

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. 17,654

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. 1,925,784

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 (+). (3,461)

Change in net position of governmental activities \$4,196,868

PROPRIETARY FUNDS

TOWN OF HAMMONTON SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2022

	Business-type Activities - Enterprise Funds		
	Food Service	Latchkey Program (Non Major Fund)	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$966,293	73,854	1,040,147
Accounts receivable	96,693		96,693
Other accounts receivable	1,246		1,246
Inventories	5,363		5,363
Total current assets	<u>1,069,595</u>	<u>73,854</u>	<u>1,143,449</u>
Noncurrent assets:			
Furniture, machinery & equipment	1,293,358	119,467	1,412,825
Less accumulated depreciation	<u>(763,701)</u>	<u>(84,121)</u>	<u>(847,822)</u>
Total noncurrent assets	<u>529,657</u>	<u>35,346</u>	<u>565,003</u>
Total assets	<u><u>1,599,252</u></u>	<u><u>109,200</u></u>	<u><u>1,708,452</u></u>
LIABILITIES			
Current liabilities:			
Interfund Accounts Payable	162,998		162,998
Accounts Payable	111,025		111,025
Unearned Revenue	25,969		25,969
Compensated absences	39,225		39,225
Total current liabilities	<u>339,217</u>	<u>0</u>	<u>339,217</u>
Total liabilities	<u>339,217</u>	<u>0</u>	<u>339,217</u>
NET POSITION			
Net investment in capital assets	529,657	35,346	565,003
Unrestricted	730,378	73,854	804,232
Total net position	<u><u>\$1,260,035</u></u>	<u><u>109,200</u></u>	<u><u>1,369,235</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, 2022

	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	122,837		122,837
Special functions	2,049		2,049
Miscellaneous	6,085		6,085
Total operating revenues	<u>130,971</u>	<u>0</u>	<u>130,971</u>
Operating expenses:			
Cost of sales-Reimbursable programs	701,411		701,411
Cost of sales-Nonreimbursable programs	39,018		39,018
Salaries	613,878		613,878
Employee benefits	270,712		270,712
General supplies & materials	97,191	13,668	110,859
Other costs	33,615	5,670	39,285
Depreciation	34,243	7,441	41,684
Total operating expenses	<u>1,790,068</u>	<u>26,779</u>	<u>1,816,847</u>
Operating (loss)	<u>(1,659,097)</u>	<u>(26,779)</u>	<u>(1,685,876)</u>
Nonoperating revenues:			
State sources:			
State school lunch program	41,196		41,196
Federal sources:			
National school lunch program	1,749,220		1,749,220
National school breakfast program	383,628		383,628
Food distribution program	65,510		65,510
Interest and investment revenue	1,015	220	1,235
Total nonoperating revenues	<u>2,240,569</u>	<u>220</u>	<u>2,240,789</u>
Income(loss) before transfers	581,472	(26,559)	554,913
Transfers in (out)	0		0
Change in net position	<u>581,472</u>	<u>(26,559)</u>	<u>554,913</u>
Total net position—beginning	<u>678,563</u>	<u>135,759</u>	<u>814,322</u>
Total net position—ending	<u>\$1,260,035</u>	<u>109,200</u>	<u>1,369,235</u>

TOWN OF HAMMONTON SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2022

	Business-type Activities - Enterprise Funds		
	Food Service	Latchkey Program (Non Major Fund)	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$121,865		121,865
Payments to employees	(1,009,118)		(1,009,118)
Payments to suppliers	(721,949)	(19,338)	(741,287)
Net cash provided/(used) by operating activities	<u>(1,609,202)</u>	<u>(19,338)</u>	<u>(1,628,540)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash received from state and federal reimbursements	2,258,833		2,258,833
Operating subsidies	0		0
Net cash provided by non-capital financing activities	<u>2,258,833</u>	<u>0</u>	<u>2,258,833</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	(14,270)		(14,270)
Net cash (used) by capital and related financing activities	<u>(14,270)</u>	<u>0</u>	<u>(14,270)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	1,015	220	1,235
Net cash provided by investing activities	<u>1,015</u>	<u>220</u>	<u>1,235</u>
Net increase (decrease) in cash and cash equivalents	636,376	(19,118)	617,258
Balances—beginning of year	329,917	92,972	422,889
Balances—end of year	<u>\$966,293</u>	<u>73,854</u>	<u>1,040,147</u>
Reconciliation of operating income/(loss) to net cash provided/(used) by operating activities:			
Operating income/(loss)	(\$1,659,097)	(\$26,779)	(1,685,876)
Adjustments to reconcile operating income(loss) to net cash provided/(used) by operating activities			
Depreciation and net amortization	34,243	7,441	41,684
Federal commodities	65,510		65,510
(Increase)/Decrease in accounts receivable, net	1,030		1,030
Decrease in inventories	9,489		9,489
(Decrease)/Increase in accounts payable	74,024		74,024
(Decrease)/Increase in interfund accounts payable	(124,527)		(124,527)
(Decrease)/Increase in unearned revenue	(10,136)		(10,136)
(Decrease)/Increase in compensated absences payable	262		262
Total adjustments	<u>49,895</u>	<u>7,441</u>	<u>57,336</u>
Net cash provided/(used) by operating activities	<u>(\$1,609,202)</u>	<u>(19,338)</u>	<u>(1,628,540)</u>

Noncash Investing, Capital, and Financing Activities:

During the year, the District received \$61,962 of food commodities from the U.S. Department of Agriculture

**Town of Hammonton School District
Notes to Financial Statements
June 30, 2022**

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, 2022 of 3,322 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, 2022

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, 2022

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, 2022

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, 2022

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, 2022**

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 – Grades 9 - 12	(393,165)
Regular Programs – General Supplies	(106,669)
Behavioral Disabilities – Salaries of Teachers	(134,808)
School Sponsored Athletics - Salaries	102,782
Tuition to Private Schools for the Disabled	190,783
Students – Extraordinary Services – Purchased Professional Educational Services	(129,730)

**Town of Hammonton School District
Notes to Financial Statements
June 30, 2022**

Instructional Staff Training Services – Salaries of Supervisors of Instruction	104,300
Required Maintenance for School Facilities – Cleaning, Repair and Maintenance Services	(459,375)
Operation and Maintenance of Plant – Energy (Natural Gas)	112,024
Operation and Maintenance of Plant – Energy (Electricity)	142,400
Student Transportation – Salaries of Non-Instructional Aides	(206,900)
Student Transportation – Contracted Services – Special Education – Joint Agreements	578,978
Student Transportation – Contracted Services – Special Education – ESCs	(178,835)
Unallocated Benefits – Health Benefits	1,074,639
Equipment – Security	194,838
Equipment – School buses - Regular	110,750
Facilities Acquisition and Construction Services – Architectural/Engineering Services	117,450

F. ENCUMBRANCE ACCOUNTING:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

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

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

G. ASSETS, LIABILITIES AND EQUITY:

Cash, Cash Equivalents and Investments

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

Town of Hammonton School District
Notes to Financial Statements
June 30, 2022

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

NJSA 17:9-41 et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental units.

Investments

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

Interfund Transactions

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as inter-fund transfers. Inter-fund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the Enterprise Fund. Repayments from funds responsible for particular expenditure/expenses to the funds that initially paid for them are not presented on the financial statements.

Inventories

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

**Town of Hammonton School District
Notes to Financial Statements
June 30, 2022**

Capital Assets

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

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

Compensated Absences

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

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

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

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

**Town of Hammonton School District
Notes to Financial Statements
June 30, 2022**

Unearned Revenue

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

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that once incurred are paid in a timely manner and in full, from current financial resources are reported as obligations of the funds.

However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

Net Position

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

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

Fund Balance Reserves

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

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

Town of Hammonton School District
Notes to Financial Statements
June 30, 2022

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

Revenues

Substantially all governmental fund revenues are accrued. Property taxes are susceptible to accrual and under New Jersey State Statutes a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. In the proprietary funds, operating revenues consist of revenues that are a direct result of the operations of the program. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non operating revenue. With respect to grant revenues, the provider recognizes liabilities and expenses and recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and unearned revenue by the recipient.

Expenditures

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

Tuition Receivable

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

Tuition Payable

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

Town of Hammonton School District
Notes to Financial Statements
June 30, 2022

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.

I. RECENT ACCOUNTING PRONOUNCEMENTS

The School District has adopted the following GASB statements:

- GASB Statement No. 87 - *Leases*: The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirements of Statement will be effective for reporting periods beginning after June 15, 2021. The adoption of GASB 87 will impact the financial statements of the School District.
- GASB Statement No. 89 - *Accounting for Interest Cost Incurred before the End of a Construction Period*: The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The adoption of GASB 89 did not impact the financial statements of the School District.
- GASB Statement No. 92 – *Omnibus 2020*: The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The adoption of GASB 92 did not impact the financial statements of the School District.

Town of Hammonton School District
Notes to Financial Statements
June 30, 2022

- GASB Statement No. 93 – *Replacement of Interbank Offered Rates*: The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The adoption of GASB 93 did not impact the financial statements of the School District.
- GASB Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*: The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans); and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans). The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The adoption of GASB 97 did not impact the financial statements of the School District.
- GASB Statement No. 98 – *The Annual Comprehensive Financial Report*: This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The requirements of this Statement are effective for reporting periods ending after December 15, 2021. The adoption of GASB 98 did not impact the financial statements of the School District.

NOTE 2. – INVESTMENTS

As of June 30, 2022, 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.

Town of Hammonton School District
Notes to Financial Statements
June 30, 2022

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

NOTE 3. – CASH

Custodial Credit Risk—Deposits. Custodial credit risk is the risk that in the event of a bank failure, the School District’s deposits may not be returned to it. The district’s policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. At June 30, 2022, the carrying amount of the District’s deposits (cash and cash equivalents) was \$9,223,700 and the bank balance was \$12,107,819.

As of June 30, 2022, the School District’s bank balance was exposed to custodial credit risk as follows:

FDIC Insured	\$	250,000
GUDPA Insured		<u>11,857,819</u>
Bank balance, June 30, 2022	\$	<u>12,107,819</u>

NOTE 4 – RECEIVABLES

Receivables at June 30, 2022, 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	\$ 3,087,905	\$ 3,184,598
Inter-funds	1,708,433	
Other	13,817	15,063
Total Receivables, Net	\$ <u>4,810,155</u>	\$ <u>3,199,661</u>

NOTE 5. INVENTORY

Inventory in the Food Service Enterprise Fund at June 30, 2022, consisted of the following which included \$1,913 in Federal Commodities:

Food	\$	5,076
Supplies		<u>287</u>
	\$	<u>5,363</u>

Town of Hammonton School District
Notes to Financial Statements
June 30, 2022

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 was as follows:

	<u>Balance June 30, 2021</u>	<u>Additions</u>	<u>Disposals / Adjustments</u>	<u>Balance June 30, 2022</u>
Governmental Activities:				
Capital assets that are not being depreciated:				
Land	\$ 324,908			324,908
Construction in Progress	93,213	1,649,042		1,742,255
Total capital assets not being depreciated	<u>418,121</u>	<u>1,649,042</u>	<u>0</u>	<u>2,067,163</u>
Capital assets being depreciated and amortized:				
Site improvements	3,554,298	21,880		3,576,178
Bldg and bldg improve	56,665,758	10,275	22,216	56,653,817
Machinery & equipment	6,848,177	1,899,022	1,786,900	6,960,299
Right-to-use lease assets		7,464	148,608	156,072
Totals at historical cost	<u>67,068,233</u>	<u>1,838,641</u>	<u>1,660,508</u>	<u>67,346,366</u>
Less accumulated depr and amort for:				
Site improvements	(3,339,298)	(66,017)		(3,405,315)
Bldg and bldg improve	(27,240,822)	(1,251,568)	(22,216)	(28,470,174)
Machinery & equipment	(5,766,698)	(250,691)	(1,731,661)	(4,295,728)
Right-to-use lease assets		(31,214)	(50,573)	(81,787)
Total accum deprec and amort	<u>(36,356,818)</u>	<u>(1,599,490)</u>	<u>(1,703,304)</u>	<u>(36,253,004)</u>
Total capital assets being depr, net of accum depr	<u>30,711,416</u>	<u>339,151</u>	<u>42,796</u>	<u>31,093,362</u>
Governmental activities capital assets, net	<u>31,129,536</u>	<u>1,988,193</u>	<u>42,796</u>	<u>33,160,525</u>
Business-type activities:				
Equipment	1,405,055	14,270	6,500	1,412,825
Less accum depr for:				
Equipment	(812,638)	(41,684)	(6,500)	(847,822)
Business-type activities capital assets, net	<u>\$ 592,417</u>	<u>(27,414)</u>	<u>0</u>	<u>565,003</u>

Depreciation and amortization expense as charged to governmental functions as follows:

Regular instruction	\$ 805,866
Special education	135,987
Other instruction	76,424
Student & instruction related services	235,606
School administrative services	102,122
General administrative services	14,073

Town of Hammonton School District
Notes to Financial Statements
June 30, 2022

Plant operations and maintenance	123,408
Pupil transportation	68,234
Business and other support services	37,770
	\$ 1,599,490

NOTE 7. LONG-TERM OBLIGATIONS

Long-term liability activity for the year ended June 30, 2022 was as follows:

	<u>Balance</u> <u>6-30-21</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>6-30-22</u>	<u>Amounts</u> <u>Due Within</u> <u>One year</u>
Governmental Activities					
Bonds & loans payable:					
School bonds	\$ 17,969,000		1,724,000	16,245,000	1,530,000
Other liabilities:					
Right-to-use lease liability		124,428	41,079	83,349	31,239
Compensated absences payable	3,680,817	3,461		3,684,278	165,299
Governmental activities long-term liabilities	21,649,817	127,889	1,765,079	20,012,627	1,726,538
Business-type Activities:					
Other liabilities:					
Compensated absences payable	38,963	262		39,225	0
Business-type activities long-term liabilities	\$ 38,963	262		39,225	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, 2022, 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, 2022 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.

Town of Hammonton School District
Notes to Financial Statements
June 30, 2022

\$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, 2022 was \$0. \$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, 2022 was \$3,310,000.

\$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, 2022 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, 2022 was \$6,845,000.

\$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, 2022 was \$0.

\$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, 2022 was \$0. \$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, 2022 was \$6,090,000.

Debt service requirements on serial bonds payable at June 30, 2022 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30,			
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	1,830,000	285,731	2,115,731
2028-2031	7,995,000	514,408	8,509,408
	<u>\$ 16,245,000</u>	<u>2,564,763</u>	<u>18,809,763</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2022 the Board had authorized but not issued bonds in the amount of \$0.

Town of Hammonton School District
Notes to Financial Statements
June 30, 2022

C. Operating Lease:

The District is a lessee for various equipment. The District recognizes a lease liability – finance purchase and a capital asset or recognizes a lease liability – right to use and an intangible right-to use lease asset in the district-wide financial statements based on the criteria dictated in GASB Statement No. 87 – Leases.

At the commencement of a lease, the District determines based on the criteria dictated in GASB Statement No. 87 – Leases, if the lease is a finance purchase or a right to use lease liability. Then the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease liabilities are reported with the long-term obligations on the statement of net position.

A finance purchased asset is initially measured as the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. The asset is depreciated on a straight-line basis over the life of the lease which is considered the asset’s useful life. The asset is reported with the District capital assets as land, land improvements, buildings and improvements or furniture and equipment.

An intangible right-to use lease asset is initially measured as the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date. The intangible right-to use lease asset is amortized on a straight-line basis over the life of the lease. The intangible right-to use lease asset is reported with the District’s capital assets in its own category called Right-to-Use Lease Assets.

Key estimates and judgements related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District is utilizing the treasury bill rate (corresponding to length of lease) in place at the date of implementation along with other risk factors to determine the discount interest rate for leases.

The District has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position.

The District has determined all of their lease agreements qualify as right-to-use assets. As of June 30, 2022, total future minimum lease payments under right-to-use lease agreements are as follows:

Year Ending			
June 30,	Principal	Interest	Total
2023	31,239	4,167	35,406
2024	21,963	2,605	24,568
2025	21,671	1,507	23,178
2026	8,476	424	8,900
	83,349	8,703	92,052

Town of Hammonton School District
Notes to Financial Statements
June 30, 2022

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:

<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.

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, 2022 were \$336,129. Employers in PERS are required to contribute at an actuarially

Town of Hammonton School District
Notes to Financial Statements
June 30, 2022

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, 2022, and 2021, were \$703,548 and \$665,211 respectively.

The total payroll for the year ended June 30, 2022 was \$34,190,378. Payroll covered by PERS was \$4,481,720 for fiscal year 2022.

Components of Net Pension Liability - At June 30, 2022, the District's proportionate share of the PERS net pension liability was \$7,116,784. The net pension liability was measured as of June 30, 2021. 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, 2021. The District's proportion measured as of June 30, 2021 was 0.060075% which was a decrease of 0.00073% from its proportion measured as of June 30, 2020.

Pension Expense and Deferred Outflows/Inflows of Resources - The District's 2021 PERS pension expense, with respect to GASB 68, was (\$1,183,897). The District's 2022 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	\$ 112,241	\$ 50,948
Changes of assumptions	37,064	2,533,621
Net difference between projected and actual earnings on pension plan investments		1,874,748
Changes in proportion	440,413	259,230
Contributions subsequent to the measurement date	703,548	
Total	\$ <u>1,293,266</u>	\$ <u>4,718,547</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
2022	\$ (1,253,336)
2023	(894,879)
2024	(610,155)
2025	(458,655)
2026	178
Total	\$ <u>(3,216,847)</u>

Additional Information - Collective Balances at June 30, 2022 and 2021 are as follows:

Town of Hammonton School District
Notes to Financial Statements
June 30, 2022

Year		6/30/2022		6/30/2021
Collective deferred outflows of resources	\$	1,293,266	\$	2,086,190
Collective deferred inflows of resources	\$	4,718,547	\$	4,637,827
Collective Net Pension Liability	\$	7,116,784	\$	9,916,212
District's Proportion		0.060075%		0.060808%

Actuarial Assumptions - The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. 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-2021.

The actuarial assumptions used in the July 1, 2020 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, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of

**Town of Hammonton School District
Notes to Financial Statements
June 30, 2022**

return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	PERS	
	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	3.00%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Total	<u>100.00%</u>	

Discount Rate - The discount rate, as of June 30, 2021, 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 100% 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, 2021, 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:

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	\$ <u>9,691,617</u>	\$ <u>7,116,784</u>	\$ <u>4,931,674</u>

**Town of Hammonton School District
Notes to Financial Statements
June 30, 2022**

Teachers' Pension and Annuity Fund

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

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

The following represents the membership tiers for TPAF:

Tier	Definition
1	Members who are enrolled prior to July 1, 2007.
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008.
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010.
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011.
5	Members who were eligible to enroll on or after June 28, 2011.

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

Contributions - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. The member contribution rate was 7.5% in as of July 1, 2019. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2021, 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

**Town of Hammonton School District
Notes to Financial Statements
June 30, 2022**

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, 2022, the State of New Jersey contributed \$8,533,171 to the TPAF for pension contributions, \$1,993,694 for post-retirement benefits on behalf of the School, and \$2,545 for long-term disability. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,784,529 during the year ended June 30, 2022 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, 2022, 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, 2022, the District recognized pension expense of \$2,259,396 and revenue of \$2,259,396 for support provided by the State.

Actuarial Assumptions - The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. 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%

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, 2021 are summarized in the following table:

Asset Class	TPAF Target Allocation	Long-Term Expected Real Rate of Return
Risk mitigation strategies	3.00%	3.35%
Cash equivalents	4.00%	0.50%
US Treasuries	5.00%	0.95%
Investment grade credit	8.00%	1.68%
High yield	2.00%	3.75%

Town of Hammonton School District
Notes to Financial Statements
June 30, 2022

Private credit	8.00%	7.60%
Real assets	3.00%	7.40%
Real estate	8.00%	9.15%
U.S. equity	27.00%	8.09%
Non-U.S. developed markets equity	13.50%	8.71%
Emerging markets equity	5.50%	10.96%
Private equity	13.00%	11.30%
Total	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 100% 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. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments 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, 2021, 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 (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount (7.00%)</u>	<u>1% Increase (8.00%)</u>
State's Share of the Net Pension Liability associated with the District	\$ 113,607,842	\$ 96,020,121	\$ 81,247,541
State's Share of the Net Pension Liability	\$ <u>56,988,413,045</u>	\$ <u>48,165,991,182</u>	\$ <u>40,755,711,186</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

**Town of Hammonton School District
Notes to Financial Statements
June 30, 2022**

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, 2022, employee contributions totaled \$150,944 and the District’s employer contribution, recognized in pension expense, was \$82,333. There were no forfeitures during the fiscal year.

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

NOTE 9. POST-RETIREMENT BENEFITS

General Information about the OPEB Plan

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

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14- 17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers’ Pension and Annuity Fund (TPAF), the Public Employees’ Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78,

**Town of Hammonton School District
Notes to Financial Statements
June 30, 2022**

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, 2021, was \$60,007,650,970. Of this amount, the total OPEB liability attributable to the School District was \$130,445,538. The State of New Jersey’s proportionate share of the total OPEB liability is 100%, including the proportion attributable to the School District of 0.2173%. The total OPEB liability for the School District measured as of June 30, 2021 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, 2021 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, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. 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%

Town of Hammonton School District
Notes to Financial Statements
June 30, 2022

Thereafter	2.75% - 5.65%	3.00% - 7.00%	Applied to all future years
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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-2021. 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-2021.

The actuarial assumptions used in the June 30, 2021 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 5.65% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% 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%.

Discount rate

The discount rate for June 30, 2021 was 2.16%. 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	<u>Total OPEB Liability</u>
Balance as of June 30, 2020 Measurement Date	\$ <u>67,809,962,608</u>
Changes for the year:	
Service Cost	3,217,184,264
Interest	1,556,661,679
Changes of Benefit Terms	(63,870,842)
Differences between Expected and Actual experience	(11,385,071,658)

Town of Hammonton School District
Notes to Financial Statements
June 30, 2022

Changes of Assumptions	59,202,105
Contributions from the Employer	<u>(1,186,417,186)</u>
Net Changes	<u>(7,802,311,638)</u>
Balance as of June 30, 2021 Measurement Date	<u>\$ 60,007,650,970</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, 2021, 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, 2021		
	At 1.00% Decrease 1.16%	At Discount Rate 2.16%	At 1.00% Increase 3.16%
\$	71,879,745,555	60,007,650,970	50,659,089,138

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, 2021, 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:

	June 30, 2021		
	Healthcare Cost Trend		
	1.00% Decrease	Rate	1.00% Increase
\$	48,576,388,417	60,007,650,970	75,358,991,782

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

For the year ended June 30, 2022, the School District recognized OPEB expense of \$7,552,544. 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	\$ 19,664,085	\$ 39,149,025
Changes of Assumptions	22,128,431	13,995,591
Net difference Between Projected and Actual Earnings on OPEB Plan Investments		

**Town of Hammonton School District
Notes to Financial Statements
June 30, 2022**

Changes in Proportion		2,675,835		357,649
Contributions Subsequent to the Measurement Date				
	Total	\$	<u>44,468,351</u>	\$ <u>53,502,265</u>

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		OPEB
June 30,		
2022	\$	(2,225,953)
2023		(2,225,953)
2024		(2,225,953)
2025		(2,225,953)
2026		(1,515,065)
Thereafter		<u>1,384,963</u>
Total	\$	<u>(9,033,914)</u>

NOTE 10. DEFERRED COMPENSATION

The Board offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

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

NOTE 11. COMPENSATED ABSENCES

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

Town of Hammonton School District
Notes to Financial Statements
June 30, 2022

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, 2022, a liability existed for compensated absences in the Food Service Program in the amount of \$39,225.

NOTE 12. CAPITAL RESERVE ACCOUNT

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

Funds placed in the capital reserve account are restricted to capital projects in the district’s approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to NJAC 6:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity in the capital reserve for the 2022 fiscal year is as follows:

Beginning balance, July 1, 2021	\$4,123,257
Interest Earnings	5,113
Withdrawal	(2,156,856)
Board Resolution dated June 2, 2022	<u>2,000,000</u>
Ending balance, June 30, 2022	<u><u>\$3,971,514</u></u>

The 2022-2023 Budget includes a withdrawal from the Capital Reserve Account in the amount of \$200,657.

Town of Hammonton School District
Notes to Financial Statements
June 30, 2022

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 \$549,409 for the 2022 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 2022 fiscal year is as follows:

Beginning balance, July 1, 2021	\$ 325,998
Interest Earnings	849
Budgeted Deposit	600
Ending balance, June 30, 2022	<u>\$ 327,447</u>

NOTE 14. MAINTENANCE RESERVE

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

The activity in the maintenance reserve for the 2022 fiscal year is as follows:

Beginning balance, July 1, 2021	\$2,452,953
Interest Earnings	4,663
Budgeted Withdrawal	<u>(659,455)</u>
Ending balance, June 30, 2022	<u>\$1,798,161</u>

The 2022-2023 Budget includes a withdrawal from the Maintenance Reserve Account in the amount of \$140,730.

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 2022 fiscal year is as follows:

Town of Hammonton School District
Notes to Financial Statements
June 30, 2022

Beginning balance, July 1, 2021	\$ 800,000
Interest Earnings	<u>2,080</u>
Ending balance, June 30, 2022	<u>\$ 802,080</u>

The 2022-2023 Budget includes a withdrawal from the Maintenance Reserve Account in the amount of \$800,000.

NOTE 16. DEFICIT FUND BALANCES

The District has a deficit fund balance of \$139,041 in the Special Revenue Fund as of June 30, 2022 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last state aid payment in the subsequent fiscal year, the school district can not recognize the last state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last state aid payment, the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of correction action. The District deficit in the GAAP funds statement of \$139,041 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, 2022, there is a balance of \$3,971,514 in the Capital Reserve Account of which \$200,657 has been appropriated and included as anticipated revenue for the year ended June 30, 2022.

Maintenance Reserve – As of June 30, 2022, there is a balance of \$1,798,161 in the Maintenance Reserve Account of which \$140,730 has been appropriated and included as anticipated revenue for the year ended June 30, 2022.

Emergency Reserve – As of June 30, 2022, there is a balance of \$327,447 in the Emergency Reserve Account of which \$0 has been appropriated and included as anticipated revenue for the year ended June 30, 2022.

Town of Hammonton School District
Notes to Financial Statements
June 30, 2022

Unemployment Compensation Reserve – As of June 30, 2022, there is a balance of \$511,387 in the Unemployment Compensation Reserve Account of which \$2,000 has been appropriated and included as anticipated revenue for the year ended June 30, 2022.

Tuition Reserve – As of June 30, 2022, there is a balance of \$802,080 in the Tuition Reserve Account of which \$800,000 has been appropriated and included as anticipated revenue for the year ended June 30, 2022.

Excess Surplus – As of June 30, 2022, there is a balance of \$504,173 in the Excess Surplus Account of which \$504,173 has been appropriated and included as anticipated revenue for the year ended June 30, 2022.

Special Revenue Fund:

Scholarships Reserve – As of June 30, 2022, there is a balance of \$136,076 in the Scholarships Reserve Account of which \$0 has been appropriated and included as anticipated revenue for the year ended June 30, 2022.

Student Activities Reserve – As of June 30, 2022, there is a balance of \$315,504 in the Student Activities Reserve Account of which \$0 has been appropriated and included as anticipated revenue for the year ended June 30, 2022.

Assigned Fund Balance

General Fund – As of June 30, 2022, \$504,173 in Excess Surplus has been included as anticipated revenue for the subsequent year ended June 30, 2023. Additionally, \$543,809 is for year-end encumbrances.

Debt Service Fund – As of June 30, 2022, there is a balance of \$83,900 in the Debt Service Fund for the subsequent year ended June 30, 2023.

Unassigned Fund Balance (Deficit)

General Fund – As of June 30, 2022, there is a balance of \$2,180,505 in the general fund for the year ended June 30, 2022.

Special Revenue Fund Deficit – As of June 30, 2022, the special revenue fund deficit is \$139,041. 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, 2022 is \$504,173.

**Town of Hammonton School District
Notes to Financial Statements
June 30, 2022**

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, 2022 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:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021-2022	\$0	59,164	1,128	0	511,387
2020-2021	0	63,123	1,985	25,113	451,095
2019-2020	0	57,104	5,211	(79,186)	360,874

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 28% of the Districts 2021-2022 governmental operations.

NOTE 21. INTERFUND RECEIVABLES AND PAYABLES

The following Interfund balances remained on the balance sheet at June 30, 2022:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 1,708,433	
Special Revenue Fund		\$ 1,545,435
Food Service Program		162,998
	\$ <u>1,708,433</u>	\$ <u>1,708,433</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 Architectural Services in the amount \$468,200.

Required Supplementary Information
Part II

TOWN OF HAMMONTON SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$18,198,582		18,198,582	18,198,582	0
Tuition from LEAs within State	8,860,464		8,860,464	9,064,680	204,216
Tuition from Other Governmental Sources within State				7,498	7,498
Transportation Fees from Other LEA's	80,000		80,000	47,458	(32,542)
Interest earned on Reserves	6,900		6,900	12,705	5,805
Interest earned				12,794	12,794
Miscellaneous	80,000		80,000	102,411	22,411
Total - Local Sources	27,225,946	0	27,225,946	27,446,128	220,182
State Sources:					
Equalization Aid	19,018,316		19,018,316	19,018,316	0
Categorical Special Education Aid	2,297,445		2,297,445	2,297,445	0
Categorical Security Aid	773,246		773,246	773,246	0
Categorical Transportation Aid	757,886		757,886	757,886	0
Special Education Extraordinary Aid	150,000		150,000	456,099	306,099
Public School Choice Aid	2,103,756		2,103,756	2,103,756	0
Non Public Transportation Aid				19,720	19,720
Securing Our Children's Future Bond Act (Alyssa's Law)		193,509	193,509		(193,509)
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				1,993,694	1,993,694
TPAF Non-Contributory (On-Behalf - Non-Budgeted)				8,533,171	8,533,171
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)				2,545	2,545
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,784,529	1,784,529
Total - State Sources	25,100,649	193,509	25,294,158	37,740,407	12,446,249
Federal Sources:					
Medicaid Reimbursement and unrestricted federal funds	83,809		83,809	117,686	33,877
	83,809	0	83,809	117,686	33,877
Total Revenues	\$52,410,404	193,509	52,603,913	65,304,221	12,700,308

62

TOWN OF HAMMONTON SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	808,630	(65,174)	743,456	743,456	0
Grades 1-5	4,748,625	(98,045)	4,650,580	4,640,880	9,700
Grades 6-8	4,313,076	(24,330)	4,288,746	4,284,466	4,280
Grades 9-12	6,496,095	(393,165)	6,102,930	6,097,425	5,505
Regular Programs - Home Instruction:					
Salaries of Teachers	150,000	(47,200)	102,800	99,854	2,946
Purchased Professional-Educational Services	25,000	19,887	44,887	43,187	1,700
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	167,091	(54,236)	112,855	109,517	3,338
Purchased Professional-Educational Services	67,866	(4,452)	63,414	47,658	15,756
Purchased Technical Services	37,153	(12,163)	24,990	7,488	17,502
Other Purchased Services	70,925	16,833	87,758	75,586	12,172
General Supplies	706,565	(106,669)	599,896	480,926	118,970
Textbooks	167,250	(92,992)	74,258	48,240	26,018
Other Objects	12,800	0	12,800	601	12,199
Total Regular Programs	17,771,076	(861,706)	16,909,370	16,679,284	230,086
Special Education - Instruction:					
Learning and/or Language Disabilities					
Salaries of Teachers	381,491	(25,501)	355,990	353,501	2,489
Other Salaries for Instruction	187,045	0	187,045	173,874	13,171
General Supplies	2,529	0	2,529	79	2,450
Total Learning and/or Language Disabilities	571,065	(25,501)	545,564	527,454	18,110
Emotional Regulation Impairment					
Salaries of Teachers	383,344	(134,808)	248,536	248,536	0
Other Salaries for Instruction	123,808	(16,000)	107,808	105,871	1,937
Purchased Professional-Educational Services	3,200	0	3,200	825	2,375
General Supplies	3,230	0	3,230	468	2,762
Textbooks	1,000	0	1,000		1,000
Total Emotional Regulation Impairment	514,582	(150,808)	363,774	355,700	8,074
Multiple Disabilities					
Salaries of Teachers	1,040,194	(54,035)	986,159	936,806	49,353
Other Salaries for Instruction	444,895	(44,600)	400,295	391,536	8,759
Purchased Professional Educational Services	2,427	0	2,427	2,000	427
General Supplies	29,550	(7,800)	21,750	9,723	12,027
Textbooks	3,190	0	3,190	814	2,376
Total Multiple Disabilities	1,520,256	(106,435)	1,413,821	1,340,879	72,942

63

TOWN OF HAMMONTON SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Resource Room/Resource Center					
Salaries of Teachers	670,395	(23,000)	647,395	634,930	12,465
Other Salaries for Instruction	162,128	(48,700)	113,428	101,262	12,166
General Supplies	9,500	(300)	9,200	3,543	5,657
Total Resource Room/Resource Center	842,023	(72,000)	770,023	739,735	30,288
Preschool Disabilities - Full -Time					
Salaries of Teachers	97,554	31,173	128,727	128,727	0
Other Salaries for Instruction	117,858	(33,500)	84,358	84,289	69
Other Purchased Services	100	0	100		100
General Supplies	2,500	14,027	16,527	14,421	2,106
Other Objects	115	0	115		115
Total Preschool Disabilities - Full-Time	218,127	11,700	229,827	227,437	2,390
Home Instruction					
Purchased Professional Education Services	23,600	90,820	114,420	113,132	1,288
Total Home Instruction	23,600	90,820	114,420	113,132	1,288
Total Special Education - Instruction	3,689,653	(252,224)	3,437,429	3,304,337	133,092
Bilingual Education - Instruction:					
Salaries of Teachers	814,556	(5,420)	809,136	797,697	11,439
Other Salaries for Instruction	130,128	(16,300)	113,828	97,664	16,164
Purchased Professional Educational Services	6,805	0	6,805	1,532	5,273
General Supplies	34,355	2,900	37,255	27,429	9,826
Total Bilingual Education - Instruction	985,844	(18,820)	967,024	924,322	42,702
School Sponsored Cocurricular Activities - Instruction:					
Salaries	324,000	(53,216)	270,784	269,482	1,302
Purchased Services	20,570	11,755	32,325	28,245	4,080
Supplies and Materials	38,210	(6,100)	32,110	15,984	16,126
Other Objects	4,600	0	4,600	694	3,906
Total School Sponsored Cocurricular Activities - Instruction	387,380	(47,561)	339,819	314,405	25,414
School-Sponsored Athletics - Instruction					
Salaries	389,000	102,782	491,782	490,977	805
Purchased Services	14,400	10,868	25,268	24,111	1,157
Supplies and Materials	96,000	57,007	153,007	114,253	38,754
Other Objects	5,550	(4,093)	1,457		1,457
Transfers to Cover Deficit (Agency Funds)	80,000	18,000	98,000	98,000	0
Total School-Sponsored Athletics - Instruction	584,950	184,564	769,514	727,341	42,173
Total Instruction	23,418,903	(995,747)	22,423,156	21,949,689	473,467

(continued)

TOWN OF HAMMONTON SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2022

	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	(18,648)	38,459	38,083	376
Tuition to Other LEAs Within the State - Special	151,400	(14,924)	136,476	136,441	35
Tuition to Co. Voc. School District - Regular	406,728	(36,553)	370,175	370,175	0
Tuition to Co. Voc. School District - Special	19,125	0	19,125	19,125	0
Tuition to CSSD & Regional Day Schools	993,525	(71,410)	922,115	922,115	0
Tuition to Private Schools for the Disabled - Within State	1,457,740	190,783	1,648,523	1,641,677	6,846
Tuition - State Facilities	39,872	0	39,872	39,872	0
Total Undistributed Expenditures - Instruction	3,125,497	49,248	3,174,745	3,167,488	7,257
Undistributed Expenditures - Attendance and Social Work:					
Salaries	83,130	8,800	91,930	91,337	593
Purchased Professional & Technical Services	43,000	(863)	42,137	41,925	212
Other Purchased Services	1,000	0	1,000	5	995
Supplies and Materials	2,695	0	2,695	1,366	1,329
Total Undistributed Expenditures - Attendance and Social Work	129,825	7,937	137,762	134,633	3,129
Undistributed Expenditures - Health Services:					
Salaries	340,237	33,863	374,100	373,997	103
Purchased Professional and Technical Services	36,600	(200)	36,400	35,051	1,349
Other Purchased Services	6,050	8,212	14,262	12,027	2,235
Supplies and Materials	19,525	28,788	48,313	45,857	2,456
Total Undistributed Expenditures - Health Services	402,412	70,663	473,075	466,932	6,143
Undistributed Expenditures - Other Support Services - Students - Related Services:					
Salaries	335,080	(9,884)	325,196	320,254	4,942
Purchased Professional-Educational Services	73,100	41,140	114,240	111,480	2,760
Supplies and Materials	8,310	(837)	7,473	2,799	4,674
Other Objects		837	837	837	0
Total Undistributed Expenditures - Other Support Services - Students - Related Services	416,490	31,256	447,746	435,370	12,376
Undistributed Expenditures - Other Support Services - Students - Extraordinary Services:					
Salaries	824,049	(51,828)	772,221	772,123	98
Purchased Professional Educational Services	208,900	(129,730)	79,170	75,270	3,900
Supplies and Materials	3,393	0	3,393	1,678	1,715
Total Undistributed Expenditures - Other Support Services - Students - Extraordinary Services	1,036,342	(181,558)	854,784	849,071	5,713

65

TOWN OF HAMMONTON SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2022

	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	871,684	90,200	961,884	959,094	2,790
Salaries of Secretarial and Clerical Assistants	149,890	3,000	152,890	151,021	1,869
Purchased Professional Educational Services	5,770	0	5,770		5,770
Other Purchased Professional & Technical Services	6,589	(6,377)	212		212
Other Purchased Services	7,750	2,731	10,481	9,467	1,014
Supplies and Materials	21,755	(13,525)	8,230	7,379	851
Other Objects	2,625	0	2,625	1,672	953
Total Undistributed Expenditures - Other Support Services -					
Regular	<u>1,066,063</u>	<u>76,029</u>	<u>1,142,092</u>	<u>1,128,633</u>	<u>13,459</u>
Undistributed Expenditures - Other Support Services -					
Students - Special:					
Salaries of Other Professional Staff	1,009,934	(29,073)	980,861	977,962	2,899
Salaries of Secretarial and Clerical Assistants	92,697	1,000	93,697	87,910	5,787
Purchased Professional Educational Services	102,747	(29,673)	73,074	64,685	8,389
Other Purchased Professional and Technical Services	12,955	100	13,055	10,167	2,888
Miscellaneous Purchased Services	11,685	(2,555)	9,130	5,143	3,987
Supplies and Materials	22,660	(6,433)	16,227	9,839	6,388
Other Objects	2,415	0	2,415	500	1,915
Total Undistributed Expenditures - Other Support Services -					
Students - Special	<u>1,255,093</u>	<u>(66,634)</u>	<u>1,188,459</u>	<u>1,156,206</u>	<u>32,253</u>
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	6,615	0	6,615	6,180	435
Supplies and Materials	2,400	0	2,400		2,400
Total Undistributed Expenditures - Other Support Services -					
Improvement of Instructional Services	<u>11,470</u>	<u>0</u>	<u>11,470</u>	<u>6,180</u>	<u>5,290</u>
Undistributed Expenditures - Educational Media Services -					
School Library					
Salaries	331,499	10,600	342,099	341,649	450
Purchased Professional and Technical Services	38,450	(4,857)	33,593	32,166	1,427
Other Purchased Services	5,130	(4,500)	630		630
Supplies and Materials	50,700	(26,567)	24,133	20,202	3,931
Other Objects	36,015	(7,825)	28,190	26,575	1,615
Total Undistributed Expenditures - Educational Media Services -					
School Library	<u>481,794</u>	<u>(33,149)</u>	<u>428,645</u>	<u>420,592</u>	<u>8,053</u>

TOWN OF HAMMONTON SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Instructional Staff Training Services					
Salaries of Supervisors of Instruction	862,790	104,300	967,090	962,122	4,968
Salaries of Secretarial and Clerical Assistants	63,252	3,938	67,190	67,190	0
Purchased Professional-Educational Services	11,300	0	11,300	1,253	10,047
Purchased Professional and Technical Services	1,300	0	1,300	980	320
Other Purchased Services	19,813	(8,534)	11,279	3,902	7,377
Supplies and Materials	9,225	(1,531)	7,694	7,050	644
Other Objects	3,950	7,864	11,814	10,340	1,474
Total Undistributed Expenditures - Instructional Staff Training Srvc	971,630	106,037	1,077,667	1,052,837	24,830
Undistributed Expenditures - Support Services - Gen. Admin.:					
Salaries	307,976	0	307,976	304,910	3,066
Legal Services	175,000	(19,500)	155,500	90,779	64,721
Audit Fees	25,000	0	25,000	19,700	5,300
Architectural/Engineering Services	20,700	1,280	21,980	5,675	16,305
Other Purchased Professional Services	2,000	(1,280)	720	720	0
Purchased Technical Services	80	0	80	80	0
Communications/Telephone	135,200	(9,000)	126,200	111,369	14,831
BOE Other Purchased Services	1,700	0	1,700	1,700	0
Other Purchased Services	158,100	3,000	161,100	155,726	5,374
General Supplies	3,400	7,600	11,000	9,902	1,098
BOE IN-House Training/Meeting Supplies	1,825	500	2,325	1,866	459
Miscellaneous Expenditures	5,836	(1,000)	4,836	2,989	1,847
Membership Dues and Fees	19,300	(1,100)	18,200	16,526	1,674
Total Undistributed Expenditures - Support Services - Gen. Admin.	856,117	(19,500)	836,617	719,442	117,175
Undistributed Expenditures - Support Serv. - School Admin.:					
Salaries of Principals/Assistant Principals	1,217,604	11,300	1,228,904	1,216,380	12,524
Salaries of Secretarial and Clerical Assistants	717,473	0	717,473	629,104	88,369
Purchased Professional and Technical Services	600	0	600	420	180
Other Purchased Services	101,880	0	101,880	53,146	48,734
Supplies and Materials	72,550	(3,600)	68,950	42,897	26,053
Other Objects	14,395	0	14,395	9,155	5,240
Total Undistributed Expenditures - Support Serv. - School Admin.	2,124,502	7,700	2,132,202	1,951,102	181,100
Undistributed Expenditures - Central Services					
Salaries	507,118	4,300	511,418	511,324	94
Purchased Professional Services	46,000	1,600	47,600	47,596	4
Purchased Technical Services	48,000	1,215	49,215	49,215	0
Misc. Purchased Services (400-500 series)	17,600	(4,415)	13,185	9,796	3,389
Supplies and Materials	4,700	1,900	6,600	6,197	403
Interest on Lease Purchased Agreements	800	0	800	800	0
Miscellaneous Expenditures	4,700	(300)	4,400	2,970	1,430
Total Undistributed Expenditures - Central Services	628,918	4,300	633,218	627,098	6,120

(continued)

TOWN OF HAMMONTON SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Admin. Info Technology					
Salaries	315,517	0	315,517	307,007	8,510
Purchased Technical Services	81,425	2,880	84,305	80,905	3,400
Other Purchased Services (400-500 series)	73,500	35,602	109,102	109,102	0
Supplies and Materials	20,384	85	20,469	14,032	6,437
Other Objects	820	(200)	620		620
Total Undistributed Expenditures - Admin. Info Technology	491,646	38,367	530,013	511,046	18,967
Undistributed Expenditures - Required Maint for School Facilities					
Interest Earned on Maintenance Reserve	2,500	0	2,500		2,500
Salaries	417,490	(49,937)	367,553	364,596	2,957
Cleaning, Repair, and Maintenance Services	876,900	(459,375)	417,525	178,728	238,797
Lead Testing of Drinking Water		4,093	4,093	4,052	41
General Supplies	96,860	72,910	169,770	128,188	41,582
Other Objects	1,950	0	1,950	625	1,325
Total Undistributed Expenditures - Required Maint for School Facilities	1,395,700	(432,309)	963,391	676,189	287,202
Undistributed Expenditures - Operation and Maintenance of Plant Services:					
Salaries	926,873	53,317	980,190	976,466	3,724
Salaries of Non-Instructional Aides	370,849	(37,290)	333,559	333,559	0
Purchased Professional and Technical Services	1,000	3,600	4,600	4,595	5
Cleaning, Repair, and Maintenance Services	57,100	52,730	109,830	104,482	5,348
Rental of Land & Buildings Other than Lease		4,200	4,200	3,646	554
Other Purchased Property Services	69,900	(14,147)	55,753	49,055	6,698
Insurance	208,000	4,733	212,733	212,733	0
Miscellaneous Purchased Services	23,300	(8,140)	15,160	14,864	296
General Supplies	362,700	(43,672)	319,028	318,236	792
Energy (Natural Gas)	258,700	112,024	370,724	364,244	6,480
Energy (Electricity)	897,800	142,400	1,040,200	1,037,369	2,831
Energy (Gasoline)	15,000	3,500	18,500	18,020	480
Other Objects	1,910	(200)	1,710	30	1,680
Total Undistributed Expenditures - Operation and Maintenance of Plant Services	3,193,132	273,055	3,466,187	3,437,299	28,888
Undistributed Expenditures - Care and Upkeep of Grounds					
Salaries	335,610	(11,000)	324,610	322,869	1,741
Purchased Professional & Technical Services	100	0	100		100
Cleaning, Repair, and Maintenance Services	33,050	39,010	72,060	51,212	20,848
General Supplies	81,800	7,254	89,054	87,283	1,771
Other Objects	6,350	(1,810)	4,540	3,770	770
Total Undistributed Expenditures - Care and Upkeep of Grounds	456,910	33,454	490,364	465,134	25,230

(continued)

TOWN OF HAMMONTON SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Security					
Salaries	84,250	(11,900)	72,350	70,774	1,576
Purchased Professional & Technical Services	231,445	1,900	233,345	220,728	12,617
Cleaning, Repair, & Maintenance Services	38,030	(23,794)	14,236	2,052	12,184
General Supplies	31,807	(15,890)	15,917	7,653	8,264
Total Undistributed Expenditures - Security	385,532	(49,684)	335,848	301,207	34,641
Total Operation & Maintenance Services	5,431,274	(175,484)	5,255,790	4,879,829	375,961
Undistributed Expenditures - Student Transportation Services:					
Salaries of Non-Instructional Aides	390,851	(206,900)	183,951	180,880	3,071
Sal for Pupil Transp (Between Home and School)-Reg.	1,035,667	17,000	1,052,667	1,039,818	12,849
Sal for Pupil Transp (Between Home and School)-Sp Ed	196,242	0	196,242	194,639	1,603
Sal for Pupil Transp (Other than Between Home & School)	63,000	0	63,000	62,981	19
Other Purchased Professional and Technical Services	10,000	0	10,000	5,211	4,789
Cleaning, Repair, and Maintenance Services	65,000	0	65,000	29,940	35,060
Contracted Services - (Betw Home/Sch) - Vendors	652	0	652		652
Contracted Services - (Other than betw Home/Sch) - Vendors	13,300	(13,300)			0
Contracted Services - (Betw Home/Sch) - Joint Agr	7,000	(2,197)	4,803		4,803
Contracted Services - (Special Education) - Vendors	1,200	(197)	1,003		1,003
Contracted Services - (Special Education) - Joint Agr	227,600	578,979	806,579	802,168	4,411
Contracted Services - ESCs	0	33,054	33,054	30,761	2,293
Contracted Services - (Special Education) - ESCs	239,000	(178,835)	60,165	58,861	1,304
Contracted Services - Aid in Lieu of Payments-Non Pub Sch	67,000	5,000	72,000	68,983	3,017
Contracted Services - Aid in Lieu of Payments-Charter	1,000	0	1,000	544	456
Contracted Services - Aid in Lieu of Payments-Choice	11,000	0	11,000	7,700	3,300
Miscellaneous Purchased Services	51,300	0	51,300	45,185	6,115
General Supplies	180,000	6,493	186,493	186,493	0
Transportation Supplies	192,275	(25,560)	166,715	160,860	5,855
Other Objects	2,000	0	2,000		2,000
Total Undistributed Expenditures - Student Transportation Serv.	2,754,087	213,537	2,967,624	2,875,024	92,600
Interest Earned on Current Expense Emergency Reserves	600	0	600		600
Unallocated Benefits:					
Social Security Contributions	748,000	(16,563)	731,437	710,996	20,441
Other Retirement Contributions - PERS	810,000	22,116	832,116	831,444	672
Unemployment Compensation	2,000	0	2,000	1,112	888
Workmen's Compensation	468,472	(4,693)	463,779	462,706	1,073
Health Benefits	6,030,709	1,074,639	7,105,348	6,912,036	193,312
Tuition Reimbursement	42,000	(17,101)	24,899	24,900	(1)
Other Employee Benefits	408,300	(29,000)	379,300	373,992	5,308
Unused Vac Payment to Term/Ret Staff	81,845	20,413	102,258	89,839	12,419
Total Unallocated Benefits	8,591,326	1,049,811	9,641,137	9,407,025	234,112

69

TOWN OF HAMMONTON SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				1,993,694	(1,993,694)
TPAF Non-Contributory (On-Behalf - Non-Budgeted)				8,533,171	(8,533,171)
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)				2,545	(2,545)
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,784,529	(1,784,529)
Total On-behalf Contributions	0	0	0	12,313,939	(12,313,939)
Total Undistributed Expenditures	29,755,086	1,178,560	30,933,646	42,102,447	(11,168,801)
Total Current Expense	53,173,989	182,813	53,356,802	64,052,136	(10,695,334)
Capital Outlay:					
Interest Deposit to Capital Reserve	3,800	0	3,800		3,800
Equipment					
Grades 1- 5		7,127	7,127		7,127
Grades 6 - 8		4,936	4,936	4,936	0
Grades 9 - 12		7,000	7,000	4,995	2,005
School sponsored		38,970	38,970	38,970	0
Undistributed Expenditures:					
Support Services - Regular		4,570	4,570	4,570	0
Support Services - Admin. Info. Tech.		12,393	12,393		12,393
Undistr. Expenditures - Custodial		19,775	19,775	19,775	0
Undistr. Expenditures - Care and Upkeep of Grounds	100,000	(23,475)	76,525	32,395	44,130
Undistr. Expenditures - Security		194,838	194,838	17,355	177,483
Undistr. Expenditures - School buses - Regular		110,750	110,750	110,750	0
Undistr. Expenditures - School buses - Special		4,531	4,531	4,531	0
Total Equipment	100,000	381,415	481,415	238,277	243,138
Facilities Acquisition and Construction Services					
Architectural/Engineering Services		117,450	117,450	74,652	42,798
Construction Services	1,500,000	85,049	1,585,049	1,575,087	9,962
Assessment for Debt Service on SDA Funding	163,157	0	163,157	163,157	0
Total Facilities Acquisition and Construction Services	1,663,157	202,499	1,865,656	1,812,896	52,760
Total Capital Outlay	1,766,957	583,914	2,350,871	2,051,173	299,698
Transfer of Funds to Charter Schools		10,461	10,461	10,461	0

70

TOWN OF HAMMONTON SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Total Expenditures	54,940,946	777,188	55,718,134	66,113,770	(10,395,636)
Other Financing Sources (Uses):					
Capital Reserve-Transfer to Debt Service	(295,000)	0	(295,000)	(295,000)	0
Local Contribution - Transfer to Special Revenue Fund	(270,367)		(270,367)	(270,367)	0
Transfer to Cover Deficit - Enterprise Fund	(140,000)	14,000	(126,000)		126,000
Capital Lease Income				77,250	77,250
Prior year encumbrances				2,008	2,008
Refund prior year expenditures				246,185	246,185
Total Other Financing Sources (Uses)	(705,367)	14,000	(691,367)	(239,924)	451,443
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(3,235,909)	(569,679)	(3,805,588)	(1,049,473)	2,756,115
Fund Balances, July 1	11,688,549		11,688,549	11,688,549	0
Prior Period Adjustment					
Fund Balances, July 1 Restated				11,688,549	
Fund Balances, June 30	\$8,452,640	(569,679)	7,882,961	10,639,076	2,756,115

Recapitulation of Fund Balance:

Restricted Fund Balance:	
Maintenance Reserve	1,657,431
Emergency Reserve	327,447
Capital Reserve	3,770,857
Tuition Reserve	2,080
Unemployment Compensation	509,387
Assigned Fund Balance:	
Year End Encumbrances	543,809
Prior Year Excess Surplus -	
Designated for Subsequent Year's Expenditures	504,173
Capital Reserve Designated for Subsequent Year's Exp.	163,157
Capital Reserve Designated for Debt Service	37,500
Maintenance Reserve Designated for Subsequent Year's Exp.	140,730
Tuition Reserve Designated for Subsequent Year's Exp.	800,000
Unemployment Compensation Designated for Subsequent Year's Exp.	2,000
Unassigned Fund Balance	2,180,505
	10,639,076
Reconciliation to Governmental Funds Statements (GAAP):	
Last State Aid Payment Not Recognized on GAAP Basis:	(2,390,700)
Fund Balance per Governmental Funds (GAAP)	\$8,248,376

TOWN OF HAMMONTON SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Under/(Over) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Programs	885,908	(391)	885,517	729,387	(156,130)
Total - Local Sources	<u>885,908</u>	<u>(391)</u>	<u>885,517</u>	<u>729,387</u>	<u>(156,130)</u>
State Sources:					
Preschool Education Aid	399,209	1,005,896	1,405,105	890,335	(514,770)
Nonpublic aid	161,775	(5,359)	156,416	98,531	(57,885)
Other State Aid	0	84,303	84,303	84,303	0
Total - State Sources	<u>560,984</u>	<u>1,084,840</u>	<u>1,645,824</u>	<u>1,073,169</u>	<u>(572,655)</u>
Federal Sources:					
Title I	756,119	113,675	869,794	825,750	(44,044)
I.D.E.A., Part B	727,662	89,294	816,956	808,260	(8,696)
Other	78,026	9,236,082	9,314,108	2,933,133	(6,380,975)
Total - Federal Sources	<u>1,561,807</u>	<u>9,439,051</u>	<u>11,000,858</u>	<u>4,567,143</u>	<u>(6,433,715)</u>
Total Revenues	<u>3,008,699</u>	<u>10,523,500</u>	<u>13,532,199</u>	<u>6,369,699</u>	<u>(7,162,500)</u>
EXPENDITURES:					
Instruction					
Salaries of Teachers	954,863	718,274	1,673,137	1,125,093	548,044
Other Salaries for Instruction	316,308	306,186	622,494	468,803	153,691
Purchased Professional, Technical & Educational Services	831,515	605,501	1,437,016	1,223,211	213,805
General Supplies	15,000	231,058	246,058	174,906	71,152
Textbooks	10,126	(1,603)	8,523	6,921	1,602
Other Objects	0	2,054	2,054	2,054	0
Total Instruction	<u>2,127,812</u>	<u>1,861,470</u>	<u>3,989,282</u>	<u>3,000,988</u>	<u>988,294</u>

TOWN OF HAMMONTON SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
EXPENDITURES (CONT'D):					
Support Services					
Salaries of Principals	43,663	1,485	45,148	45,148	0
Salaries of Other Professional Staff	67,040	931,722	998,762	367,107	631,655
Salaries of Secretary's and Other Salaries	0	69,658	69,658	39,707	29,951
Personal Services - Employee Benefits	82,820	545,034	627,854	491,042	136,812
Purchased Professional and Technical Services	17,600	497,580	515,180	155,794	359,386
Other Purchased Services	22,277	136,826	159,103	57,938	101,165
Travel	1,750	0	1,750	0	1,750
Supplies and Materials	880,196	14,721	894,917	20,968	873,949
Scholarships Awarded	0	0		6,300	(6,300)
Student Activities	0	0		687,430	(687,430)
Total support services	<u>1,115,346</u>	<u>2,197,026</u>	<u>3,312,372</u>	<u>1,871,434</u>	<u>1,440,938</u>
Facilities acquisition and construction services					
Instructional equipment	0	93,973	93,973	56,914	37,059
Non-Instructional equipment	35,908	1,574,671	1,610,579	1,606,579	4,000
Construction Services	0	4,796,360	4,796,360	84,303	4,712,057
Total facilities acquisition and construction services	<u>35,908</u>	<u>6,465,004</u>	<u>6,500,912</u>	<u>1,747,796</u>	<u>4,753,116</u>
Total expenditures	<u>3,279,066</u>	<u>10,523,500</u>	<u>13,802,566</u>	<u>6,620,218</u>	<u>7,182,348</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(270,367)</u>	<u>0</u>	<u>(270,367)</u>	<u>(250,519)</u>	<u>19,848</u>
OTHER FINANCING SOURCES (USES)					
Transfer from Operating Budget - Preschool	270,367	0	270,367	270,367	0
Total other financing sources and uses	<u>270,367</u>	<u>0</u>	<u>270,367</u>	<u>270,367</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>19,848</u>	<u>19,848</u>
Fund Balance, July 1				<u>431,732</u>	
Fund Balance, June 30				<u>\$451,580</u>	
Recapitulation:					
Restricted:					
Scholarships				136,076	
Student Activities				315,504	
Total Fund Balance				<u>\$451,580</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, 2022

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	\$65,304,221	6,369,699
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		(229)
Current year		(57,086)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,993,304	50,142
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(2,390,700)	(139,041)
Total revenues reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	64,906,825	6,223,485
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	66,113,770	6,620,218
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		(229)
Current year		(57,086)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$66,113,770	6,562,903

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)

	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's Proportion of the Net Pension Liability (Asset)	0.060075%	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)	\$7,116,784	\$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	\$4,481,720	\$4,441,505	\$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	158.80%	223.26%	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	35.63%	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)

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contribution	\$703,548	\$665,211	\$561,625	\$580,071	\$547,556	\$539,844	\$604,780	\$572,931	\$512,082
Contributions in Relation to the Contractually Required Contribution	(703,548)	(665,211)	(561,625)	(580,071)	(547,556)	(539,844)	(604,780)	(572,931)	(512,082)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
District's Covered Employee Payroll	\$4,481,720	\$4,441,505	\$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	15.70%	14.98%	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

	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's Proportion of the Net Pension Liability (Asset)	19.972906%	19.831193%	19.873413%	0.194972%	0.196938%	0.195411%	0.194530%	0.196967%	0.193339%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) associated with the District	\$96,020,121	\$130,586,022	\$121,965,013	\$124,036,957	\$132,782,502	\$153,722,385	\$122,951,456	\$105,283,211	\$97,711,916
Total	\$96,020,121	\$130,586,022	\$121,965,013	\$124,036,957	\$132,782,502	\$153,722,385	\$122,951,456	\$105,283,211	\$97,711,916
District's Covered Employee Payroll	\$24,226,099	\$23,177,232	\$22,921,558	\$21,957,911	\$21,222,897	\$20,831,365	\$20,445,981	\$20,056,657	\$18,668,353
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%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	35.52%	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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability					
Service cost	6,833,953	3,781,690	3,777,871	4,246,674	5,131,237
Interest	3,383,895	3,215,403	3,923,712	4,180,451	3,616,191
Changes of benefit terms	(138,843)				
Differences between expected and actual experience	(22,702,982)	25,093,205	(15,995,790)	(9,384,772)	
Changes of assumptions or other inputs	128,694	26,581,480	1,331,540	(11,352,424)	(15,430,462)
Member contributions	86,510	76,787	81,262	91,425	97,051
Benefit payments	<u>(2,665,561)</u>	<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	(15,074,334)	56,215,184	(9,622,793)	(14,863,932)	(9,221,634)
Total OPEB liability - beginning	<u>145,519,872</u>	<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>130,445,538</u>	<u>145,519,872</u>	<u>\$ 89,304,688</u>	<u>98,927,481</u>	<u>113,791,413</u>
Covered-employee payroll	24,226,099	27,618,737	\$ 27,267,719	26,250,094	25,328,392
Total OPEB liability as a percentage of covered-employee payroll	538.45%	526.89%	327.51%	376.87%	449.26%

Notes to Schedule:

Changes of benefit terms: None

Changes of assumptions: The decrease in the liability from June 30, 2020 to June 30, 2021 is due to the increase in the assumed discount rate from 2.21% as of June 30, 2020 to 2.16% as of June 30, 2021.

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, 2022**

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, 2022

Exhibit E-1
Page 1

	HEF FY20 MS Teacher of the Year Grant	HEF FY20 HS Teacher of the Year Grant	HEF FY20 ECEC Teacher of the Year Grant	HEF Agriculture ECEC	HEF FY21 ECEC Teacher of the Year Grant	HEF Bookworm WES	HEF FY22 HS Taste of the Town Award	HEF Poetry Café HS	HEF Fitness HS	HEF Blue Devils Pantry HS
REVENUES:										
Local Sources	\$122	212	49	1,223	495	4,170	244	629	4,438	2,625
State Sources										
Federal Sources										
Total revenues	122	212	49	1,223	495	4,170	244	629	4,438	2,625
EXPENDITURES:										
Instruction:										
Salaries of teachers										
Other salaries of instruction										
Purchased professional, technical and educational services										
General supplies		212	49	1,223			244	4,438		
Textbooks										
Other objects										
Total Instruction	0	212	49	1,223	0	0	244	0	4,438	0
Support services:										
Salaries of principals										
Salaries of other professional staff										
Salaries of secretary's and other salaries										
Personnel services- employee benefits										
Purchased professional and technical services										
Other purchased services	122									
Supplies and materials					495			629		2,625
Scholarships Awarded										
Student Activities										
Total support services	122	0	0	0	495	0	0	629	0	2,625
Facilities acquisition and construction services										
Instructional equipment						4,170				
Non-Instructional equipment										
Construction Services										
Total facilities acquisition and construction services	0	0	0	0	0	4,170	0	0	0	0
Total expenditures	122	212	49	1,223	495	4,170	244	629	4,438	2,625
Other Financing Sources (Uses)										
Transfer from Operating Budget - Preschool										
Total Other Financing Sources (Uses)	0	0	0	0	0	0	0	0	0	0
Excess (Deficiency) of Revenues Over (Under)										
Expenditures and Other Financing Sources (Uses)	0	0	0	0	0	0	0	0	0	0
Fund Balance, July 1										
Fund Balance, June 30	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, 2022

	HEF	HEF	HEF	Brain Alliance Grant	Scholarship Fund	Student Activity / Athletics Fund	Total Local Funds	Nonpublic Textbooks	Nonpublic Home Instruction	Nonpublic Auxiliary Aid	
	FY21 MS Teacher of the Year Grant	FY22 WES Teacher of the Year Grant	FY22 HS Teacher of the Year Grant							Compensatory Education	ESL
REVENUES:											
Local Sources	\$494	\$500	491	117	452	713,126	729,387				
State Sources								6,921		10,123	
Federal Sources											
Total revenues	<u>494</u>	<u>500</u>	<u>491</u>	<u>117</u>	<u>452</u>	<u>713,126</u>	<u>729,387</u>	<u>6,921</u>	<u>0</u>	<u>10,123</u>	<u>0</u>
EXPENDITURES:											
Instruction:											
Salaries of teachers											
Other salaries of instruction											
Purchased professional, technical and educational services											0
General supplies			491								10,123
Textbooks							6,657				
Other objects								6,921			
											0
Total Instruction	<u>0</u>	<u>0</u>	<u>491</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,657</u>	<u>6,921</u>	<u>0</u>	<u>10,123</u>	<u>0</u>
Support services:											
Salaries of principals											
Salaries of other professional staff											0
Salaries of secretary's and other salaries											0
Personnel services- employee benefits											0
Purchased professional and technical services											0
Other purchased services				117							0
Supplies and materials	494	500					239				
Scholarships Awarded					6,300		4,743				
Student Activities						687,430	6,300				
							687,430				
Total support services	<u>494</u>	<u>500</u>	<u>0</u>	<u>117</u>	<u>6,300</u>	<u>687,430</u>	<u>698,712</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Facilities acquisition and construction services											
Instructional equipment							4,170				
Non-Instructional equipment							0				
Construction Services							0				
Total facilities acquisition and construction services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,170</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total expenditures	<u>494</u>	<u>500</u>	<u>491</u>	<u>117</u>	<u>6,300</u>	<u>687,430</u>	<u>709,539</u>	<u>6,921</u>	<u>0</u>	<u>10,123</u>	<u>0</u>
Other Financing Sources (Uses)											
Transfer from Operating Budget - Preschool											
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</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>0</u>	<u>(5,848)</u>	<u>25,696</u>	<u>19,848</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, July 1					<u>141,924</u>	<u>289,808</u>	<u>431,732</u>				
Fund Balance, June 30	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>138,076</u>	<u>315,504</u>	<u>451,580</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

82

TOWN OF HAMMONTON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenue and Expenditures
Budgetary Basis
FOR THE FISCAL YEAR ENDED June 30, 2022

	Nonpublic Handicapped Aid			Nonpublic Nursing	Nonpublic Technology	Nonpublic Security	SDA Emergent Needs & Capital Maintenance	Preschool Education Aid	Total State Funds	Title I Part A	Carryover Title I Part A	Accelerated Learning Coach & Educator Support	Evidence Based Summer Learning Support & Enrichment
REVENUES:	Examination & Classification	Corrective Speech	Supplemental Instruction										
Local Sources													
State Sources	20,668	558	16,850	13,404	5,956	24,051	84,303	890,335	1,073,169				
Federal Sources										634,029	191,721	603	15,473
Total revenues	20,668	558	16,850	13,404	5,956	24,051	84,303	890,335	1,073,169	634,029	191,721	603	15,473
EXPENDITURES:													
Instruction:													
Salaries of teachers													
Other salaries of instruction								490,081	490,081	273,721	92,425		8,400
Purchased professional, technical and educational services	20,668	558	16,850					171,598	171,598	104,657	13,960		
General supplies									48,199				
Textbooks					5,626			91,804	97,430	8,880	15,845		
Other objects									6,921				
Total Instruction	20,668	558	16,850	0	5,626	0	0	753,483	814,229	387,158	122,230	0	8,400
Support services:													
Salaries of principals								45,148	45,148				
Salaries of other professional staff								127,104	127,104	65,464	43,462	560	4,075
Salaries of secretary's and other salaries								39,707	39,707				
Personnel services- employee benefits								136,974	136,974	180,975	11,463	43	954
Purchased professional and technical services				11,330				3,845	14,975		998		
Other purchased services					330				330		12,446		2,044
Supplies and materials				2,074		2,000		1,897	5,971	432	1,122		
Scholarships Awarded									0				
Student Activities									0				
Total support services	0	0	0	13,404	330	2,000	0	354,475	370,209	246,871	69,491	603	7,073
Facilities acquisition and construction services													
Instructional equipment								52,744	52,744				
Non-Instructional equipment						22,051			22,051				
Construction Services							84,303		84,303				
Total facilities acquisition and construction services	0	0	0	0	0	22,051	84,303	52,744	159,088	0	0	0	0
Total expenditures	20,668	558	16,850	13,404	5,956	24,051	84,303	1,160,702	1,343,536	634,029	191,721	603	15,473
Other Financing Sources (Uses)													
Transfer from Operating Budget - Preschool								270,367	270,367				
Total Other Financing Sources (Uses)	0	0	0	0	0	0	0	270,367	270,367	0	0	0	0
Excess (Deficiency) of Revenues Over (Under)	0	0	0	0	0	0	0	0	0	0	0	0	0
Expenditures and Other Financing Sources (Uses)	0	0	0	0	0	0	0	0	0	0	0	0	0
Fund Balance, July 1													
Fund Balance, June 30	0	0	0	0	0	0	0	0	0	0	0	0	0

83

TOWN OF HAMMONTON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenue and Expenditures
Budgetary Basis
FOR THE FISCAL YEAR ENDED June 30, 2022

	Carryover Title III English Language Enhanc.	Title III English Language Enhancement	Carryover 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	2,744	55,916	1,208	66,934	760,513	22,763	24,984	37,861	17,500	8,922
Total revenues	2,744	55,916	1,208	66,934	760,513	22,763	24,984	37,861	17,500	8,922
EXPENDITURES:										
Instruction:										
Salaries of teachers										
Other salaries of instruction		43,812								
Purchased professional, technical and educational services				6,356	752,431		24,984			
General supplies	1,080	67	675	14,279						1,882
Textbooks										
Other objects		990								
Total Instruction	1,080	44,869	675	20,635	752,431	0	24,984	0	0	1,882
Support services:										
Salaries of principals										
Salaries of other professional staff		6,000		29,811				20,000		
Salaries of secretary's and other salaries										
Personnel services- employee benefits		3,811		16,209				1,530		
Purchased professional and technical services					8,082	22,763			4,600	
Other purchased services	1,664	1,236	533	279				16,331	11,819	
Supplies and materials									1,281	7,040
Scholarships Awarded										
Student Activities										
Total support services	1,664	11,047	533	46,299	8,082	22,763	0	37,861	17,500	7,040
Facilities acquisition and construction services										
Instructional equipment										
Non-instructional equipment										
Construction Services										
Total facilities acquisition and construction services	0	0	0	0	0	0	0	0	0	0
Total expenditures	2,744	55,916	1,208	66,934	760,513	22,763	24,984	37,861	17,500	8,922
Other Financing Sources (Uses)										
Transfer from Operating Budget - Preschool										
Total Other Financing Sources (Uses)	0	0	0	0	0	0	0	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)										
	0	0	0	0	0	0	0	0	0	0
Fund Balance, July 1										
Fund Balance, June 30	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, 2022

	Carryover Title IV Student Support and Academic Enrichment	Coronavirus Response and Relief Supplemental ESSER II	Learning Acceleration	Mental Health	ARP Act of 2021 I.D.E.A. Part - B Preschool	ARP Act of 2021 I.D.E.A. Part - B Basic	ACSERS	ARP ESSER III	Total Federal Funds	Totals
REVENUES:										
Local Sources										729,387
State Sources										1,073,169
Federal Sources	6,426	2,184,690	106,962	44,853	14,973	176,086	121,031	70,951	4,567,143	4,567,143
Total revenues	6,426	2,184,690	106,962	44,853	14,973	176,086	121,031	70,951	4,567,143	6,369,699
EXPENDITURES:										
Instruction:										
Salaries of teachers		206,565	53,901						635,012	1,125,093
Other salaries of instruction		134,876							297,205	468,803
Purchased professional, technical and educational services		55,572			14,973	172,245	121,031	27,420	1,175,012	1,223,211
General supplies	6,426	9,054						12,631	70,819	174,906
Textbooks									0	6,921
Other objects		1,064							2,054	2,054
Total Instruction	6,426	407,131	53,901	0	14,973	172,245	121,031	40,051	2,180,102	3,000,988
Support services:										
Salaries of principals									0	45,148
Salaries of other professional staff		11,099	29,185	25,907				4,440	240,003	367,107
Salaries of secretary's and other salaries									0	39,707
Personnel services- employee benefits		98,421	23,876	16,446				340	354,068	491,042
Purchased professional and technical services		71,915		2,500		3,841		26,120	140,819	155,794
Other purchased services		11,217							57,369	57,938
Supplies and materials		379							10,254	20,968
Scholarships Awarded									0	6,300
Student Activities									0	687,430
Total support services	0	193,031	53,061	44,853	0	3,841	0	30,900	802,513	1,871,434
Facilities acquisition and construction services										
Instructional equipment									0	56,914
Non-Instructional equipment		1,584,528							1,584,528	1,606,579
Construction Services									0	84,303
Total facilities acquisition and construction services	0	1,584,528	0	0	0	0	0	0	1,584,528	1,747,796
Total expenditures	6,426	2,184,690	106,962	44,853	14,973	176,086	121,031	70,951	4,567,143	6,620,218
Other Financing Sources (Uses)										
Transfer from Operating Budget - Preschool										270,367
Total Other Financing Sources (Uses)	0	0	0	0	0	0	0	0	0	270,367
Excess (Deficiency) of Revenues Over (Under)										
Expenditures and Other Financing Sources (Uses)	0	0	0	0	0	0	0	0	0	19,848
Fund Balance, July 1										431,732
Fund Balance, June 30	0	0	0	0	0	0	0	0	0	451,580

TOWN OF HAMMONTON SCHOOL DISTRICT
Special Revenue Fund
Preschool Education Aid Schedule of Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2022

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$558,166	490,081	68,085
Other Salaries for Instruction	241,914	171,598	70,316
Instructional Supplies	92,474	91,804	670
Total instruction	<u>892,554</u>	<u>753,483</u>	<u>139,071</u>
Support services:			
Salaries of Principals	45,148	45,148	0
Salaries of Other Professional Staff	310,817	127,104	183,713
Salaries of Secretary's and Other Salaries	69,658	39,707	29,951
Personnel Service Benefits	188,842	136,974	51,868
Purchased Educational/Other Purchased Svcs	58,900	3,645	55,255
Travel	1,750		1,750
Non-Instructional Supplies	18,000	1,897	16,103
Total support services	<u>693,115</u>	<u>354,475</u>	<u>338,640</u>
Facilities acquisition and construction services			
Instructional equipment	89,803	52,744	37,059
Total facilities acquisition and construction services	<u>89,803</u>	<u>52,744</u>	<u>37,059</u>
Total expenditures	<u>\$1,675,472</u>	<u>1,160,702</u>	<u>514,770</u>

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2021-2022 Preschool Education Aid Allocation	\$1,390,410
Add: Actual ECPA Carryover (June 30, 2021)	51,633
Add: Budgeted Transfer from the General Fund 2021-22	270,367
Total Preschool Education Aid Funds Available for 2021-22 Budget	1,712,410
Less: 2021-22 Budgeted Preschool Education Aid(Including prior year budgeted carryover)	(1,675,472)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2022	36,938
Add: June 30, 2022 Unexpended Preschool Education Aid	514,770
Less: 2021-2022 Commissioner-approved Transfer to the General Fund	0
2021-22 Carryover - Preschool Education Aid/Preschool	<u>\$551,708</u>
2021-22 Preschool Education Aid Carryover Budgeted for Preschool Programs 2022-23	<u>\$36,938</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, 2022

	Food Service	Latchkey Program	2021
ASSETS:			
Cash and cash equivalents	\$966,293	73,854	1,040,147
Accounts Receivable:			
State	1,755		1,755
Federal	94,938		94,938
Other	1,246		1,246
Inventories	5,363		5,363
Total Current Assets	<u>1,069,595</u>	<u>73,854</u>	<u>1,143,449</u>
Capital Assets:			
Equipment	1,293,358	119,467	1,412,825
Accumulated depreciation	(763,701)	(84,121)	(847,822)
Total capital assets	<u>529,657</u>	<u>35,346</u>	<u>565,003</u>
Total assets	<u>1,599,252</u>	<u>109,200</u>	<u>1,708,452</u>
LIABILITIES AND FUND EQUITY:			
Current liabilities:			
Interfund accounts payable	162,998		162,998
Accounts payable	111,025		111,025
Unearned revenue	25,969		25,969
Compensated absences payable	39,225		39,225
Total current liabilities	<u>339,217</u>	<u>0</u>	<u>339,217</u>
Net Position:			
Unrestricted	730,378	73,854	804,232
Investment in capital assets	529,657	35,346	565,003
Total net position	<u>1,260,035</u>	<u>109,200</u>	<u>1,369,235</u>
Total liabilities and net position	<u>\$1,599,252</u>	<u>109,200</u>	<u>1,708,452</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, 2022

	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	122,837		122,837
Miscellaneous	6,085		6,085
Special Functions	2,049		2,049
	<hr/>	<hr/>	<hr/>
Total Operating Revenues	130,971	0	130,971
OPERATING EXPENSES:			
Salaries	613,878		613,878
Employee benefits	270,712		270,712
Supplies & Materials	97,191	13,668	110,859
Depreciation	34,243	7,441	41,684
Cost of sales-Reimbursable programs	701,411		701,411
Cost of sales-Nonreimbursable programs	39,018		39,018
Other	33,615	5,670	39,285
	<hr/>	<hr/>	<hr/>
Total operating expenses	1,790,068	26,779	1,816,847
Operating income (loss)	<u>(1,659,097)</u>	<u>(26,779)</u>	<u>(1,685,876)</u>
Nonoperating revenues:			
State sources			
State school lunch program	41,196		41,196
Federal sources			
National school lunch program	1,749,220		1,749,220
National school breakfast program	383,628		383,628
Food Distribution Program	65,510		65,510
Interest revenue	1,015	220	1,235
	<hr/>	<hr/>	<hr/>
Total nonoperating revenues	2,240,569	220	2,240,789
Net income/(loss) before transfers	581,472	(26,559)	554,913
Transfers in (out)			0
Change in Net Position	<u>581,472</u>	<u>(26,559)</u>	<u>554,913</u>
Net Position, July 1	678,563	135,759	814,322
Net Position, June 30	<u>\$1,260,035</u>	<u>\$109,200</u>	<u>\$1,369,235</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, 2022

	Food Service	Latchkey	2021
Cash flows from operating activities:			
Cash received from customers	\$121,865		121,865
Cash payments to employees for services	(1,009,118)		(1,009,118)
Cash payments to suppliers for goods and services	(721,949)	(19,338)	(741,287)
Net cash provided/(used) by operating activities	(1,609,202)	(19,338)	(1,628,540)
Cash flows from noncapital financing activities:			
Cash received from state and federal reimbursements	2,258,833		2,258,833
Operating subsidies			0
Net cash provided by noncapital financing activities	2,258,833	0	2,258,833
Cash flows from capital and related financing activities:			
Purchases of capital assets	(14,270)		(14,270)
Net cash (used) by capital and related financing activities	(14,270)	0	(14,270)
Cash flows from investing activities:			
Interest on investments	1,015	220	1,235
Net cash provided by investing activities	1,015	220	1,235
Net increase (decrease) in cash and cash equivalents	636,376	(19,118)	617,258
Cash and cash equivalents, July 1	329,917	92,972	422,889
Cash and cash equivalents, June 30	\$966,293	73,854	1,040,147
Reconciliation of operating income/(loss) to net cash provided/(used) by operating activities:			
Operating income/(loss)	(\$1,659,097)	(26,779)	(1,685,876)
Adjustments to reconcile operating income/(loss) to cash provided (used) by operating activities:			
Depreciation	34,243	7,441	41,684
Federal Commodities	65,510		65,510
Change in assets and liabilities:			
Decrease/(Increase) in accounts receivable	1,030		1,030
Decrease/(Increase) in inventory	9,489		9,489
(Decrease)/Increase in accounts payable	74,024		74,024
(Decrease)/Increase in interfund accounts payable	(124,527)		(124,527)
(Decrease)/Increase in unearned revenue	(10,136)		(10,136)
(Decrease)/Increase in compensated absence payable	262		262
Net cash provided/(used) by operating activities	(1,609,202)	(19,338)	(1,628,540)

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, 2022

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2021	Refunded	Retired	Balance June 30, 2022
			Date	Amount					
Refunding School Bonds	5/11/16	\$ 7,050,000	8/1/22	\$ 30,000	2.000%				
			8/1/23-24	35,000	2.000%				
			8/1/25	535,000	3.000%				
			8/1/26	1,170,000	3.000%				
			8/1/27	1,205,000	3.000%				
			8/1/28	1,245,000	3.125%				
			8/1/29	1,285,000	3.250%				
			8/1/30	1,305,000	3.250%	6,875,000		30,000	6,845,000
Refunding School Bonds	6/18/20	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%	4,175,000		865,000	3,310,000
Reroofing & addition alterations to the Middle School	4/15/06	2,614,000				224,000	224,000	0	
Refunding School Bonds W.E.S. Elementary School	12/20/17	6,695,000	7/1/22-24	605,000	4.000%				
			7/1/25-26	660,000	4.000%				
			7/1/27	710,000	4.000%				
			7/1/28	705,000	3.000%				
			7/1/29	750,000	3.000%				
			7/1/30	790,000	3.000%	6,695,000		605,000	6,090,000
						<u>\$17,969,000</u>	<u>0</u>	<u>1,724,000</u>	<u>16,245,000</u>

TOWN OF HAMMONTON SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$1,644,835	0	1,644,835	1,644,835	0
	<u>1,644,835</u>	<u>0</u>	<u>1,644,835</u>	<u>1,644,835</u>	<u>0</u>
State Sources:					
Debt Service Aid Type II	371,336	0	371,336	371,336	0
Total - State Sources	<u>371,336</u>	<u>0</u>	<u>371,336</u>	<u>371,336</u>	<u>0</u>
Total Revenues	<u>2,016,171</u>	<u>0</u>	<u>2,016,171</u>	<u>2,016,171</u>	<u>0</u>
EXPENDITURES:					
Regular Debt Service:					
Interest	587,173		587,173	587,172	(1)
Redemption of Principal	1,724,000		1,724,000	1,724,000	0
Total Regular Debt Service	<u>2,311,173</u>	<u>0</u>	<u>2,311,173</u>	<u>2,311,172</u>	<u>(1)</u>
Total expenditures	<u>2,311,173</u>	<u>0</u>	<u>2,311,173</u>	<u>2,311,172</u>	<u>(1)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(295,002)	0	(295,002)	(295,001)	1
OTHER FINANCING SOURCES (USES)					
Transfers in	295,000		295,000	295,000	0
Total other financing sources (uses)	<u>295,000</u>	<u>0</u>	<u>295,000</u>	<u>295,000</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(2)	0	(2)	(1)	1
Fund Balance, July 1	0	0	0	83,901	83,901
Fund Balance, June 30	<u>(\$2)</u>	<u>0</u>	<u>(2)</u>	<u>83,900</u>	<u>83,902</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	<u>(\$2)</u>		<u>(2)</u>		<u>2</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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	\$ 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	16,832,176
Restricted	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	6,718,782
Unrestricted (Deficit)	(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)	(13,051,967)
Total governmental activities net position	<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>	<u>10,498,991</u>
Business-type activities										
Net investment in capital assets	316,848	266,964	347,927	310,114	764,480	732,617	675,814	616,447	592,417	565,003
Restricted		140,000	50,000	-						
Unrestricted	622,398	542,246	525,085	653,613	72,173	91,857	157,154	92,539	221,905	804,232
Total business-type activities net position	<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>	<u>1,369,235</u>
District-wide										
Net investment in capital assets	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	17,397,179
Restricted	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	6,718,782
Unrestricted (Deficit)	(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)	(12,247,735)
Total district net position	<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>	<u>11,868,226</u>

Source: CAFR Schedule A-1

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities										
Instruction										
Regular	\$ 23,104,424	23,211,784	23,340,075	23,816,748	25,253,408	35,850,496	34,674,171	32,972,030	38,657,264	36,323,876
Special education	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	6,056,303
Other instruction	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	3,399,287
Support Services:										
Tuition	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	3,177,949
Student & instruction related services	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	11,361,857
General administrative services	799,956	908,255	890,705	906,976	940,450	1,032,113	1,018,914	1,006,161	1,047,364	998,674
School administrative services	2,551,495	2,532,936	2,413,952	2,535,840	2,709,324	3,740,802	3,665,577	3,716,854	4,197,928	4,431,091
Business administrative services	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	1,778,051
Plant operations and maintenance	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	6,795,692
Pupil transportation	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	4,209,843
Capital Outlay										
Interest on long-term debt	1,200,898	1,167,844	1,132,063	1,109,565	623,150	828,638	777,134	649,111	558,024	569,518
Unallocated depreciation										
Total governmental activities expenses	48,932,576	49,001,372	49,820,463	51,284,201	54,885,504	72,667,095	70,164,014	69,268,338	78,947,884	79,102,141
Business-type activities:										
Food service	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	1,790,068
Child Care	99,632	93,032	112,572	78,190	8,630	10,066	9,066	7,441	7,441	26,779
Total business-type activities expense	1,620,994	1,690,831	1,683,617	1,654,046	1,715,435	1,661,518	1,623,861	1,540,236	1,470,006	1,816,847
Total district expenses	50,553,570	50,692,203	51,504,080	52,938,247	56,600,939	74,328,613	71,787,875	70,808,574	80,417,890	80,918,988
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	9,072,178
Transportation fees from other LEA's	106,688	89,274	72,947	94,371	108,371	84,489	92,610	39,545	1,256	47,458
Student & instruction related services									445,869	
Operating grants and contributions	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	16,035,884
Capital grants and contributions										
Total governmental activities program revenues	16,830,835	16,662,587	16,043,342	15,856,268	12,806,810	29,024,273	23,918,545	21,460,582	29,063,351	25,155,620
Business-type activities:										
Charges for services										
Food service	711,676	722,274	695,274	709,738	654,159	633,811	662,419	429,007	96,009	130,971
Child care	108,506	116,366	117,173	83,433	25					
Operating grants and contributions	789,090	860,941	843,503	900,247	932,864	937,595	966,618	845,111	1,478,395	2,239,554
Capital grants and contributions										
Total business type activities program revenues	1,609,272	1,699,581	1,655,950	1,693,418	1,587,048	1,571,406	1,629,037	1,274,118	1,574,404	2,370,525
Total district program revenues	18,440,107	18,362,168	17,699,292	17,549,686	14,393,858	30,595,679	25,547,582	22,734,700	30,637,755	27,526,045
Net (Expense)/Revenue										
Governmental activities	(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)	(53,946,621)
Business-type activities	(11,722)	8,750	(27,667)	39,372	(128,387)	(90,112)	5,176	(266,118)	104,398	553,878

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total district-wide net expense	\$ (32,113,463)	(32,330,035)	(33,804,788)	(35,388,561)	(42,207,081)	(43,732,934)	(46,240,293)	(48,073,874)	(49,780,135)	(53,392,943)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 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	18,198,582
Taxes levied for debt service	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	1,644,835
Unrestricted grants and contributions	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	37,832,033
Tuition Received										
Authorized bond proceeds										
Transportation fees from other LEA's										
Capital lease									75,000	77,250
Investment earnings	36,456	13,302	17,799	17,502	16,964	17,244	84,757	120,415	50,094	25,499
Miscellaneous income	184,997	156,984	190,592	323,399	187,796	152,787	45,200	54,235	108,460	102,411
Canceled accounts payable prior year	2,372		1,763					34,475	37	2,008
Prior year adjustment				58,707	32,567	108,596				14,686
Transfer to cover deficit						(77,098)		(138,906)		
Refund prior year expenditures							80,262	36,648	258,640	246,185
Total governmental activities	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	58,143,489
Business-type activities:										
Investment earnings	3,310	1,214	1,469	1,343	1,313	835	3,318	3,230	938	1,235
Transfer to cover deficit						77,098		138,906		
Total business-type activities	3,310	1,214	1,469	1,343	1,313	77,933	3,318	142,136	938	1,235
Total district-wide	\$ 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	58,144,724
Change in Net Position										
Governmental activities	\$ 117,352	1,918,258	1,495,384	(519,518)	(1,053,620)	(589,805)	885,762	1,199,980	2,291,926	4,196,868
Business-type activities	(8,412)	9,964	(26,198)	40,715	(127,074)	(12,179)	8,494	(123,982)	105,336	554,913
Total district	\$ 108,940	1,928,222	1,469,186	(478,803)	(1,180,694)	(601,984)	894,256	1,075,998	2,397,262	4,751,781

Source: CAFR Schedule A-2

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Restricted	\$ 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	6,267,202
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	2,191,369
Committed	82,586	82,644	85,195	86,444	31,018					
Unassigned (Deficit)	(994,931)	(791,592)	(460,749)	(840,528)	(718,405)	(1,154,738)	(881,932)	(813,335)	56,793	(210,195)
Total general fund	\$ 8,225,514	7,637,734	7,876,014	7,857,168	7,116,813	6,732,134	7,066,000	7,690,406	9,695,245	8,248,376
All Other Governmental Funds										
Restricted (Deficit)	\$ 139,902	(44,734)	(48,658)	(44,733)	(45,518)				431,732	451,580
Assigned		789,814	236,323	346,263	87,703	111,925	24,223	2	83,901	83,900
Unassigned (Deficit)						(44,734)	(39,038)	(51,731)	(50,142)	(139,041)
Total all other governmental funds	\$ 139,902	745,080	187,665	301,530	42,185	67,191	(14,815)	(51,729)	465,491	396,439

Source: CAFR Schedule B-1

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Tax levy	\$ 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	19,843,417
Tuition charges	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	9,072,178
Tuition from individuals					3,000	750				
Transportation fees from other LEA's	106,688	89,274	72,947	94,371	108,371	84,489	92,510	39,545	1,256	47,458
Premium on BANS										
Interest earnings	36,456	13,302	17,799	17,502	16,964	17,244	84,757	120,415	50,094	25,499
Miscellaneous	184,997	156,984	190,592	323,399	187,796	152,787	45,200	54,235	108,460	102,411
Local sources	39,102	38,541	44,422	36,561	29,382	33,402	24,086	22,064	575,431	729,387
State sources	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	38,643,024
Federal sources	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	4,683,565
Total revenue	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	73,146,939
Expenditures										
Instruction										
Regular instruction	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	19,679,647
Special education instruction	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	3,304,337
Other instruction	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	1,966,068
Support Services:										
Tuition	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	3,167,488
Student & instruction related services	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	6,578,245
General administrative services	659,991	775,753	771,690	789,706	797,759	737,601	765,636	769,589	737,749	719,442
School Administrative services	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	2,403,064
Plant operations and maintenance	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	4,879,829
Pupil transportation	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	2,875,024
Business administrative services	722,338	740,424	725,770	840,089	903,574	918,505	942,902	974,390	984,403	1,138,144
Unallocated employee benefits	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	22,212,006
Transfer to charter school										10,461
Capital outlay	484,015	1,970,512	2,896,801	803,399	332,353	472,033	545,150	583,770	394,323	3,743,376
Debt service:										
Principal	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	1,724,000
Interest and other charges	1,222,267	1,186,942	1,150,211	1,102,861	894,965	866,545	806,861	741,835	590,933	587,172
Total expenditures	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	74,988,303
Excess (Deficiency) of revenues over (under) expenditures	561,803	17,398	(320,898)	36,312	(1,032,267)	(391,171)	171,598	655,275	1,457,528	(1,841,364)
Other Financing sources (uses)										
Refund prior year expenditures							80,262	36,648	258,640	246,185
Prior year adjustment				58,707	32,567	108,596			37	2,008
Canceled accounts payable prior year	2,372		1,763					34,475		
Canceled bond proceeds										
Capital lease income (non-budgeted)									75,000	77,250
Transfers in	413,100	1,953,850	1,167,967		626,524	272,000	433,537	388,901	491,677	565,367
Transfers out	(413,100)	(1,953,850)	(1,167,967)		(626,524)	(349,098)	(433,537)	(527,807)	(491,677)	(565,367)
Total other financing sources (uses)	2,372	-	1,763	58,707	32,567	31,498	80,262	(67,783)	333,677	325,443
Net change in fund balances	\$ 564,175	17,398	(319,135)	95,019	(999,700)	(359,673)	251,860	587,492	1,791,205	(1,515,921)
Debt service as a percentage of noncapital expenditures										
	5.12%	5.10%	4.98%	4.75%	4.42%	4.26%	4.04%	3.92%	3.53%	3.24%

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
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
2022	25,499	9,072,178	47,458	102,411	9,247,546

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)
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
2022	26,418,400	1,014,790,000	40,346,200	6,615,300	271,307,000	17,852,700	18,441,500	1,395,771,100	-	-	1,395,771,100	1.432	1,538,139,613

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		Town of Hammon- ton	Atlantic County	
		Obligation Debt Service ^b	Total Direct			
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
2022	1.320	0.112	1.432	0.716	0.575	2.723

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	2022			2013		
	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	1.94%			
Kramer Beverage Real Estate LLC	4,147,800	2	0.30%			
Rt 206 Inc.	9,138,200	3	0.65%			
CT07-75 SWH LLC & DT07-75 SWH LLC	8,488,900	4	0.61%			
Wal-Mart RE Business Trust	8,400,000	5	0.60%			
Atlantic Health Land Holding LLC	8,358,000	6	0.60%			
Peachtree LLC	6,450,000	7	0.46%			
House of Chesed	5,500,000	8	0.39%			
Atlanticare Regional Medical Center Main Rd. Apts. LLC	4,988,700	9	0.36%			
	4,709,500	10	0.34%			
NJ Manufacturers Ins. Comp				15,500,000	1	1.78%
Kramer Beverage Real Estate LLC				6,500,000	2	0.74%
999 Grand St. LLC				6,500,000	3	0.74%
Atlantic Health Land Holding LLC				6,200,000	4	0.71%
Rt 206 Inc.				6,065,300	5	0.69%
Copper Atlantic Commerce Holdings				5,259,600	6	0.60%
Hammonton Realty Associates LLC				5,186,100	7	0.59%
Wal-Mart RE Business Trust				4,764,700	8	0.55%
Peachtee LLC				3,440,600	9	0.39%
Kessler Management LLC				3,320,500	10	0.38%
Total	\$ <u>87,249,500</u>		<u>6.25%</u>	<u>62,736,800</u>		<u>7.19%</u>

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

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
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%	
2022	19,843,417	19,843,417	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,	<u>Governmental Activities</u>		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Capital Leases			
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
2022	16,245,000	-	16,245,000	0.344%	55,802

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 the total population for the prior calendar year.

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

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
2013	\$ 30,104,000		30,104,000	3.46%	2,041
2014	28,794,000		28,794,000	3.30%	1,950
2015	27,464,000		27,464,000	2.02%	1,867
2016	26,099,000		26,099,000	1.92%	1,785
2017	24,409,000		24,409,000	1.79%	1,692
2018	22,949,000		22,949,000	1.68%	1,597
2019	21,399,000		21,399,000	1.57%	1,519
2020	19,624,000		19,624,000	1.43%	1,408
2021	17,969,000		17,969,000	1.31%	1,293
2022	16,245,000		16,245,000	1.19%	1,099

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, 2022
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	\$ 13,572,345	100.00%	13,572,345
Other debt			
Atlantic County	203,998,316	4.39%	<u>8,955,526</u>
Subtotal, overlapping debt			22,527,871
Town of Hammonton School District Direct Debt		100.00%	<u>16,245,000</u>
Total direct and overlapping debt			<u><u>\$ 38,772,871</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

J-13

Legal Debt Margin Calculation for Fiscal Year 2022

Equalized valuation basis	
2021	\$ 1,514,350,400
2020	1,486,869,130
2019	1,452,931,835
[A]	<u>4,454,171,365</u>
 Average equalized valuation of taxable property	 [A/3] 1,484,723,788
Debt limit (4 % of average equalization value)	[B] 59,388,952
Net bonded school debt	[C] <u>16,245,000</u>
Legal debt margin	[B-C] <u>43,143,952</u>

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 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	59,388,952
Total net debt applicable to limit	<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>	<u>16,245,000</u>
Legal debt margin	<u>27,248,146</u>	<u>25,748,599</u>	<u>25,793,474</u>	<u>26,739,736</u>	<u>28,958,430</u>	<u>31,070,400</u>	<u>33,915,536</u>	<u>37,039,963</u>	<u>40,331,969</u>	<u>43,143,952</u>
Total net debt applicable to the limit as a percentage of debt limit	52.49%	52.79%	51.57%	49.39%	45.74%	42.48%	38.69%	34.63%	30.82%	27.35%

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
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%
2022	14,781	824,809	55,802	8.30%

Source:

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

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

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

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

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

<u>Employer</u>	<u>2018</u>			<u>2009</u>		
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>
		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%
	-		-	-		-

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>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>	<u>2022</u>
Instruction										
Regular	191.0	199.5	199.5	199.5	199.5	200.0	200.0	210.0	210.0	230.0
Special education	66.0	60.0	60.0	60.0	60.0	63.0	63.0	58.0	58.0	63.0
Other special education	9.0	8.0	8.0	8.0	8.0	9.0	9.0	15.0	15.0	17.0
Vocational	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Support Services:										
Student & Instruction related services	83.0	82.0	82.0	82.0	82.0	74.0	74.0	73.0	82.0	90.0
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	25.8	25.8	26.0	25.0	25.0
Business administrative services	10.0	9.5	9.5	9.5	9.8	9.9	9.9	10.0	10.0	10.0
Plant operations and maintenance	44.2	44.3	44.3	44.3	44.5	44.5	54.5	58.0	60.0	70.0
Pupil transportation	42.0	42.0	42.0	42.0	52.0	52.0	52.0	50.0	51.0	47.0
Food Service	19.0	21.0	21.0	21.0	20.0	20.0	20.0	20.0	23.0	24.0
Child Care	4.0	3.0	3.0	-	-	-	-	-	-	-
Total	<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>	<u>581.0</u>

Source: District Personnel Records

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

J-17

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				
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%
2021	3,384	78,389,860	23,165	17.95%	274	1:15	1:12	1:14	3,373	3,086	-3.02%	91.49%
2022	3,322	78,508,873	23,633	2.02%	274	1:15	1:12	1:14	3,373	3,086	0.00%	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

<u>District Building</u>	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<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	413	383	384	372	367	357	359	368	386	360
<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	933	979	962	923	920	886	879	855	751	785
<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	816	817	868	926	922	873	884	872	868	839
<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	1,443	1,450	1,387	1,409	1,378	1,379	1,393	1,399	1,379	1,338
<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, 2022

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)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
High School	SP99341L	\$ 170,105	262,752	426,596	297,036	286,839	741,117	270,203	266,589	245,168	297,662
Middle School	N/A	200,192	101,463	76,895	275,677	458,967	185,744	142,384	212,294	173,557	156,219
Elementary School	N/A	61,900	82,776	82,863	107,882	178,236	110,030	108,651	127,877	145,423	129,963
Early Childhood Center	SP99343	40,744	72,212	49,524	48,227	45,154	44,450	56,543	38,633	124,028	92,345
Total School Facilities		\$ 472,941	519,203	635,878	728,822	969,196	1,081,341	577,781	645,393	688,176	676,189
Other Facilities											
Grand Total		\$ 472,941	519,203	635,878	728,822	969,196	1,081,341	577,781	645,393	688,176	676,189

TOWN OF HAMMONTON SCHOOL DISTRICT

Insurance Schedule
June 30, 2022
Unaudited

	Coverage	Deductible
Atlantic & Cape May Counties Association of School Business Officials Joint Insurance Fund		
Property, Inland Marine and Automobile Physical Damages \$	175,000,000	
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

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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, 2022, 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 February 16, 2023.

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
February 16, 2023

NIGHTLINGER, COLAVITA & VOLPA

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

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

Opinion on 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's compliance with the types of compliance requirements identified as subject to audit 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 Board of Education of the Town of Hammonton School District, in the County of Atlantic, State of New Jersey's major federal and state programs for the year ended June 30, 2022. The Board of Education of the Town of Hammonton School District, in the County of Atlantic, State of New Jersey'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.

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 year ended June 30, 2022.

Basis for Opinion on Each Major Federal and State Program

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; and 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. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of The Board of Education of the Town of Hammonton School District, in the County of Atlantic, State of New Jersey and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of The Board of Education of the Town of Hammonton School District, in the County of Atlantic, State of New Jersey's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to The Board of Education of the Town of Hammonton School District, in the County of Atlantic, State of New Jersey's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on The Board of Education of the Town of Hammonton School District, in the County of Atlantic, State of New Jersey's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, Uniform Guidance and New Jersey OMB 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about The Board of Education of the Town of Hammonton School District, in the County of Atlantic, State of New Jersey's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, Uniform Guidance and New Jersey OMB 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding The Board of Education of the Town of Hammonton School District, in the County of Atlantic, State of New Jersey's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of The Board of Education of the Town of Hammonton School District, in the County of Atlantic, State of New Jersey's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of The Board of Education of the Town of Hammonton School District, in the County of Atlantic, State of New Jersey's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal 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.

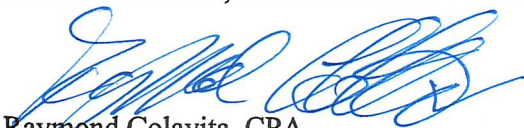
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 the 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
February 16, 2023

TOWN OF HAMMONTON SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year Ended June 30, 2022

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 6/30/21	Carryover/(Walkover) Amount	Cash Received	Budgetary Expenditures (A)	Unearned Revenue 6/30/22	(Accounts Receivable) 6/30/22	Due to Grantor at 6/30/22
General Fund:												
Medical Assistance Program	93.778	2105NJ5MAP	N/A	117,686	07/01/21-06/30/22			117,686	(117,686)			
Total General Fund							0	117,686	(117,686)	0	0	0
U.S. Department of Agriculture Passed-through State Department of Education:												
Enterprise Fund:												
Non-Cash Assistance:												
Food Distribution Program	10.565	Unknown	N/A	61,962	07/01/21-06/30/22	5,461		61,962	(65,510)	1,913		
Child Nutrition Cluster:												
Cash Assistance:												
National School Lunch Program	10.555	221NJ304N1099	N/A	1,749,220	07/01/21-06/30/22			1,672,944	(1,749,220)		(76,276)	
National School Lunch Program	10.555	211NJ304N1099	N/A	934,412	07/01/20-06/30/21	(71,960)		71,960				
School Breakfast Program	10.553	221NJ304N1099	N/A	383,628	07/01/21-06/30/22			384,966	(383,628)		(18,662)	
School Breakfast Program	10.553	211NJ304N1099	N/A	452,762	07/01/20-06/30/21	(37,105)		37,105				
P-EBT Administrative Cost	10.649	2022121S900941	N/A	3,135	07/01/21-06/30/22			3,135	(3,135)			
P-EBT Administrative Cost	10.649	202121S900941	N/A	3,063	07/01/20-06/30/21	(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						(166,504)	0	2,274,972	(2,201,493)	1,913	(94,938)	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	S010A210030	ESEA-1960-22	676,073	07/01/21-09/30/22			397,331	(634,029)		(236,698)	
Title I, Carryover	84.010	S010A200030	ESEA-1960-21	889,552	07/01/20-09/30/21	(238,812)		405,745	(191,721)		(24,788)	
Title I, Carryover	84.010	S010A190030	ESEA-1960-20	835,235	07/01/19-09/30/20	(5,077)		5,077				
Title I Reallocated	84.010A	S010A200030	ESEA-1960-21	84,874	07/01/21-09/30/22	(4,521)		4,521				
Title II, Part A	84.367A	S367A210029	ESEA-1960-22	42,512	07/01/21-09/30/22			23,119	(37,891)		(14,742)	
Title II, Part A, Carryover	84.367A	S367A200029	ESEA-1960-21	26,208	07/01/20-09/30/21	(5,238)		22,427	(17,500)		(311)	
Title II, Part A, Carryover	84.367A	S367A190029	ESEA-1960-20	37,497	07/01/19-06/30/20	(10,766)		10,766				
Title III, English Lang Enhancement	84.365	S365A210030	ESEA-1960-22	56,753	07/01/21-09/30/22			34,349	(55,916)		(21,567)	
Title III, Eng Lang Enhance, Carryover	84.365	S365A200030	ESEA-1960-21	49,228	07/01/20-09/30/21	(6,693)		7,773	(2,744)		(1,664)	
Title III, Eng Lang Enhance, Carryover	84.365	S365A190030	ESEA-1960-20	44,055	07/01/19-09/30/21	(2,316)		2,316				
Title III, Immigrant, Carryover	84.365	S365A200030	ESEA-1960-21	7,534	07/01/20-09/30/21	(1,341)		2,016			(633)	
Title IV, Part A	84.358B	S424A210031	ESEA-1960-22	70,364	07/01/21-09/30/22			32,072	(66,934)		(34,862)	
Title IV, Part A, Carryover	84.358B	S424A200031	ESEA-1960-21	8,725	07/01/20-09/30/21	(1,298)		1,298	(6,426)		(6,426)	
Title IV, Part A, Carryover	84.358B	S424A190031	ESEA-1960-20	49,574	07/01/19-09/30/20	(10,766)		10,766				
IDEA Cluster:												
IDEA Part B, Basic Regular	84.027	H027A210100	IDEA-1960-22	769,209	07/01/21-09/30/22			674,260	(760,513)		(86,253)	
IDEA Part B, Basic Reg, Carryover	84.027	H027A200100	IDEA-1960-21	830,961	07/01/20-09/30/21	(98,456)		121,219	(22,763)		-	
IDEA Part B, Preschool	84.173	H173A210114	IDEA-1960-22	24,984	07/01/21-09/30/22			22,485	(24,984)		(2,499)	
IDEA Part B, Preschool, Carryover	84.173	H173A200114	IDEA-1960-21	25,112	07/01/20-09/30/21	(2,512)		2,512				
Coronavirus Response and Supplement Act												
CRRSA-ESSER II	84.425D	S425D200027		2,620,797	03/13/20-09/30/23	(336,974)		832,563	(2,184,690)		(1,689,101)	
Learning Acceleration	84.425D	S425D200027		168,189	03/13/20-09/30/23	(21,281)		112,744	(106,962)		(15,499)	
Mental Health	84.425D	S425D200027		45,000	03/13/20-09/30/23			25,520	(44,853)		(19,333)	
CARES Act 2020/ESSER	84.425D	S425D200027		639,388	03/13/20-09/30/22	(8,550)		17,472	(8,922)			
IDEA/American Rescue Plan Act of 2021:												
ARP IDEA Part B, Basic Regular	84.027X	H027X210100		176,086	07/01/21-09/30/22			146,989	(176,086)		(29,097)	
ARP IDEA Part B, Preschool	84.173X	H173X210114		14,973	07/01/21-09/30/22			13,475	(14,973)		(1,498)	
Additional or Compensatory Special Ed & Related Svcs	21.027	SLFRFDOEISES		121,031	07/01/21-09/30/22			-	(121,031)		(121,031)	
American Rescue Plan Act of 2021												
ARP ESSER III	84.425U	S425U210027		5,890,072	3/13/20-9/30/24			-	(70,951)		(70,951)	
Accelerated Learning Coach & Educator Support	84.425U	S425U210027		261,286	3/13/20-9/30/24			-	(603)		(603)	
Evidence Based Summer Learning & Enrichment	84.425U	S425U210027		40,000	3/13/20-9/30/24			-	(15,473)		(15,473)	
Total Special Revenue Fund						(754,601)	0	2,928,815	(4,567,143)	0	(2,392,929)	0
Total Federal Financial Awards												
						(166,504)	0	2,274,972	(2,201,493)	1,913	(94,938)	0

The Accompanying Notes to Schedules of Awards and Financial Assistance are an integral part of this schedule. 5,321,473 (6,886,322) 1,913 (2,487,867) 0

TOWN OF HAMMONTON SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year Ended June 30, 2022

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period	Balance 6/30/21	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	22-495-034-5120-078	\$19,018,316	07/01/21-06/30/22			19,018,316	(19,018,316)								
Special Education Aid	22-495-034-5120-089	2,297,445	07/01/21-06/30/22			2,297,445	(2,297,445)					1,822,281		19,018,316	
School Choice Aid	22-495-034-5120-068	2,103,756	07/01/21-06/30/22			2,103,756	(2,103,756)					220,135		2,297,445	
Special Education Extraordinary Aid	22-100-034-5120-044	456,099	07/01/21-06/30/22				(456,099)			(456,099)				2,103,756	
Special Education Extraordinary Aid	21-100-034-5120-044	325,560	07/01/20-06/30/21	(\$325,560)		325,560								456,099	
Nonpublic Transportation Aid	22-495-034-5120-014	19,720	07/01/21-06/30/22				(19,720)			(19,720)				19,720	
Nonpublic Transportation Aid	21-495-034-5120-014	19,600	07/01/20-06/30/21	(19,600)		19,600									
Transportation Aid	22-495-034-5120-014	757,886	07/01/21-06/30/22			757,886	(757,886)							757,886	
Security Aid	22-495-034-5120-084	773,246	07/01/21-06/30/22			773,246	(773,246)					72,618		773,246	
TPAF Non-Contributory (On-Behalf - Non-Budgeted)	22-495-034-5094-002	8,533,171	07/01/21-06/30/22			8,533,171	(8,533,171)					74,090		8,533,171	
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)	22-495-034-5094-004	2,545	07/01/21-06/30/22			2,545	(2,545)							2,545	
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)	22-495-034-5094-001	1,993,694	07/01/21-06/30/22			1,993,694	(1,993,694)							1,993,694	
Reimbursed TPAF															
Social Security Contributions	22-495-034-5094-003	1,784,529	07/01/21-06/30/22			1,695,264	(1,784,529)			(89,265)				1,784,529	
Total General Fund				(345,160)	0	37,520,483	(37,740,407)	0	(565,084)	0	0	2,390,700		37,740,407	

TOWN OF HAMMONTON SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year Ended June 30, 2022

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period	Balance 6/30/21	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:															
SDA Emergent Needs & Capital Maintenance	EG-0014-D01	84,303	07/01/21-06/30/22			84,303	(84,303)								
Preschool Education Aid	22-495-034-5120-086	1,390,410	07/01/21-06/30/22		14,695	1,390,410	(890,335)			514,770			139,041	890,335	
Preschool Education Aid	21-495-034-5120-086	501,420	07/01/20-06/30/21	36,938						36,938					
Preschool Education Aid	20-495-034-5120-086	517,312	07/01/19-06/30/20	14,695	(14,695)										
N.J. Nonpublic Aid:															
Textbook Aid	22-100-034-5120-064	8,523	07/01/21-06/30/22			8,523	(6,921)				1,602			6,921	
Textbook Aid	21-100-034-5120-064	11,913	07/01/20-06/30/21	1,747				(1,747)							
Technology Aid	22-100-034-5120-373	5,964	07/01/21-06/30/22			5,964	(5,956)					8		5,956	
Nursing Aid	22-100-034-5120-070	15,904	07/01/21-06/30/22			15,904	(13,404)					2,500		13,404	
Nursing Aid	21-100-034-5120-070	20,706	07/01/20-06/30/21	1,566											
Security Aid	22-100-034-5120-509	24,850	07/01/21-06/30/22			24,850	(24,051)	(1,566)				799		24,051	
Security Aid	21-100-034-5120-509	35,525	07/01/20-06/30/21	16,699				(16,699)							
Auxiliary Services:															
Compensatory Education	22-100-034-5120-067	42,103	07/01/21-06/30/22			42,103	(10,123)				31,980			10,123	
Compensatory Education	21-100-034-5120-067	66,189	07/01/20-06/30/21	52,889				(52,889)							
Home Instruction	22-100-034-5120-067	-	07/01/21-06/30/22												
English as a Second Language	22-100-034-5120-067	-	07/01/21-06/30/22												
Handicapped Services:															
Examination & Classification	22-100-034-5120-066	26,546	07/01/21-06/30/22			26,546	(20,668)				5,878			20,668	
Examination & Classification	21-100-034-5120-066	29,739	07/01/20-06/30/21	5,958				(5,958)							
Corrective Speech	22-100-034-5120-066	2,790	07/01/21-06/30/22			2,790	(558)					2,232		558	
Corrective Speech	21-100-034-5120-066	4,557	07/01/20-06/30/21	3,372				(3,372)							
Supplemental Instruction	22-100-034-5120-066	29,736	07/01/21-06/30/22			29,736	(16,850)					12,886		16,850	
Supplemental Instruction	21-100-034-5120-066	27,522	07/01/20-06/30/21	9,470				(9,470)							
Total Special Revenue Fund				143,334	0	1,631,129	(1,073,169)	(91,701)	0	551,708	57,885	139,041		988,866	
State Department of Education															
Debt Service Fund	22-495-034-5120-075	371,336	07/01/21-06/30/22			371,336	(371,336)							371,336	
State Department of Agriculture															
Enterprise Fund:															
State School Lunch Program	22-100-010-3350-023	41,196	07/01/21-06/30/22			39,441	(41,196)			(1,755)				41,196	
State School Lunch Program	21-100-010-3350-023	47,800	07/01/20-06/30/21	(9,517)		9,517									
				(9,517)	0	48,958	(41,196)	0	(1,755)	0	0	0		41,196	
Total State Financial Assistance				(\$211,343)	0	39,571,906	(39,226,108)	(91,701)	(566,839)	551,708	57,885	2,529,741		39,141,805	
Less: On-Behalf Pension System Contributions:															
TPAF Non-Contributory (On-Behalf - Non-Budgeted)	22-495-034-5094-002						8,533,171								
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)	22-495-034-5094-004						2,545								
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)	22-495-034-5094-001						1,993,694								
Total for State Financial Assistance-Major Program Determination							(29,696,698)								

120

Town of Hammonton School District
Notes to the Schedules of Financial Assistance
June 30, 2022

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, 2022**

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	\$37,740,407	1,073,169	371,336	41,196	39,226,108
Difference – budget to "GAAP" Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(55,593)			(55,593)
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).	(397,396)	(88,899)			(486,295)
Total State revenue as reported on the statement of revenues, expenditures and changes in fund balances	<u>\$37,343,011</u>	<u>928,677</u>	<u>371,336</u>	<u>41,196</u>	<u>38,684,220</u>

Town of Hammonton School District
Notes to the Schedules of Financial Assistance
June 30, 2022

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	\$117,686	4,567,143	2,201,493	6,886,322
Difference – budget to “GAAP” Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(1,264)		(1,264)
Total Federal revenue as reported on the statement of revenue, expenditures, and changes in fund balances	<u>\$117,686</u>	<u>4,565,879</u>	<u>2,201,493</u>	<u>6,885,058</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, 2022. 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, 2022.

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, 2022**

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
84.425D	S425D200027	Education Stabilization Fund
84.425U	S425U210027	Education Stabilization 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, 2022
(continued)**

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

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$860,901

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>
22-495-034-5120-078	Equalization Aid
22-495-034-5120-089	Special Education Categorical Aid
22-495-034-5120-084	Security Aid
22-495-034-5120-068	School Choice Aid
22-495-034-5120-014	Transportation Aid

**TOWN OF HAMMONTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(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, 2022
(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, 2022**

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.