

**HAINESPORT TOWNSHIP  
SCHOOL DISTRICT**

Hainesport, New Jersey  
County of Burlington

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**



**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**OF THE**

**HAINESPORT TOWNSHIP SCHOOL DISTRICT**

**HAINESPORT, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Prepared by**

**Hainesport Township School District  
Finance Department**

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**INTRODUCTORY SECTION**

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## Hainesport Township School District

**Joseph R. Corn, Superintendent**

**Julia Wolfrom, Prin PreK-4**

**Alex F. Fisher, Asst Principal**



**Christopher C. DeSanto,  
School Business Administrator**

**Ramon Santiago, Jr., Prin 5-8**

Honorable President and Members  
of the Board of Education  
Hainesport Township School District  
County of Burlington, New Jersey

Dear Board Members/Citizens:

The Annual Comprehensive Financial Report (ACFR) of the Hainesport Township School District for the fiscal year ended June 30, 2023, 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 Hainesport Township School District. 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, 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 district as of June 30, 2022, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

The Annual Comprehensive Financial Report is presented in four sections as follows:

**Introductory Section:**

Section contains a Letter of Transmittal, Roster of Officials, Consultants and Advisors, and an Organizational Chart.

**Financial Section:**

Section contains the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements, Required Supplementary Information (RSI) and Other Supplementary Information.

Statistical Section:

Section contains selected financial trends, revenue and debt capacity, demographic, economic and other operating information, generally presented on a multi-year basis.

Single Audit Section:

The School District is required to undergo an annual Single Audit in conformity with the provisions 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 New Jersey OMB’s Circular 15-08 OMB, “*Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*”. Information related to this Single Audit, including the independent auditor’s report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, are included in the Single Audit Section of this report.

**REPORTING ENTITY AND ITS SERVICES**

The Hainesport Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standard Board (GASB) as established by NCGA Statement No. 3. All funds of the School District are included in this report. The School District has no component units.

The School District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular and special education for children with special needs. The School District’s enrollment, as of October 15<sup>th</sup>, for the current and past nine fiscal years are detailed below.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2022-2023	537	-3.94%
2021-2022	559	5.27%
2020-2021	531	-6.18%
2019-2020	566	-1.39%
2018-2019	574	-8.45%
2017-2018	627	-1.57%
2016-2017	637	-5.49%
2015-2016	674	-2.03%
2014-2015	688	-0.86%
2013-2014	694	-0.86%

**ECONOMIC CONDITION AND OUTLOOK**

The economy, through skyrocketing inflation and high interest rates, has become extremely troublesome for our residents and home ownership within the community. There is minimum housing development on the near horizon, and a stalling of new home buyers. The present economic challenges pose a great threat to additional/sustained enrollment. These factors have contributed to a decline in the student population from last year to the current year. We are hopeful that conditions change soon and student enrollment begins to increase in the coming years.

With Senate Bill-S2, approved by the governor and Legislature in 2018, the school lost approximately \$150,000 of funding in fiscal year 2023. This decline in state aid is expected to continue with another year remaining on the bill and continues to negatively impact much needed funding for the district. With an increase in the need for student therapeutics after the pandemic, these lost funds do great harm to districts our size, as attempting to locate needed dollars for proper support staffing and mental health resources has become a daunting task.

## **MAJOR INITIATIVES**

The Hainesport Township School District has focused on continuing to increase student achievement through the investment in a 5–7-year technology plan that continues to allow for the most up-to-date classroom devices and components. The district is fully 1 to 1, with ChromeBooks in grades 2-8 and a 1:1 Tablet Initiative in grades Pre-K-1 to meet the 21st century needs of the students. Teachers now use unique tools to deliver curriculum to their students in a more efficient and engaging way. The district has also invested in new interactive boards and document cameras that are now being utilized daily in every classroom, grades K-8. In addition, Professional Development continues to be provided to staff in the use of this equipment to garner optimal student engagement and efficiency.

The district has a fully staffed Child Study Team to assist in the many therapeutic challenges students are continuing to face.

The district is now in Year 6 of its state-of-the-art Maker Space, installed in our contemporary Media Center. This continues to be the central hub of the school, where STEAM initiatives take place on a daily level in grades K-8. Our Media Specialist is State renowned for her work in modern school media platforms and has presented in multiple forums around the state. She earned recognition and accolades for her leadership in School Media. Students are engaged in engineering and design, construction and analysis on a daily basis.

## **INTERNAL ACCOUNTING CONTROLS**

Management of the School District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the district are protected from loss, theft and misuse and to ensure that adequate accounting data are completed to allow for the preparation of financial statement in conformity with general 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 delivered; and (2) the valuation of costs and benefits require estimates and judgments by management.

As a recipient of federal 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 evaluations by the district management.

As part of the School District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the district has complied with applicable laws and regulations.

## **BUDGETARY CONTROLS**

In addition to internal accounting controls, the School 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 cancelled or included as re-appropriations of fund balance in the subsequent year.

## **ACCOUNTING SYSTEM AND REPORTS**

The School District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The School District's accounting system is organized on the basis of funds. The funds are explained in "Notes to Financial Statements", Note 1.

## **FINANCIAL POLICIES**

The intent of the School Board is to ensure that the School District manages its budget and finance in a fiscally prudent and responsible way by establishing financial policies for the Budget, Fund Balance and the maintenance of adequate reserves. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues except for certain grant revenues, are recognized when susceptible to accrual that is when they become measurable and available. Property taxes, interest and certain General Fund revenues are the significant revenue sources considered susceptible to accrual.

## **OTHER INFORMATION**

### *INDEPENDENT AUDIT*

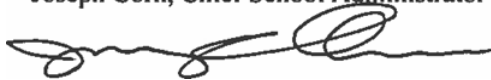
State statutes require an annual audit by independent certified public accountants. The accounting firm of Holt McNally & Associates, Inc., Certified Public Accounts and Advisors, was appointed by the Board of Education. In addition to meeting the requirements set forth in the State statutes, the audit was also designed to meet the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and combining statements and related major fund supporting 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.

## **ACKNOWLEDGEMENTS**

We would like to express our appreciation to the members of the 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 accomplished without the efficient and dedicated services of our business office staff.

Respectfully submitted,

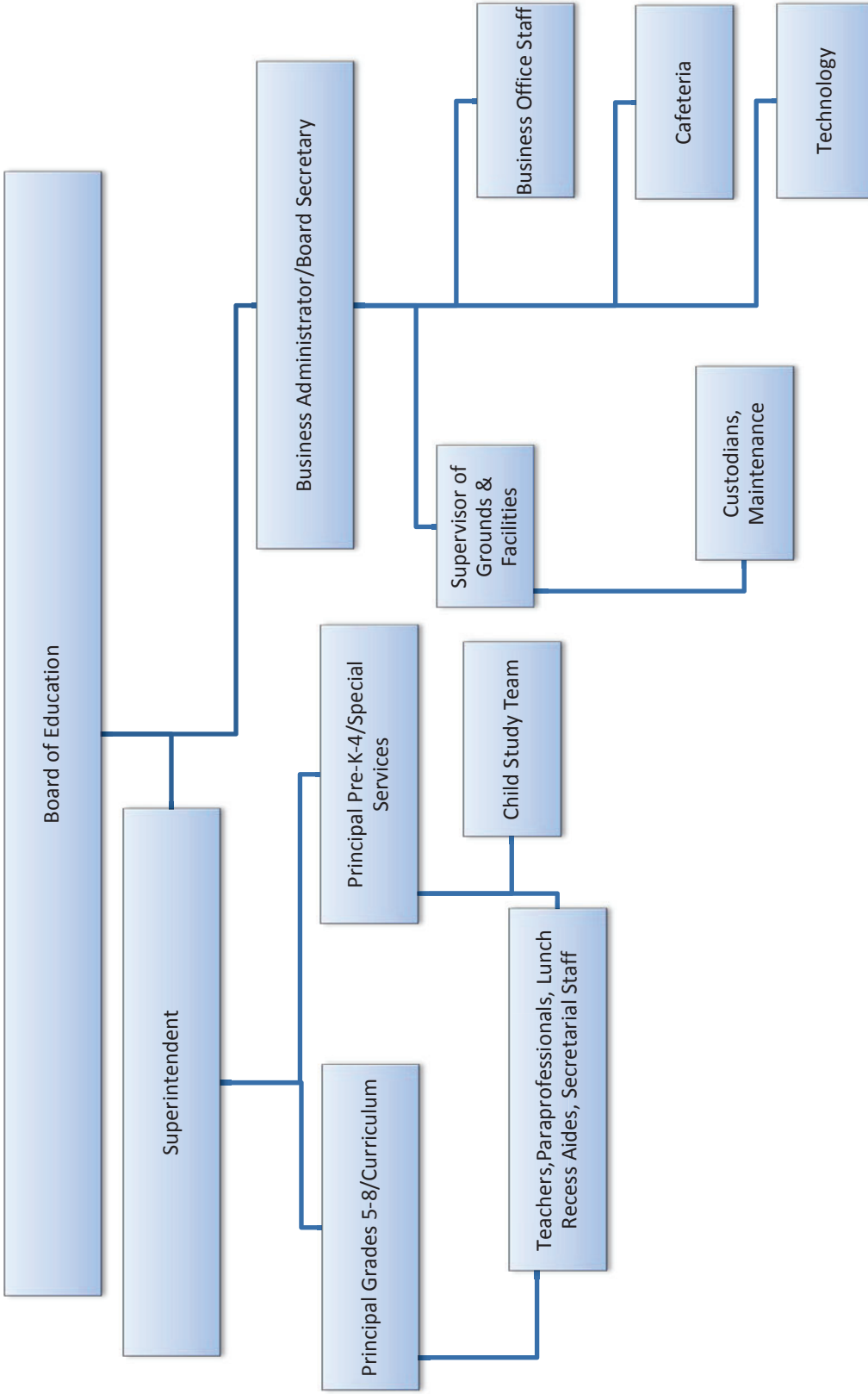
Joseph Corn, Chief School Administrator



Christopher Desanto, School Business Administrator/Board Secretary



# Hainesport Township School District Organizational Chart



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**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
ROSTER OF OFFICIALS  
June 30, 2023**

**MEMBERS OF THE BOARD OF EDUCATION**

Jason Cardonick, President	2025
Keith Peacock, Vice President	2023
Alan Anderson	2023
Larry Brandolph	2024
Bianca Cuniglio	2025
Jeff Duda	2025
Kristin Jakubowski	2024
Jillian Ormsby	2024
Jennifer Weres	2023

**MEMBERS OF THE BOARD OF EDUCATION**

- Mr. Joseph Corn, Chief School Administrator
- William Blatchley, Board Secretary/Business Administrator (Interim)
- Donna Condo, Treasurer
- Audra A. Pondish, Solicitor (Adams, Gutierrez & Lattiboudere, LLC)

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**HAINESPORT TOWNSHIP SCHOOL DISTRICT**  
**Hainesport, New Jersey**

**CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

David McNally, CPA, PSA  
Holt McNally & Associates, Inc.  
618 Stokes Road  
Medford, New Jersey 08055

**ATTORNEY**

Audra A. Pondish  
Adams Gutierrez & Lattiboudere, LLC  
10000 Lincoln Drive East, Suite 201  
Marlton, New Jersey 08053

**OFFICIAL DEPOSITORIES**

Investors Bank  
Mt. Laurel Township, New Jersey 08054

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**FINANCIAL SECTION**

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**HOLT MCNALLY & ASSOCIATES**

Certified Public Accountants & Advisors

## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Education  
Hainesport Township School District  
County of Burlington  
Hainesport, New Jersey

### 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 Hainesport Township School District, County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

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 Hainesport Township School District, County of Burlington, State of New Jersey, as of June 30, 2023, 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; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. 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 School District, and to meet our 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 these 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.

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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 School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any current 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 opinion. 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 and *Government Auditing Standards* and in accordance with accounting principles and practices prescribed by the Office of School Finance, Department of Education, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements 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 School District'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District'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, budgetary comparison information, and the schedules related to accounting and reporting for pensions and other post-employment benefits, as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining and individual fund statements and long-term debt schedules are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare 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 and individual fund financial statements, long-term debt schedules and accompanying schedules of expenditures or federal award and state financial assistance 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. 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 the 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 January 25, 2024 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Respectfully submitted,

**HOLT MCNALLY & ASSOCIATES, INC.**

*Certified Public Accountants & Advisors*

David McNally  
Certified Public Accountant  
Public School Accountant, No. 2616

Medford, New Jersey  
January 25, 2024

**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

Management's Discussion and Analysis

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**HAINESPORT TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2023**  
**(Unaudited)**

As management of the Hainesport Township School District, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

**Overview of the Basic Financial Statements**

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components:

- 1) Government-Wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements**

The *government-wide financial statements* are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business. The government-wide financial statements include the statement of net position and the statement of net activities.

The *statement of net position* presents information about all of the School District's assets and liabilities. The difference between the assets plus deferred outflows or resources and liabilities plus deferred inflows of resources is reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the School District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenditures are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the government-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues (*governmental activities*) and other functions that are intended to recover most of their costs from user fees and charges (*business-type activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund. Business-type activities reflect the Food Service Fund.

**Fund Financial Statements**

*Fund financial statements* are designed to demonstrate compliance with financial-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the School District are divided into two categories: *governmental funds and proprietary funds*.

**HAINESPORT TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2023**  
**(Unaudited) (Continued)**

**Fund Financial Statements (continued):**

*Governmental funds* account for essentially the same information reported in the governmental activities of the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financial requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The School District maintains four individual governmental funds. The major funds are the General Fund, the Special Revenue Fund, the Capital Projects Fund, and the Debt Service Fund. They are presented separately in the fund financial statements.

The School District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and the Debt Service Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

*Proprietary funds* are used to present the same functions as the business-type activities presented in the government-wide financial statements. The School District maintains one type of proprietary fund – the Enterprise Fund. The fund financial statements of the enterprise fund provides the same information as the government-wide financial statements, only in more detail.

The School District's one enterprise fund (Food Service Fund) is listed individually and is considered to be a major fund.

**Notes to the Basic Financial Statements**

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Recall that the Statement of Net Position provides the perspective of the school district as a whole (governmental and business-type activities). Net position may serve over time as a useful indicator of a government's financial position.

The School District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt and other long-term liabilities, the acquisition and disposal of capital assets, and the depreciation of capital assets.

**HAINESPORT TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2023**  
**(Unaudited) (Continued)**

**Financial Analysis of the School District as a Whole**

Table 1 provides a summary of the School Districts net position for the fiscal years 2023 compared to fiscal year 2022.

**Table 1**  
**Summary of Net Position**

	June 30, <u>2023</u>	June 30, <u>2022</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current & Other Assets	\$ 3,539,985	\$ 3,926,086	\$ (386,101)	-10%
Capital Assets, Net	8,053,833	8,397,785	(343,952)	-4%
Total Assets	<u>11,593,818</u>	<u>12,323,871</u>	<u>(730,053)</u>	-6%
Deferred Outflow of Resources	<u>262,922</u>	<u>257,906</u>	<u>5,016</u>	2%
Current and other Liabilities	386,805	390,053	(3,248)	-1%
Noncurrent Liabilities	<u>4,010,244</u>	<u>4,395,234</u>	<u>(384,990)</u>	-9%
Total Liabilities	<u>4,397,049</u>	<u>4,785,287</u>	<u>(388,238)</u>	-8%
Deferred Inflow of Resources	<u>337,200</u>	<u>658,043</u>	<u>(320,843)</u>	-49%
Net Position:				
Net Investment in Capital Assets	5,662,217	5,574,768	87,449	2%
Restricted	2,759,091	3,221,810	(462,719)	-14%
Unrestricted (Deficit)	<u>(1,298,817)</u>	<u>(1,658,131)</u>	<u>359,314</u>	-22%
Total Net Position	<u>\$ 7,122,491</u>	<u>\$ 7,138,447</u>	<u>\$ (15,956)</u>	0%

**HAINESPORT TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2023**  
**(Unaudited) (Continued)**

Table 2 shows the changes in net position for fiscal year 2023 compared to fiscal year 2022.

**Table 2**  
**Summary of Changes in Net Position**

	June 30, <u>2023</u>	June 30, <u>2022</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
<b>Revenues:</b>				
Program Revenues:				
Charges for Services	\$ 143,990	\$ 9,514	\$ 134,476	1413%
Operating Grants & Contributions	2,487,732	3,248,175	(760,443)	-23%
General Revenues:				
Property Taxes	9,247,032	9,020,498	226,534	3%
Federal & State Aid	1,228,183	1,033,156	195,027	19%
Other General Revenues	170,796	91,920	78,876	86%
Total Revenues	<u>13,277,733</u>	<u>13,403,263</u>	<u>(125,530)</u>	-1%
<b>Function/Program Expenses:</b>				
Regular Instruction	3,462,011	3,240,503	221,508	7%
Special Education Instruction	1,159,012	1,065,471	93,541	9%
Other Instruction	176,389	193,351	(16,962)	-9%
Tuition	319,583	326,805	(7,222)	-2%
Student & Instruction Related Services	1,617,491	1,596,663	20,828	1%
General Administrative	392,029	427,376	(35,347)	-8%
School Administrative Services	176,349	174,071	2,278	1%
Central Services	305,480	277,028	28,452	10%
Plant Operations & Maintenance	1,026,243	843,363	182,880	22%
Pupil Transportation	533,169	427,574	105,595	25%
Unallocated Benefits	2,161,223	2,944,914	(783,691)	-27%
On Behalf TPAF Pension and Social				
Security Contributions	926,417	795,045	131,372	17%
Special Schools	9,664	10,682	(1,018)	-10%
Interest & Other Charges	114,247	123,587	(9,340)	-8%
Unallocated Depreciation	631,047	628,687	2,360	0%
Food Service	283,335	239,082	44,253	19%
Total Expenses	<u>13,293,689</u>	<u>13,314,202</u>	<u>(20,513)</u>	0%
Change In Net Position	(15,956)	89,061	(105,017)	
Net Position - Beginning	<u>7,138,447</u>	<u>7,049,386</u>	<u>89,061</u>	
Net Position - Ending	<u>\$ 7,122,491</u>	<u>\$ 7,138,447</u>	<u>\$ (15,956)</u>	



**HAINESPORT TOWNSHIP SCHOOL DISTRICT**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2023**  
**(Unaudited) (Continued)**

**Governmental Activities**

During the fiscal year 2023, the net position of governmental activities increased by \$7,895 or 0.11%.

The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$7,021,003, with an unrestricted deficit balance of \$1,394,054. The deficit in unrestricted net position is primarily due to accounting treatment for compensated absences payable, GASB 68 net pension liability, and the last two state aid payments. In addition, state statutes prohibit school districts from maintaining more than 2% of its adopted budget as unassigned fund balance.

The School District’s governmental activities unrestricted net position had GASB 68 pension not been implemented would have been as follows:

Unrestricted Net Position (With GASB 68)	\$ (1,349,054)
Add back: PERS Pension Liability	1,121,542
Less: Deferred Outflows related to pensions	(213,523)
Add back: Deferred Inflows related to pensions	<u>337,200</u>
Unrestricted Net Position (With GASB 68)	<u><u>\$ (103,835)</u></u>

**Business-type Activities**

During the fiscal year 2023, the net position of business-type activities decreased by \$23,851 or 19%.

The assets and deferred outflows of the business-type activities exceeded liabilities and deferred inflows by \$101,488.

**General Fund Budgeting Highlights**

Final budgeted revenues was \$9,589,604, which equaled the original budget. Excluding nonbudgeted revenues, the School District’s actual revenues exceeded budgeted revenues by \$276,505.

Final budgeted appropriations was \$10,730,893, which was an increase of \$126,289 from the original budget. Excluding nonbudgeted appropriations, the School District’s budgeted appropriations exceeded actual appropriations by \$500,572.

The School District’s general fund balance – budgetary basis (Exhibit C-1) was \$3,265,380 at June 30, 2023, an decrease of \$364,212 from the prior year.

**HAINESPORT TOWNSHIP SCHOOL DISTRICT**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2023**  
**(Unaudited) (Continued)**

**Governmental Funds**

At the end of the current fiscal year, the School District’s governmental funds reported a combined ending fund balance of \$3,253,763, a decrease of \$323,621 from the prior year.

*General fund* - During the current fiscal year, the fund balance of the School District’s general fund decreased by \$342,816 or 9.65% to \$3,209,501 at June 30, 2023, compared to a decrease of \$77,589 in fund balance in the prior fiscal year. The primary factor(s) affecting the change in fund balance of the general fund is as follows:

- The District used additional fund balance in the 2022-2023 budget.

*Special revenue fund* – During the current fiscal year the fund balance of the School Districts special revenue fund increased by \$8,137 or 22.52% to \$44,262.

*Debt service fund* – During the current fiscal year the fund balance of the School Districts debt service fund decreased by \$11,058 or 100% to \$0.

**Proprietary Funds**

*Food service fund* - During the current fiscal year, the net position of the School District’s food service fund decreased by \$23,851 or 19% to \$101,488 at June 30, 2023, compared to an increase of \$94,076 in net position in the prior fiscal year.

**Capital Assets**

The School District’s capital assets for its governmental and business-type activities as of June 30, 2023, totaled \$8,053,833 (net of accumulated depreciation). Capital assets include land, land improvements, buildings and improvements and equipment. The school districts “Net Investment in Capital Assets” component of net position represents capital assets, net of accumulated depreciation less any outstanding debt associated with the capital assets. There was a net decrease in the School District’s investment in capital assets for the current fiscal year in the amount of \$343,952. This decrease is primarily due to the current year depreciation expense. Table 4 shows fiscal 2023 balances compared to 2022.

**Table 4**  
**Summary of Capital Assets**

<u>Capital Assets:</u>	June 30, <u>2023</u>	June 30, <u>2022</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Land	\$ 40,490	\$ 40,490	\$ -	0%
Land Improvements	631,232	631,232	-	0%
Building and Improvements	17,028,939	16,787,215	241,724	1%
Equipment	1,863,024	1,814,184	48,840	3%
Accumulated Depreciation	<u>(11,509,852)</u>	<u>(10,875,336)</u>	<u>(634,516)</u>	6%
	<u>\$ 8,053,833</u>	<u>\$ 8,397,785</u>	<u>\$ (343,952)</u>	-4%

Depreciation expense for the year was \$634,516. Additional information on the School District’s capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

**HAINESPORT TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2023**  
**(Unaudited) (Continued)**

**Debt Administration**

**Long-term debt** – At the end of the current fiscal year, the School District had total bonded debt outstanding of \$2,090,000, which is a decrease of \$385,000 from the prior year.

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 7) of this report.

**Contacting the School Districts Financial Management**

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Hainesport Township School District Business Administrator, 211 Broad Street P.O. Box 538, Hainesport, New Jersey 08036, telephone number (609) 265-8050.

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**BASIC FINANCIAL STATEMENTS**

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Government-Wide Financial Statements

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**HAINESPORT TOWNSHIP SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>ASSETS:</b>			
Cash & Cash Equivalents	\$ 1,319,708	\$ 60,978	\$ 1,380,686
Receivables, Net (Note 4)	619,322	3,611	622,933
Inventory	-	7,660	7,660
Restricted Cash & Cash Equivalents	1,528,706	-	1,528,706
Capital Assets, Net (Note 5)			
Non-depreciable	40,490	-	40,490
Depreciable	7,962,092	51,251	8,013,343
<b>Total Assets</b>	<b>11,470,318</b>	<b>123,500</b>	<b>11,593,818</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 8)	213,523	-	213,523
Related to Loss on Debt Refunding	49,399	-	49,399
<b>Total Deferred Outflow of Resources</b>	<b>262,922</b>	<b>-</b>	<b>262,922</b>
<b>LIABILITIES:</b>			
Accounts Payable	184,904	-	184,904
Payroll Deductions & Withholdings Payable	6,798	-	6,798
Due to Other Governments	107,273	-	107,273
Unearned Revenue	17,922	22,012	39,934
Accrued Interest	47,896	-	47,896
Noncurrent Liabilities (Note 7):			
Due within one year	414,002	-	414,002
Due in more than one year	3,596,242	-	3,596,242
<b>Total Liabilities</b>	<b>4,375,037</b>	<b>22,012</b>	<b>4,397,049</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 8)	337,200	-	337,200
<b>Total Deferred Inflow of Resources</b>	<b>337,200</b>	<b>-</b>	<b>337,200</b>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	5,610,966	51,251	5,662,217
Restricted for:			
Capital Reserve	1,196,326	-	1,196,326
Maintenance Reserve	332,380	-	332,380
Unemployment	95,293	-	95,293
Scholarships	7,260	-	7,260
Student Activities	37,002	-	37,002
Excess Surplus	1,090,830	-	1,090,830
Unrestricted (Deficit)	(1,349,054)	50,237	(1,298,817)
<b>Total Net Position</b>	<b>\$ 7,021,003</b>	<b>\$ 101,488</b>	<b>\$ 7,122,491</b>

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

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:							
Instruction:							
Regular Instruction	\$ 3,462,011	\$ -	\$ 540,212	\$ -	(2,921,799)	\$ -	(2,921,799)
Special Education Instruction	1,159,012	-	-	-	(1,159,012)	-	(1,159,012)
Other Instruction	176,389	-	-	-	(176,389)	-	(176,389)
Support Services:							
Tuition	319,583	-	-	-	(319,583)	-	(319,583)
Student & Instruction Related Services	1,617,491	-	195,398	-	(1,422,093)	-	(1,422,093)
General Administrative	392,029	-	-	-	(392,029)	-	(392,029)
School Administrative Services	176,349	-	-	-	(176,349)	-	(176,349)
Central Services	305,480	-	-	-	(305,480)	-	(305,480)
Plant Operations & Maintenance	1,026,243	-	-	-	(1,026,243)	-	(1,026,243)
Pupil Transportation	533,169	-	-	-	(533,169)	-	(533,169)
Unallocated Benefits	2,161,223	-	711,035	-	(1,450,188)	-	(1,450,188)
On Behalf TPAP Pension and Social Security Contributions	926,417	-	926,417	-	-	-	-
Special Schools	9,664	-	-	-	(9,664)	-	(9,664)
Interest & Other Charges	114,247	-	-	-	(114,247)	-	(114,247)
Unallocated Depreciation	631,047	-	-	-	(631,047)	-	(631,047)
Total Governmental Activities	13,010,354	-	2,373,062	-	(10,637,292)	-	(10,637,292)
Business-Type Activities:							
Food Service	283,335	143,990	114,670	-	-	(24,675)	(24,675)
Total Business-Type Activities	283,335	143,990	114,670	-	-	(24,675)	(24,675)
Total Primary Government	\$ 13,293,689	\$ 143,990	\$ 2,487,732	\$ -	(10,637,292)	(24,675)	(10,661,967)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					8,736,810	-	8,736,810
Property Taxes Levied for Debt Service					510,222	-	510,222
Federal & State Aid Restricted					247,460	-	247,460
Federal & State Aid Not Restricted					980,723	-	980,723
Tuition Charges					41,444	-	41,444
Miscellaneous					128,528	824	129,352
Total General Revenues					10,645,187	824	10,646,011
Change In Net Position					7,895	(23,851)	(15,956)
Net Position - Beginning					7,013,108	125,339	7,138,447
Net Position - Ending					\$ 7,021,003	\$ 101,488	\$ 7,122,491

## Fund Financial Statements

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## Governmental Funds

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**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>	<u>DEBT SERVICE FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>ASSETS:</b>				
Cash & Cash Equivalents	\$ 1,668,256	\$ -	\$ -	\$ 1,668,256
Receivables, Net:				
Interfund Receivable	11,333	-	-	11,333
Due from Other Governments:				
State	124,508	-	-	124,508
Federal	-	234,966	-	234,966
Other	-	1,337	255,111	256,448
Other Receivables	3,400	-	-	3,400
Restricted Cash & Cash Equivalents	1,528,706	-	-	1,528,706
Total Assets	<u>\$ 3,336,203</u>	<u>\$ 236,303</u>	<u>\$ 255,111</u>	<u>\$ 3,827,617</u>
<b>LIABILITIES &amp; FUND BALANCES</b>				
<b>Liabilities:</b>				
Cash Deficit	\$ -	\$ 93,437	\$ 255,111	\$ 348,548
Accounts Payable	119,904	65,000	-	184,904
Due Grantor	-	4,349	-	4,349
Interfund Payable	-	11,333	-	11,333
Payroll Deductions & Withholdings Payable	6,798	-	-	6,798
Unearned Revenue	-	17,922	-	17,922
Total Liabilities	<u>126,702</u>	<u>192,041</u>	<u>255,111</u>	<u>573,854</u>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Capital Reserve	1,196,326	-	-	1,196,326
Maintenance reserve	332,380	-	-	332,380
Excess Surplus - Current year	624,116	-	-	624,116
Excess Surplus - Designated for Subsequent Year's Expenditures	466,714	-	-	466,714
Unemployment Compensation	95,293	-	-	95,293
Scholarships	-	7,260	-	7,260
Student Activities	-	37,002	-	37,002
<b>Assigned to:</b>				
Designated for Subsequent Year's Expenditures	156,560	-	-	156,560
Unassigned	338,112	-	-	338,112
Total Fund Balances	<u>3,209,501</u>	<u>44,262</u>	<u>-</u>	<u>3,253,763</u>
Total Liabilities & Fund Balances	<u>\$ 3,336,203</u>	<u>\$ 236,303</u>	<u>\$ 255,111</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 \$19,417,954 and the accumulated depreciation is \$11,415,372.	8,002,582
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refunding are applicable to future reporting periods and therefore are not reported in the funds.	
Deferred Outflows related to pensions	213,523
Deferred Inflows related to pensions	(337,200)
Deferred Outflow related to the loss on bond refunding of debt	49,399
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(47,896)
Accrued pension contributions for the June 30, 2023 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.	(102,924)
Long-term liabilities, including net pension liability and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(4,010,244)</u>
Net Position of Governmental Activities	<u>\$ 7,021,003</u>

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

**HAINESPORT TOWNSHIP SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>	<u>DEBT SERVICE FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
Revenues:				
Local Sources:				
Local Tax Levy	\$ 8,736,810	\$ -	\$ 510,222	\$ 9,247,032
Tuition Charges	41,444	-	-	41,444
Interest on Capital Reserve	200	-	-	200
Interest on Maintenance Reserve	40	-	-	40
Miscellaneous	128,288	33,405	-	161,693
Total Local Sources	8,906,782	33,405	510,222	9,450,409
State Sources	3,350,083	-	5,736	3,355,819
Federal Sources	3,482	946,373	-	949,855
Total Revenues	12,260,347	979,778	515,958	13,756,083
Expenditures:				
Instruction:				
Regular Instruction	2,921,799	540,212	-	3,462,011
Special Education Instruction	1,159,012	-	-	1,159,012
Other Instruction	176,389	-	-	176,389
Support Services:				
Tuition	319,583	-	-	319,583
Student & Instruction Related Services	1,430,230	187,261	-	1,617,491
General Administrative	392,029	-	-	392,029
School Administrative Services	176,349	-	-	176,349
Central Services	305,480	-	-	305,480
Plant Operations & Maintenance	1,026,243	-	-	1,026,243
Pupil Transportation	533,169	-	-	533,169
Unallocated Benefits	1,724,626	-	-	1,724,626
On Behalf TPAF Pension and Social Security Contributions	2,372,842	-	-	2,372,842
Special Schools	9,664	-	-	9,664
Capital Outlay	15,000	244,168	-	259,168
Debt Service:				
Principal	-	-	385,000	385,000
Interest & Other Charges	40,748	-	119,900	160,648
Total Expenditures	12,603,163	971,641	504,900	14,079,704
Excess/(Deficiency) of Revenues over Expenditures	(342,816)	8,137	11,058	(323,621)
Fund Balance, July 1	3,552,317	36,125	(11,058)	3,577,384
Fund Balance, June 30	\$ 3,209,501	\$ 44,262	\$ -	\$ 3,253,763

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



**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Total Net Changes in Fund Balances - Governmental Funds (B-2)	\$	(323,621)
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 capital outlays exceeded depreciation in the period		
Depreciation expense	\$	(631,047)
Capital outlays		<u>256,724</u>
		(374,323)
Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.		
		203,109
Repayment of long-term debt principal and obligation of lease purchase agreements are 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.		
		385,000
Governmental funds report the effect of premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these transactions is as follows:		
Amortization of premium on bonds		54,002
Amortization of loss on bond refunding		<u>(7,601)</u>
		46,401
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 (+).		
		<u>71,329</u>
Change in Net Position of Governmental Activities	\$	<u><u>7,895</u></u>

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

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## Proprietary Funds

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**HAINESPORT TOWNSHIP SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2023**

ASSETS	<u>FOOD SERVICE</u>
Current Assets:	
Cash & Cash Equivalents	\$ 60,978
Accounts Receivable:	
State	157
Federal	3,454
Inventories	<u>7,660</u>
Total Current Assets	<u>72,249</u>
Noncurrent Assets:	
Equipment	145,731
Less: Accumulated Depreciation	<u>(94,480)</u>
Total Noncurrent Assets	<u>51,251</u>
Total Assets	<u>123,500</u>
LIABILITIES	
Current Liabilities	
Unearned Revenues	<u>22,012</u>
Total Current Liabilities	<u>22,012</u>
NET POSITION	
Investment in Capital Assets	51,251
Unrestricted	<u>50,237</u>
Total Net Position	<u><u>\$ 101,488</u></u>

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

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>FOOD SERVICE</u>
Operating Revenues:	
Charges for service:	
Daily sales - reimbursable programs	\$ 81,545
Daily sales - non-reimbursable programs	60,344
Special Functions	1,901
Miscellaneous	200
	143,990
Total Operating Revenue	143,990
Operating Expenses:	
Cost of Sales - reimbursable programs	59,623
Cost of Sales - nonreimbursable Programs	44,121
General supplies	6,417
Salaries & employee benefits	111,167
Management fee	25,153
Cleaning, repair and maintenance services	23,123
Miscellaneous	10,262
Depreciation	3,469
	283,335
Total Operating Expenses	283,335
Operating Income/(Loss)	(139,345)
Nonoperating Revenues/(Expense):	
State Sources:	
State School Lunch Program	2,345
State School Lunch Program - Reduced	461
Federal Sources:	
National School Lunch Program	58,856
Healthy Hunger-Free Kids Act	3,013
Food Distribution Program	23,123
Supply Chain Assistance	26,872
Interest Revenue	824
	115,494
Total Nonoperating Revenues/(Expenses)	115,494
Change in Net Position	(23,851)
Net Position - Beginning	125,339
	101,488
Net Position - Ending	\$ 101,488

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

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>FOOD SERVICE</u>
Cash Flows From Operating Activities:	
Receipts from Customers	\$ 144,688
Payments to Employees	(111,167)
Payments for Supplies and Services	<u>(134,217)</u>
Net Cash Provided by/(Used for) Operating Activities	<u>(100,696)</u>
Cash Flows From Non Capital Financing Activities:	
State Sources	3,052
Federal Sources	102,807
Acquisition of Capital Assets	<u>(33,840)</u>
Net Cash Provided by (Used for) Non Capital & Related Financing Activities	<u>72,019</u>
Cash Flows From Investing Activities:	
Interest Revenue	<u>824</u>
Net Cash Provided by Investing Activities	<u>824</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	(27,853)
Cash & Cash Equivalents, July 1	<u>88,831</u>
Cash & Cash Equivalents, June 30	<u><u>\$ 60,978</u></u>
 <b>Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:</b>	
Operating Income/(Loss)	\$ (139,345)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided by/(Used for) Operating Activities:	
Depreciation Expense	3,469
Food Distribution Program	23,123
(Increase)/Decrease in Inventories	(864)
Increase/(Decrease) in Unearned Revenues	12,223
(Increase)/Decrease in Accounts Receivable - Other	<u>698</u>
Net Cash Provided/(Used) by Operating Activities	<u><u>\$ (100,696)</u></u>

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

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**HAINESPORT TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2023**

**Note 1. Summary of Significant Accounting Policies**

**Basis of Presentation**

The financial statements of the Board of Education of Hainesport Township School District (the “District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of more significant accounting policies.

**Reporting Entity**

The District is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the District functions independently through a Board of Education. The Board consists of 9 members elected to three-year terms. These terms are staggered so that three members’ terms expire each year. The District provides a full range of educational services appropriate to grade levels K through 8. The District has an approximate enrollment at June 30, 2023 of 537 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.

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

**Component Units**

GASB Statement No.14, The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units, GASB Statement No. 61, The Financial Reporting Entity: Omnis - an amendment of GASB Statements No. 14 and No. 34, GASB Statement No. 80, Blending Requirements for Certain Component Units – an Amendment of GASB Statement No. 14 and GASB Statement No. 90 – Majority Equity Interests – an Amendment of GASB Statements No. 14 & No. 61. The District had no component units as of for the year ended June 30, 2023.

**Government-Wide Financial Statements**

The District’s Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column. Fiduciary activities of the District are not included in these statements.

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2023 (continued)**

**Note 1. Summary of Significant Accounting Policies (continued):**

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the District’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

**Governmental Fund Financial Statements**

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule (Exhibit B-3) is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The District’s deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax and intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

**Proprietary Fund Financial Statements**

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service funds balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2023 (continued)**

**Note 1. Summary of Significant Accounting Policies (continued):**

decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary 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.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

Governmental fund financial statements are reported 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 of the end of the current fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2023 (continued)**

**Note 1. Summary of Significant Accounting Policies (continued):**

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Food Service Fund program are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, employee salaries and benefits, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements. The District does not maintain any internal service funds.

The District reports the following major governmental funds:

**General Fund** - The general fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the Capital Outlay sub-fund.

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

**Capital Projects Fund** - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The District had no activity during the current fiscal year.

**Debt Service Fund** - The debt service fund is 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.

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2023 (continued)**

**Note 1. Summary of Significant Accounting Policies (continued):**

The District reports the following major proprietary funds:

**Food Service Fund** – This fund accounts for the revenues and expenses pertaining to the District’s cafeteria operations.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

**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. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

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.

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

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2023 (continued)**

**Note 1. Summary of Significant Accounting Policies (continued):**

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

**Encumbrances**

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as assigned 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 a reduction of the accounts receivables or as unearned revenue at fiscal year-end.

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

**Cash and Cash Equivalents**

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

New Jersey School Districts are limited as to the types of investments and types of financial institutions they may invest in. *N.J.S.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 loss of funds on deposit with a failed banking institution in New Jersey.

*N.J.S.A.17:9-41* et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the 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.



**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2023 (continued)**

**Note 1. Summary of Significant Accounting Policies (continued):**

**Tuition Payable/Receivable**

Tuition rates for the fiscal year end June 30, 2023 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

**Inventories**

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

**Interfund Receivables/Payables**

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances.

**Capital Assets**

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The District has established a threshold of \$2,000 for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the District are depreciated or amortized using the straight-line method over the following estimated lives:

Land Improvements	10 – 20 Years
Building and Improvements	10 – 50 Years
Furniture and Equipment	5 – 20 Years
Vehicles	4 – 6 Years

**Compensated Absences**

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2023 (continued)**

**Note 1. Summary of Significant Accounting Policies (continued):**

The entire compensated absences liability is reported on the government-wide financial statements and proprietary fund financial statements. Compensated absences liability is not recorded in the governmental funds. Instead, expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of resignations or retirements.

**Unearned Revenue**

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measurable and the District is eligible to realize the revenue.

**Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, government fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources.

**Accounting Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumption that affect certain reported amounts reported in the financial statements and accompanying note disclosures. Actual results could differ from those estimates.

**Interfund Activity**

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

**Fund Balance**

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies governmental fund balances as follows:

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2023 (continued)**

**Note 1. Summary of Significant Accounting Policies (continued):**

- Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District did not have any committed resources as of June 30, 2023.
- Assigned – This classification includes amounts that are constrained by the District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District’s policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the District’s policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

**Net Position**

Net position, represents the difference between summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified in the following three components:

- Net Investment in Capital Assets – This components represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2023 (continued)**

**Note 1. Summary of Significant Accounting Policies (continued):**

- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

**Impact of Recently Issued Accounting Principles**

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2023:

Statement No. 96, *Subscription-Based Information Technology Arrangements*. Statement No. 96 establishes a single approach to accounting and financial reporting for subscription-based information technology arrangements for government end users. Statement No. 96 is effective for reporting periods beginning after June 15, 2022. The adoption of this pronouncement had no material effect on the financial statements.

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 101, *Compensated Absences*. Statement No. 101 aligns the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Statement No. 101 is effective for reporting periods beginning after December 15, 2023. Management has not yet determined the potential impact on the District's financial statements.

**Bond Premiums, Discounts and Issuance Costs**

In the government-wide financial statements and in the proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2023 (continued)**

**Note 1. Summary of Significant Accounting Policies (continued):**

**Deferred Loss on Refunding Debt**

Deferred loss on refunding debt arising from the issuance of the refunding bonds is recorded as deferred outflows of resources. It is amortized in a systematic and rational manner over the shorter of the duration of the related debt or the new debt issues as a component of interest expense.

**Deferred Outflows and Deferred Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time.

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan’s fiduciary net position and additions to/deductions from the plan’s fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Note 2. Cash Deposits and Investments**

**Cash Deposits**

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2023, the District’s bank balance of \$3,071,493 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	3,016,016
Uninsured and Uncollateralized		55,477
	\$	3,071,493

**Investments**

The District had no investments at June 30, 2023.

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2023 (continued)**

**Note 3. Reserve Accounts**

**Capital Reserve**

A capital reserve account was established by the District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a District may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. 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 *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.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 of the capital reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	\$	1,196,126
Increased by:		
Interest Earnings		200
Ending Balance, June 30, 2023	\$	1,196,326

**Maintenance Reserve**

The District established a maintenance reserve account for the accumulation of funds for use as required maintenance of a facility in subsequent fiscal years.

Funds placed in the maintenance reserve account are restricted to maintenance projects in the District’s approved Maintenance Plan (M-1). A School District may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. The balance in the account cannot at any time exceed four percent of the replacement cost of the school district’s school facilities for the current year.

The activity of the maintenance reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	\$	447,340
Increased by:		
Interest Earnings		40
	\$	447,380
Decreased by:		
Budget Withdrawals		(115,000)
Ending Balance, June 30, 2023	\$	332,380

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2023 (continued)**

**Note 4. Accounts Receivable**

Accounts receivable at June 30, 2023 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state and federal programs, the current fiscal year guarantee of federal funds and the budgetary control of New Jersey governmental entities. Accounts receivable in the District's governmental and business-type activities as of June 30, 2023, consisted of the following:

<u>Description</u>	<u>Governmental Funds</u>			<u>Total Governmental Activities</u>	<u>Proprietary Funds</u>	<u>Total Business-Type Activities</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>		<u>Food Service Fund</u>	
Federal Awards	\$ -	\$ 234,966	\$ -	\$ 234,966	\$ 3,454	\$ 3,454
State Awards	124,508	-	-	124,508	157	157
Other	3,400	1,337	255,111	259,848	-	-
<b>Total</b>	<b>\$ 127,908</b>	<b>\$ 236,303</b>	<b>\$ 255,111</b>	<b>\$ 619,322</b>	<b>\$ 3,611</b>	<b>\$ 3,611</b>

**Note 5. Capital Assets**

Capital assets activity for the year ended June 30, 2023 was as follows:

	<b>Balance July 1, 2022</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance June 30, 2023</b>
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 40,490	\$ -	\$ -	\$ 40,490
<b>Total Capital Assets not being depreciated</b>	<b>40,490</b>	<b>-</b>	<b>-</b>	<b>40,490</b>
Capital Assets being depreciated:				
Land Improvements	631,232	-	-	631,232
Buildings and Improvements	16,787,215	241,724	-	17,028,939
Equipment	1,702,293	15,000	-	1,717,293
<b>Total Capital Assets being depreciated</b>	<b>19,120,740</b>	<b>256,724</b>	<b>-</b>	<b>19,377,464</b>
Less: Accumulated Depreciation:				
Land Improvements	(213,764)	(896)	-	(214,660)
Buildings and Improvements	(9,030,795)	(614,988)	-	(9,645,783)
Equipment	(1,539,766)	(15,163)	-	(1,554,929)
<b>Total Accumulated Depreciation</b>	<b>(10,784,325)</b>	<b>(631,047)</b>	<b>-</b>	<b>(11,415,372)</b>
<b>Total Capital Assets being depreciated, net</b>	<b>8,336,415</b>	<b>(374,323)</b>	<b>-</b>	<b>7,962,092</b>
<b>Total Governmental Activities Capital Assets, net</b>	<b>\$ 8,376,905</b>	<b>\$ (374,323)</b>	<b>\$ -</b>	<b>\$ 8,002,582</b>

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2023 (continued)**

**Note 5. Capital Assets (continued):**

	<b>Balance July 1, 2022</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance June 30, 2023</b>
<b>Business-Type Activities:</b>				
Equipment	\$ 111,891	\$ 33,840	\$ -	\$ 145,731
	<u>111,891</u>	<u>33,840</u>	<u>-</u>	<u>145,731</u>
Less: Accumulated Depreciation:				
Equipment	(91,011)	(3,469)	-	(94,480)
	<u>(91,011)</u>	<u>(3,469)</u>	<u>-</u>	<u>(94,480)</u>
Total Business-Type Activities Capital Assets, net				
	<u>\$ 20,880</u>	<u>\$ 30,371</u>	<u>\$ -</u>	<u>\$ 51,251</u>

Depreciation expense was not allocated among the various functions/programs of the District.

**Note 6. Interfund Receivables, Payables and Transfers**

Individual fund receivables/payables balances at June 30, 2023 are as follows:

<b>Fund</b>	<b>Interfund Receivables</b>	<b>Interfund Payables</b>
General Fund	\$ 11,333	\$ -
Special Revenue Fund	<u>-</u>	<u>11,333</u>
	<u>\$ 11,333</u>	<u>\$ 11,333</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

**Note 7. Long-Term Obligations**

During the fiscal year-ended June 30, 2023 the following changes occurred in long-term obligations for the governmental and business-type activities:

	<b>Balance July 1, 2022</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2023</b>	<b>Balance Due Within One Year</b>
Governmental Activities:					
General Obligation Bonds	\$ 2,475,000	\$ -	\$ 385,000	\$ 2,090,000	\$ 360,000
Unamortized Bond Premiums	405,017	-	54,002	351,015	54,002
Compensated Absences	519,016	-	71,329	447,687	-
Net Pension Liability	996,201	125,341	-	1,121,542	-
	<u>\$ 4,395,234</u>	<u>\$ 125,341</u>	<u>\$ 510,331</u>	<u>\$ 4,010,244</u>	<u>\$ 414,002</u>

For governmental activities, the bonds payable are liquidated from the District's debt service fund. Compensated absences and net pension liability are liquidated by the general fund.



**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2023 (continued)**

**Note 7. Long-Term Obligations (continued):**

**Bonds Payable**

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness.

On December 17, 2019, the District issued \$3,320,000 of Refunding Bonds, refunding the 2010 General Obligation Bonds. The Refunding Bonds were issued at interest rates varying from 4.000% to 5.000% and mature on January 15, 2030.

Principal and interest due on the outstanding bonds is as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 360,000	\$ 104,500	\$ 464,500
2025	335,000	86,500	421,500
2026	315,000	69,750	384,750
2027	290,000	54,000	344,000
2028	275,000	39,500	314,500
2029-2030	515,000	38,250	553,250
	<u>\$ 2,090,000</u>	<u>\$ 392,500</u>	<u>\$ 2,482,500</u>

**Bonds Authorized but not Issued**

As of June 30, 2023, the District had no bonds authorized but not issued.

**Note 8. Pension Plans**

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

**Plan Description** - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's annual financial statements, which can be found at [www.state.nj.us/treasury/pensions/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-reports.shtml).

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were 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

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2023 (continued)**

**Note 8. Pension Plans (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

Service retirement benefits of 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years 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.

**Contributions** - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. 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 2022, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

**Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources** - At June 30, 2023, the District reported a liability of \$1,121,542 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2021, to the measurement date of June 30, 2022. 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, 2022. The District's proportion measured as of June 30, 2022, was 0.00743%, which was a decrease of 0.00098% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized full accrual pension expense/(benefit) of (\$109,314) in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2022 measurement date. At June 30, 2023 the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2023 (continued)**

**Note 8. Pension Plans (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between Expected and Actual Experience	\$ 8,095	\$ 7,138
Changes of Assumptions	3,475	167,939
Net Difference between Projected and Actual Earnings on Pension Plan Investments	46,420	-
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	52,609	162,123
School District Contributions Subsequent to Measurement Date	102,924	-
	\$ 213,523	\$ 337,200

\$102,924 reported as deferred outflows of resources resulting from District contributions subsequent to the measurement date is based on the amount payable to the State due April 1, 2024 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending <u>Dec 31,</u></b>	<b><u>Amount</u></b>
2023	\$ (186,185)
2024	(94,855)
2025	(46,259)
2026	100,919
2027	(222)
	\$ (226,601)

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2023 (continued)**

**Note 8. Pension Plans (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

	<b><u>Deferred Outflow of Resources</u></b>	<b><u>Deferred Inflow of Resources</u></b>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	5.21	-
June 30, 2020	-	5.16
June 30, 2021	5.13	-
 Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	-
June 30, 2022		5.04
 Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	-	5.00
June 30, 2021	5.00	-
June 30, 2022	5.00	
 Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16
June 30, 2021	5.13	5.13
June 30, 2022	5.04	5.04

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2023 (continued)**

**Note 8. Pension Plans (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

**Actuarial Assumptions** – The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following assumptions:

Inflation		
Price		2.75%
Wage		3.25%
Salary Increases:		
Through 2027	2.85 - 6.55%	Based on Years of Service
Thereafter	2.75 - 6.55%	Based on Years of Service
Investment Rate of Return		7.00%
Mortality Rate Table		
PERS	Pub-2010 General Classification Headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021	
Period of Actuarial Experience		
Study upon which Actuarial Assumptions were Based		July 1, 2018 - June 30, 2021

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 base 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, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) 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 rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2023 (continued)**

**Note 8. Pension Plans (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.37%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 made based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. 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 District's proportionate share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the District's proportionate share of the net pension liability as of June 30, 2023, calculated using the discount rate of 7.00% as well as what the District's proportionate share of the 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:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
District's Proportionate Share of the Net Pension Liability	<u>\$ 1,453,056</u>	<u>\$ 1,121,542</u>	<u>\$ 856,993</u>

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2023 (continued)**

**Note 8. Pension Plans (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

**Additional Information** - The following is a summary of the collective balances of the local group at June 30, 2023 and 2022:

	<u>6/30/2023</u>	<u>6/30/2022</u>
Actuarial valuation date (including roll forward)	June 30, 2022	June 30, 2021
Collective Deferred Outflows of Resources	\$ 1,660,772,008	\$ 1,164,738,169
Collective Deferred Inflows of Resources	3,236,303,935	8,339,123,762
Collective Net Pension Liability	15,091,376,611	11,972,782,878
District's portion of the Plan's total Net Pension Liability	0.007432%	0.008409%

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

**Plan Description** - 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, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Annual Comprehensive Financial Report (ACFR) which can be found at [www.state.nj.us/treasury/pensions/annrprts.shtml](http://www.state.nj.us/treasury/pensions/annrprts.shtml).

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

The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
1	Members who were 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

Service retirement benefits of 1/55<sup>th</sup> 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 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2023 (continued)**

**Note 8. Pension Plans (continued)**

**B. Teachers' Pension and Annuity Fund (TPAF) (continued)**

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 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. 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.

**Contributions** - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. 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. For fiscal year 2022, the State's pension contribution was less than the actuarial determined amount.

As mentioned previously, 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, the District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the District does 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.

**Pension Liability and Pension Expense** - The State's proportionate share of the TPAF net pension liability, attributable to the District as of June 30, 2022 was \$20,982,554. The District's proportionate share was \$-0-.

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating districts, actuarially determined. At June 30, 2022, the State proportionate share of the TPAF net pension liability attributable to the District was 0.04067%, which was an decrease of .00075% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the District recognized \$564,699 in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2022 measurement date.

**Actuarial Assumptions** – The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:



**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2023 (continued)**

**Note 8. Pension Plans (continued)**

**B. Teachers' Pension and Annuity Fund (TPAF) (continued)**

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2027	2.85 - 6.55% Based on Years of Service
Thereafter	2.75 - 6.55% Based on Years of Service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% 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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**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, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2022 are summarized in the following table:

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2023 (continued)**

**Note 8. Pension Plans (continued)**

**B. Teachers' Pension and Annuity Fund (TPAF) (continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.37%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 made 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 District's proportionate share of the Net Pension Liability to Changes in the Discount Rate** – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the District calculated using the discount rate of 7.00% as well as what the State's proportionate share of the net pension liability, attributable to the District's 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:

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2023 (continued)**

**Note 8. Pension Plans (continued)**

**B. Teachers' Pension and Annuity Fund (TPAF) (continued)**

	<b>1% Decrease <u>(6.00%)</u></b>	<b>Current Discount Rate <u>(7.00%)</u></b>	<b>1% Increase <u>(8.00%)</u></b>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	24,602,490	20,982,554	17,933,212
	<u>\$ 24,602,490</u>	<u>\$ 20,982,554</u>	<u>\$ 17,933,212</u>

**Pension Plan Fiduciary Net Position** - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Additional Information** – The following is a summary of the collective balances of the local group at June 30, 2023 and 2022:

	<u>6/30/2023</u>	<u>6/30/2022</u>
Actuarial valuation date (including roll forward)	June 30, 2022	June 30, 2021
Collective Deferred Outflows of Resources	\$ 5,004,259,312	\$ 6,373,530,834
Collective Deferred Inflows of Resources	19,682,774,794	27,363,797,906
Collective Net Pension Liability	51,676,587,303	48,165,991,182
District's portion of the Plan's total Net Pension Liability	0.04067%	0.04142%

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2023 (continued)**

**Note 8. Pension Plans (continued)**

**C. Defined Contribution Plan (DCRP)**

**Plan Description** - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of N.J.S.A. 43:15C-1 et seq. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits;
- Employees enrolled in the Police and Firemen's Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits;
- 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. The minimum salary in 2021 is \$8,300 and is subject to adjustment in future years.
- 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. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees

**Contributions** - The contribution policy is set by N.J.S.A. 43:15C-3 and requires active members and contribution employers. When enrolled in the DCRP, members are required to contribute 5.5% of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3% contribution from the District.

For the year ended June 30, 2022, employee contributions totaled \$5,021 and the District recognized pension expense of \$2,739.

**Note 9. Other 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-

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2023 (continued)**

**Note 9. Other Post-Retirement Benefits (continued):**

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

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

**Basis of Presentation**

The Schedule presents the State of New Jersey’s obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles.

Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of June 30, 2022, was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. 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.

Total Nonemployer OPEB Liability: \$ 50,646,462,966

	<b>TPAF/ABP</b>	<b>PERS</b>	<b>PFRS</b>
Salary Increases:	2.75 - 4.25%	2.75 - 6.55%	3.25 - 16.25%
	based on years of service	based on years of service	based on years of service

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-2021. 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 for current disabilities. Future disabled retirees was based on the Pub-2010 “Safety” (PFRS),

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2023 (continued)**

**Note 9. Other Post-Retirement Benefits (continued):**

“General” (PERS), and “Teachers” (TPAF/ABP) 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, 2018 – June 30, 2021.

**OPEB Obligation and OPEB Expense** - The State’s proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2023 was \$21,762,671. The School District’s proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2022, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The State’s proportionate share of the OPEB Obligation associated with the District was based on projection of the State’s long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2022, the State proportionate share of the OPEB Obligation attributable to the School District was 0.04297%, which was a decrease of -0.00046% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the State of New Jersey recognized an OPEB expense in the amount of \$710,376 for the State’s proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2022 measurement date.

**Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2023 through 2024 are reflected. For PPO the trend is initially -1.99% in fiscal year 2023, decreasing to -5.86%% in fiscal year 2024 and increases to 4.50% after 11 years. For HMO the trend is initially -3.54% in fiscal year 2023, decreasing to -8.15% in fiscal year 2024 and increases to 4.50% after 11 years. For prescription drug benefits, the initial trend rate is 8.00% and decreases to 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

**Discount Rate**

The discount rate for June 30, 2022 was 3.54%. 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.

**Sensitivity of Total Nonemployer OPEB Liability to changes in discount rate**

The following presents the total nonemployer OPEB liability as of June 30, 2022, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2023 (continued)**

**Note 9. Other Post-Retirement Benefits (continued):**

	<b>June 30, 2022</b>		
	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
State of New Jersey's Proportionate Share of Total Obligations Associated with the School District	\$ 25,579,731	\$ 21,762,671	\$ 18,703,489
State of New Jersey's Total Non- employer Liability	\$ 59,529,589,697	\$ 50,646,462,966	\$ 43,527,080,995

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

The following presents the total nonemployer OPEB liability as of June 30, 2022, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	<b>June 30, 2022</b>		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 17,988,178	\$ 21,762,671	\$ 26,720,697
State of New Jersey's Total Nonemployer OPEB Liability	\$ 41,862,397,291	\$ 50,646,462,966	\$ 62,184,866,635

\* See Healthcare Cost Trend Assumptions for details of rates.

**Additional Information**

Collective balances of the Local Group at June 30, 2022 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion Differences between Expected & Actual Experience	\$ -	\$ -
Change in Assumptions	9,042,402,619	(15,462,950,679)
Change in Assumptions	8,765,620,577	(17,237,289,230)
Contributions Made in Fiscal Year Year Ending 2022 After June 30, 2021 Measurement Date **	TBD	-
	<u>\$ 17,808,023,196</u>	<u>\$ (32,700,239,909)</u>

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2023 (continued)**

**Note 9. Other Post-Retirement Benefits (continued):**

\*\* Employer Contributions made after June 30, 2022 are reported as a deferred outflow of resources, but are not amortized in expense.

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

Fiscal Year Ending June 30,	
2023	\$ (2,517,151,602)
2024	(2,517,151,602)
2025	(2,517,151,602)
2026	(2,175,449,761)
2027	(1,243,951,140)
Thereafter	(3,921,361,006)
	\$ (14,892,216,713)

**Plan Membership**

At June 30, 2021, the Program membership consisted of the following:

	June 30, 2021
Active Plan Members	213,148
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	151,669
	364,817

**Changes in the Total OPEB Liability**

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2023 (measurement date June 30, 2022) is as follows:

<b>Total OPEB Liability</b>	
Service Cost	\$ 2,770,618,025
Interest Cost	1,342,187,139
Difference Between Expected & Actual Experience	1,399,200,736
Change in Benefit Terms	-
Changes of Assumptions	(13,586,368,097)
Contributions: Member	42,650,252
Gross Benefit Payments	(1,329,476,059)
Net Change in Total OPEB Liability	(9,361,188,004)
Total OPEB Liability (Beginning)	60,007,650,970
Total OPEB Liability (Ending)	\$ 50,646,462,966
Total Covered Employee Payroll	\$ 14,753,355,408
Net OPEB Liability as a Percentage of Payroll	343%



**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2023 (continued)**

**Note 10. On-Behalf Payments for Fringe Benefits and Salaries**

As previously mentioned, the District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers’ Pension and Annuity Fund (TPAF) pension plan. The District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2023, the on-behalf payments for pension, social security, post-retirement medical costs, and long-term disability were \$1,592,720, \$361,059, \$418,404 and \$659, respectively.

**Note 11. 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.

**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, reimbursements to the State for benefits paid and the ending balance of the District’s trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Interest</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022-2023	\$ 752	\$ 11,353	\$ 3,375	95,293
2021-2022	117	10,254	166	86,563
2020-2021	124	9,092	3,223	76,358

**Property and Liability Insurance** – The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report.

**Joint Insurance Pool** – The District also participates in the School Alliance Insurance Fund and, public entity risk pool. The Pool provides its members with the following coverage:

Property & Crime	General & Automobile Liability
Pollution Legal Liability Liability	Workers’ Compensation
Educators Legal Liability	Boiler & Machinery Liability
Cyber Liability	Violent & Malicious Acts

**Note 12. Contingencies**

**State and Federal Grantor Agencies** - The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2023 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2023 (continued)**

**Note 12. Contingencies (Continued)**

**Litigation** – The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the Districts’ attorney that resolution of these matters will not have a material adverse effect on the financial condition of the District.

**Economic Dependency** – The District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the District’s programs and activities.

**Note 13. Deferred Compensation**

The District offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. 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:

AXA Equitable  
Lincoln Investment Planning, Inc.  
Valic Investments  
The Legend Group  
Security Benefit & Life

**Note 14. Compensated Absences**

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

District employees are granted varying amount of vacation and sick leave in accordance with the District's personnel policies. Upon termination, employees are paid for accrued vacation. The District 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 Districts’ agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. At June 30, 2023, the liability for compensated absences reported on the government-wide Statement of Net Position was \$447,687.

**Note 15. Tax Abatements**

As defined by the Governmental Accounting Standards Board (GASB) Statement No. 77, a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. Districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the district’s local tax revenue because

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2023 (continued)**

**Note 15. Tax Abatements (Continued)**

N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the district.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

**Note 16. Commitments**

The District has no contractual commitments at June 30, 2023.

**Note 17. Calculation of Excess Surplus**

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. 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, 2023 was \$624,116.

**Note 18. Fund Balances**

**General Fund** – Of the \$3,209,501 General Fund fund balance at June 30, 2023, \$1,196,326 has been restricted for the Capital Reserve Account; \$332,380 has been restricted for the maintenance reserve account; \$624,116 has been restricted for current year excess surplus; \$466,714 is restricted for prior year excess surplus – designated for subsequent year's expenditures; \$95,293 is restricted for Unemployment Compensation; \$156,560 has been assigned as designated for subsequent year's expenditures and \$338,112 has been unassigned.

**Special Revenue Fund** – Of the \$44,262 Special Revenue Fund fund balance at June 30, 2023, \$37,002 has been restricted for Student Activities and \$7,260 has been restricted for Scholarships.

**Note 19. Deficit in Net Position**

**Unrestricted Net Position** – The District's governmental activities had a deficit in unrestricted net position in the amount of \$1,349,054. The primary causes of the deficit are the District not recognizing the receivable for the last two state aid payments and the recording of the net pension liability for the Public Employees' Retirement System (PERS) as of June 30, 2023. This deficit in unrestricted net position for governmental activities does not indicate that the District is facing financial difficulties.

**Note 20. Subsequent Events**

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2023 and January 25, 2024, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

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**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

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### C. Budgetary Comparison Schedules

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**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
<b>Revenues:</b>						
<b>Local Sources:</b>						
Local Tax Levy	10-1210-000-000	\$ 8,736,810	\$ -	\$ 8,736,810	\$ 8,736,810	\$ -
Tuition from Individuals	10-1300-000-000	30,000	-	30,000	41,444	11,444
Unrestricted Miscellaneous Revenues	10-1000-000-000	10,700	-	10,700	128,288	117,588
Interest on Maintenance Reserve	10-1000-000-000	40	-	40	40	-
Interest Earned on Capital Reserve	10-1000-000-000	200	-	200	200	-
<b>Total Local Sources</b>		<b>8,777,750</b>	<b>-</b>	<b>8,777,750</b>	<b>8,906,782</b>	<b>129,032</b>
<b>State Sources:</b>						
Transportation Aid	10-3121-000-000	137,699	-	137,699	137,699	-
Special Education Categorical Aid	10-3132-000-000	441,909	-	441,909	441,909	-
Equalization Aid	10-3176-000-000	169,798	-	169,798	169,798	-
Security Aid	10-3177-000-000	62,448	-	62,448	62,448	-
Extraordinary Aid	10-3131-000-000	-	-	-	73,765	73,765
Non-Public Transportation Aid	10-3xxx-000-000	-	-	-	18,279	18,279
Supplemental Stabilization Aid	10-3246-000-000	-	-	-	51,947	51,947
<b>Nonbudgeted:</b>						
On-Behalf TPAF Pension Contribution		-	-	-	1,592,720	1,592,720
On-Behalf TPAF Post-Retirement Medical		-	-	-	418,404	418,404
On-Behalf TPAF Long Term Disability Insurance		-	-	-	659	659
Reimbursed TPAF Social Security		-	-	-	361,059	361,059
<b>Total State Sources</b>		<b>811,854</b>	<b>-</b>	<b>811,854</b>	<b>3,328,687</b>	<b>2,516,833</b>
<b>Federal Sources:</b>						
FFCRA/SEMI	10-4200-000-000	-	-	-	733	733
Medicaid Reimbursement	10-4200-000-000	-	-	-	2,749	2,749
<b>Total Federal Sources</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>3,482</b>	<b>3,482</b>
<b>Total Revenues</b>		<b>9,589,604</b>	<b>-</b>	<b>9,589,604</b>	<b>12,238,951</b>	<b>2,649,347</b>
<b>Expenditures:</b>						
<b>Current Expense:</b>						
<b>Instruction - Regular Programs:</b>						
<b>Salaries of Teachers:</b>						
Preschool	11-105-100-101	96,893	-	96,893	95,543	1,350
Kindergarten	11-110-100-101	208,336	-	208,336	203,244	5,092
Grades 1 - 5	11-120-100-101	1,349,317	9,645	1,358,962	1,358,701	261
Grades 6 - 8	11-130-100-101	933,302	(72,420)	860,882	825,973	34,909
<b>Home Instruction - Regular Programs:</b>						
Salaries of Teachers	11-150-100-101	10,000	(3,441)	6,559	6,559	-
Purchased Professional Educational Services	11-150-100-320	-	6,641	6,641	6,641	-
<b>Regular Programs - Undistributed Instruction:</b>						
Other Salaries for Instruction	11-190-100-106	154,629	(8,568)	146,061	143,760	2,301
Purchased Professional Educational Services	11-190-100-320	75,000	44,614	119,614	119,614	-
Other Purchased Services	11-190-100-500	18,000	-	18,000	13,905	4,095
General Supplies	11-190-100-610	179,500	(3,468)	176,032	147,859	28,173
Textbooks	11-190-100-640	3,000	(1,000)	2,000	-	2,000
<b>Total Regular Programs</b>		<b>3,027,977</b>	<b>(27,997)</b>	<b>2,999,980</b>	<b>2,921,799</b>	<b>78,181</b>
<b>Special Education:</b>						
<b>Resource Room / Resource Center:</b>						
Salaries of Teachers	11-213-100-101	1,108,769	(12,811)	1,095,958	1,084,299	11,659
Purchased Professional Educational Services	11-213-100-320	35,000	35,372	70,372	70,371	1
General Supplies	11-213-100-610	6,000	(1,441)	4,559	4,342	217
<b>Total Resource Room/Resource Center</b>		<b>1,149,769</b>	<b>21,120</b>	<b>1,170,889</b>	<b>1,159,012</b>	<b>11,877</b>
<b>Total Special Education</b>		<b>1,149,769</b>	<b>21,120</b>	<b>1,170,889</b>	<b>1,159,012</b>	<b>11,877</b>

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
<b>Basic Skills/Remedial - Instruction:</b>						
Salaries of Teachers	11-230-100-101	152,006	(45,999)	106,007	98,901	7,106
Purchased Professional Educational Services	11-230-100-320	3,000	(3,000)	-	-	-
General Supplies	11-230-100-610	1,500	(1,059)	441	440	1
<b>Total Basic Skills/Remedial - Instruction</b>		<b>156,506</b>	<b>(50,058)</b>	<b>106,448</b>	<b>99,341</b>	<b>7,107</b>
<b>School Sponsored Cocurricular Activities:</b>						
Salaries	11-401-100-100	16,314	12,182	28,496	28,421	75
Other Objects	11-401-100-800	12,900	(462)	12,438	6,528	5,910
<b>Total School Sponsored Cocurricular - Activities</b>		<b>29,214</b>	<b>11,720</b>	<b>40,934</b>	<b>34,949</b>	<b>5,985</b>
<b>School Sponsored Athletics - Instruction:</b>						
Salaries	11-402-100-100	27,130	1,657	28,787	28,787	-
Other Purchased Services	11-402-100-500	5,000	485	5,485	5,485	-
Supplies and Materials	11-402-100-600	3,000	(485)	2,515	550	1,965
<b>Total School Sponsored Athletics - Instruction</b>		<b>35,130</b>	<b>1,657</b>	<b>36,787</b>	<b>34,822</b>	<b>1,965</b>
<b>Before/After School Programs - Instruction</b>						
Salaries	11-421-100-101	7,500	(222)	7,278	7,277	1
<b>Total Before/After School Programs</b>		<b>7,500</b>	<b>(222)</b>	<b>7,278</b>	<b>7,277</b>	<b>1</b>
<b>Total - Instruction</b>		<b>4,406,096</b>	<b>(43,780)</b>	<b>4,362,316</b>	<b>4,257,200</b>	<b>105,116</b>
<b>Undistributed Expenditures</b>						
<b>Instruction:</b>						
Tuition to Other LEAs Within State - Regular	11-000-100-561	-	58,151	58,151	58,151	-
Tuition to Other LEAs Within State - Special	11-000-100-562	-	55,805	55,805	55,804	1
Tuition to CSSD & Regional Day School	11-000-100-565	522,698	(249,211)	273,487	116,472	157,015
Tuition to Private Schools for Disabled Within the State	11-000-100-566	-	89,496	89,496	89,156	340
<b>Total Undistributed Expenditures - Instruction</b>		<b>522,698</b>	<b>(45,759)</b>	<b>476,939</b>	<b>319,583</b>	<b>157,356</b>
<b>Health Services:</b>						
Salaries	11-000-213-100	78,062	(7,300)	70,762	70,677	85
Purchased Professional & Technical Services	11-000-213-300	23,600	31,337	54,937	54,937	-
Supplies and Materials	11-000-213-600	6,000	(778)	5,222	5,222	-
<b>Total Health Services</b>		<b>107,662</b>	<b>23,259</b>	<b>130,921</b>	<b>130,836</b>	<b>85</b>
<b>Other Support Services - Students - Related Services:</b>						
Salaries	11-000-216-100	62,563	(650)	61,913	61,913	-
Supplies and Materials	11-000-216-600	1,000	(713)	287	287	-
<b>Total Other Support Services - Students - Related Services</b>		<b>63,563</b>	<b>(1,363)</b>	<b>62,200</b>	<b>62,200</b>	<b>-</b>
<b>Other Support Services - Students - Extraordinary Services:</b>						
Salaries	11-000-217-100	42,527	(18,711)	23,816	23,816	-
Purchased Professional & Educational Services	11-000-217-320	501,892	117,772	619,664	617,464	2,200
Supplies and Materials	11-000-217-600	1,800	(1,702)	98	98	-
<b>Total Other Support Services - Students - Extraordinary Services</b>		<b>546,219</b>	<b>97,359</b>	<b>643,578</b>	<b>641,378</b>	<b>2,200</b>
<b>Other Support Services - Students - Regular:</b>						
Salaries of Other Professional Staff	11-000-218-104	146,475	(40,840)	105,635	96,374	9,261
Purchased Professional & Educational Services	11-000-218-320	-	600	600	543	57
Supplies and Materials	11-000-218-600	4,500	-	4,500	4,098	402
<b>Total Other Support Services - Students - Regular</b>		<b>150,975</b>	<b>(40,240)</b>	<b>110,735</b>	<b>101,015</b>	<b>9,720</b>
<b>Other Support Services - Students - Special Services:</b>						
Salaries of Other Professional Staff	11-000-219-104	256,189	(1,664)	254,525	242,125	12,400
Salaries of Secretarial & Clerical Assistants	11-000-219-105	37,082	1,787	38,869	38,866	3
Purchased Professional Educational Services	11-000-219-320	9,000	(2,836)	6,164	6,164	-
Other Purchased Services	11-000-219-500	3,700	(3,000)	700	80	620
Miscellaneous Purchased Services	11-000-219-592	-	3,000	3,000	3,000	-
Supplies and Materials	11-000-219-600	6,000	(1,262)	4,738	4,431	307
<b>Total Other Support Services - Students - Special Services</b>		<b>311,971</b>	<b>(3,975)</b>	<b>307,996</b>	<b>294,666</b>	<b>13,330</b>
<b>Improvement of Instruction Services:</b>						
Salaries of Supervisors of Instruction	11-000-221-102	93,127	3,373	96,500	96,500	-
Salaries of Other Professional Staff	11-000-221-104	6,000	(3,373)	2,627	345	2,282
Salaries of Secretarial & Clerical Assistants	11-000-221-105	1,000	-	1,000	173	827
Purchased Professional Educational Services	11-000-221-320	30,000	-	30,000	9,164	20,836
Supplies and Materials	11-000-221-600	8,000	-	8,000	845	7,155
<b>Total Improvement of Instruction Services</b>		<b>138,127</b>	<b>-</b>	<b>138,127</b>	<b>107,027</b>	<b>31,100</b>

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
<b>Educational Media Services/School Library:</b>						
Salaries	11-000-222-100	79,909	1,000	80,909	80,558	351
Purchased Professional & Technical Services	11-000-222-300	1,200	355	1,555	1,555	-
Other Purchased Services	11-000-222-500	6,000	-	6,000	4,870	1,130
Supplies and Materials	11-000-222-600	9,500	(1,896)	7,604	6,125	1,479
<b>Total Educational Media Services/School Library</b>		<b>96,609</b>	<b>(541)</b>	<b>96,068</b>	<b>93,108</b>	<b>2,960</b>
<b>Support Services General Administration:</b>						
Salaries	11-000-230-100	223,843	1,216	225,059	225,059	-
Legal Services	11-000-230-331	32,000	2,923	34,923	34,922	1
Audit Services	11-000-230-332	24,000	7,955	31,955	31,955	-
Other Purchased Professional Services	11-000-230-339	4,000	4,458	8,458	8,458	-
Purchased Technical Services	11-000-230-340	23,000	(1,282)	21,718	21,717	1
Communications/Telephone	11-000-230-530	35,500	6,673	42,173	42,173	-
BOE Other Purchased Services	11-000-230-585	2,000	(1,972)	28	-	28
Other Purchased Services (400-500)	11-000-230-590	17,900	(1,275)	16,625	16,603	22
General Supplies	11-000-230-610	8,000	(5,976)	2,024	2,024	-
Supplies and Materials	11-000-230-660	-	4,047	4,047	4,047	-
BOE Membership Dues & Fees	11-000-230-895	5,100	-	5,100	5,071	29
<b>Total Support Services General Administration</b>		<b>375,343</b>	<b>16,767</b>	<b>392,110</b>	<b>392,029</b>	<b>81</b>
<b>Support Services School Administration:</b>						
Salaries of Other Professional Staff	11-000-240-104	90,000	1,500	91,500	91,500	-
Salaries of Secretarial & Clerical Assistants	11-000-240-105	83,730	(5,819)	77,911	77,155	756
Other Purchased Services(400-500)	11-000-240-500	8,300	(3,832)	4,468	3,552	916
Supplies and Materials	11-000-240-600	2,800	1,550	4,350	4,142	208
<b>Total Support Services School Administration</b>		<b>184,830</b>	<b>(6,601)</b>	<b>178,229</b>	<b>176,349</b>	<b>1,880</b>
<b>Central Services</b>						
Salaries	11-000-251-100	190,851	113,500	304,351	298,817	5,534
Miscellaneous Purchased Services	11-000-251-592	7,000	(837)	6,163	3,554	2,609
Supplies and Materials	11-000-251-600	3,500	-	3,500	3,109	391
<b>Total Central Services</b>		<b>201,351</b>	<b>112,663</b>	<b>314,014</b>	<b>305,480</b>	<b>8,534</b>
<b>Administration Information Technology:</b>						
Purchased Technical Services	11-000-252-340	101,000	(101,000)	-	-	-
<b>Total Administration Information Technology</b>		<b>101,000</b>	<b>(101,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Allowable Maintenance for School Facilities:</b>						
Cleaning, Repair & Maintenance Services	11-000-261-420	62,000	107,446	169,446	168,567	879
<b>Total Allowable Maintenance for School Facilities</b>		<b>62,000</b>	<b>107,446</b>	<b>169,446</b>	<b>168,567</b>	<b>879</b>
<b>Other Operation &amp; Maintenance of Plant:</b>						
Salaries	11-000-262-100	193,070	64,911	257,981	257,881	100
Salaries of Non-Instructional Aides	11-000-262-107	114,543	(114,543)	-	-	-
Cleaning, Repair, and Maintenance Services	11-000-262-420	146,000	45,830	191,830	191,830	-
Other Purchased Property Services	11-000-262-490	50,000	13,400	63,400	63,399	1
Insurance	11-000-262-520	50,000	(2,691)	47,309	47,309	-
Miscellaneous Purchased Services	11-000-262-590	500	25	525	525	-
General Supplies	11-000-262-610	57,600	26,294	83,894	83,885	9
Energy (Heat & Electricity)	11-000-262-622	241,992	(10,572)	231,420	212,847	18,573
<b>Total Other Operation &amp; Maintenance of Plant</b>		<b>853,705</b>	<b>22,654</b>	<b>876,359</b>	<b>857,676</b>	<b>18,683</b>
<b>Student Transportation Services:</b>						
Salaries of Non-Instructional Aid	11-000-270-107	3,452	(3,452)	-	-	-
Contracted Services - Aid in Lieu Payment - Nonpublic Schools	11-000-270-503	34,000	447	34,447	34,447	-
Contracted Services (Between Home & School) - Vendors	11-000-270-511	301,115	104,015	405,130	345,555	59,575
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-512	10,000	(5,677)	4,323	1,800	2,523
Contracted Services (Other Than Between Home & School) - Joint Agrmt	11-000-270-513	70,000	(27,531)	42,469	41,901	568
Contracted Services - ESC's & CTSA's - (Special Education Students) - Joint Agreements	11-000-270-515	70,000	39,487	109,487	109,126	361
Other Objects	11-000-270-800	12,000	(6,673)	5,327	340	4,987
<b>Total Student Transportation Services</b>		<b>500,567</b>	<b>100,616</b>	<b>601,183</b>	<b>533,169</b>	<b>68,014</b>
<b>Unallocated Benefits - Employee Benefits:</b>						
Social Security Contributions	11-000-291-220	102,000	96,696	198,696	198,696	-
Other Retirement Contributions - PERS	11-000-291-241	90,000	7,914	97,914	97,914	-
Other Retirement Contributions - DCRP	11-000-291-249	5,000	(5,000)	-	-	-
Workmen's Compensation	11-000-291-260	72,000	(7,914)	64,086	53,233	10,853
Health Benefits	11-000-291-270	1,577,400	(227,779)	1,349,621	1,327,680	21,941
Tuition Reimbursements	11-000-291-280	24,500	-	24,500	9,843	14,657
Other Employee Benefits	11-000-291-290	29,000	9,867	38,867	37,260	1,607
<b>Total Unallocated Benefits</b>		<b>1,899,900</b>	<b>(126,216)</b>	<b>1,773,684</b>	<b>1,724,626</b>	<b>49,058</b>

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Nonbudgeted:						
On-Behalf TPAF Pension Contribution		-	-	-	1,592,720	(1,592,720)
On-Behalf TPAF Post-Retirement Medical		-	-	-	418,404	(418,404)
On-Behalf TPAF Long Term Disability Insurance		-	-	-	659	(659)
Reimbursed TPAF Social Security		-	-	-	361,059	(361,059)
Total Undistributed Expenditures		<u>6,116,520</u>	<u>155,069</u>	<u>6,271,589</u>	<u>8,280,551</u>	<u>(2,008,962)</u>
Total Expenditures - Current Expense		<u>10,522,616</u>	<u>111,289</u>	<u>10,633,905</u>	<u>12,537,751</u>	<u>(1,903,846)</u>
Capital Outlay:						
Equipment:						
Undistributed - Required Maint for School Fac	12-000-261-730	15,000	15,000	30,000	15,000	15,000
Total Equipment		<u>15,000</u>	<u>15,000</u>	<u>30,000</u>	<u>15,000</u>	<u>15,000</u>
Facilities Acquisition & Construction Services:						
Assessment for Debt Service on SDA Funding	12-000-400-896	40,748	-	40,748	40,748	-
Interest Deposit to Capital Reserve	10-604	200	-	200	-	200
Interest Deposit to Maintenance Reserve	10-606	40	-	40	-	40
Total Facilities Acquisition & Construction Services		<u>40,988</u>	<u>-</u>	<u>40,988</u>	<u>40,748</u>	<u>240</u>
Total Capital Outlay		<u>55,988</u>	<u>15,000</u>	<u>70,988</u>	<u>55,748</u>	<u>15,240</u>
Summer School - Instruction						
Salaries	13-422-100-101	26,000	-	26,000	9,664	16,336
Total Summer School		<u>26,000</u>	<u>-</u>	<u>26,000</u>	<u>9,664</u>	<u>16,336</u>
Total Expenditures		<u>10,604,604</u>	<u>126,289</u>	<u>10,730,893</u>	<u>12,603,163</u>	<u>(1,872,270)</u>
Excess/(Deficiency) of Revenues Over/(Under)						
Expenditures Before Other Financing Sources/(Uses)		<u>(1,015,000)</u>	<u>(126,289)</u>	<u>(1,141,289)</u>	<u>(364,212)</u>	<u>777,077</u>
Fund Balance, July 1		<u>3,629,592</u>	<u>-</u>	<u>3,629,592</u>	<u>3,629,592</u>	<u>-</u>
Fund Balances, June 30		<u>\$ 2,614,592</u>	<u>\$ (126,289)</u>	<u>\$ 2,488,303</u>	<u>\$ 3,265,380</u>	<u>\$ 777,077</u>
<b>RECAPITULATION OF BUDGET TRANSFERS:</b>						
Transfer for Maintenance Reserve			100,000			
Prior Year Encumbrances			<u>\$ 26,289</u>			
Total Budget Transfers			<u>\$ 126,289</u>			
<b>RECAPITULATION OF FUND BALANCE</b>						
<b>Restricted Fund Balance:</b>						
Capital Reserve				\$ 1,196,326		
Maintenance Reserve				332,380		
Current Year Excess Surplus				624,116		
Excess Surplus Designated of Subsequent Year's Expenditures				466,714		
Unemployment				95,293		
<b>Assigned to:</b>						
Designated for Subsequent Year's Expenditures				156,560		
<b>Unassigned Fund Balance</b>				<u>393,991</u>		
Subtotal				3,265,380		
Reconciliation to Governmental Fund Statements (GAAP):						
Last Two State Aid Payments Not Recognized on GAAP Basis				<u>(55,879)</u>		
Total Fund Balance per Governmental Funds (GAAP)				<u>\$ 3,209,501</u>		

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
<b>REVENUES:</b>					
Federal Sources	\$ 1,032,705	\$ 118,870	\$ 1,151,575	\$ 943,929	\$ (207,646)
Local Sources	-	4,082	4,082	33,405	29,323
<b>Total Revenues</b>	<b>1,032,705</b>	<b>122,952</b>	<b>1,155,657</b>	<b>977,334</b>	<b>(178,323)</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	87,308	96,346	183,654	171,154	12,500
Salaries of Aides	5,302	1,515	6,817	6,817	-
Purchased Professional Technical Services	-	300	300	300	-
Tuition	112,917	43,371	156,288	155,905	383
General Supplies	232,565	30,704	263,269	206,036	57,233
<b>Total Instruction</b>	<b>438,092</b>	<b>172,236</b>	<b>610,328</b>	<b>540,212</b>	<b>70,116</b>
<b>Support Services:</b>					
Salaries	72,000	38,269	110,269	72,000	38,269
Personal Services - Employee Benefits	21,347	14,246	35,593	35,593	-
Purchased Professional - Educational Services	80,379	(1,799)	78,580	54,591	23,989
Other Objects	69,887	-	69,887	3,891	65,996
Scholarships Awarded	-	-	-	175	(175)
Student Activities	-	-	-	21,011	(21,011)
<b>Total Support Services</b>	<b>243,613</b>	<b>50,716</b>	<b>294,329</b>	<b>187,261</b>	<b>107,068</b>
<b>Facilities Acquisition &amp; Construction Services:</b>					
Facilities	351,000	(100,000)	251,000	241,724	9,276
<b>Total Facilities Acquisition &amp; Construction Services</b>	<b>351,000</b>	<b>(100,000)</b>	<b>251,000</b>	<b>241,724</b>	<b>9,276</b>
<b>Total Expenditures</b>	<b>1,032,705</b>	<b>122,952</b>	<b>1,155,657</b>	<b>969,197</b>	<b>186,460</b>
<b>Total Outflows</b>	<b>1,032,705</b>	<b>122,952</b>	<b>1,155,657</b>	<b>969,197</b>	<b>186,460</b>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ -	\$ -	\$ 8,137	\$ 8,137
Fund Balance, July 1				\$ 36,125	
Fund Balance, June 30				\$ 44,262	
<b>Recapitulation:</b>					
Restricted:					
Scholarships				\$ 7,260	
Student Activities				37,002	
<b>Total Fund Balance</b>				<b>\$ 44,262</b>	

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 12,238,951	\$ 977,334
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	-	2,444
Current Year	-	-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	77,275	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(55,879)	-
	\$ 12,260,347	\$ 979,778
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)		
	\$ 12,260,347	\$ 979,778
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 12,603,163	\$ 969,197
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.	-	2,444
	-	2,444
Total Expenditures as Reported on the Statement of Revenues, Expenditures, & Changes in Fund Balances - Governmental Funds (B-2)		
	\$ 12,603,163	\$ 971,641

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)

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HAINESPORT TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)  
 LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.00000%	0.00841%	0.00837%	0.00801%	0.00776%	0.00828%	0.00822%	0.00864%	0.00975%	0.00963%
School District's proportionate share of the net pension liability	\$ 1,121,542	\$ 996,201	\$ 1,364,457	\$ 1,443,101	\$ 1,527,333	\$ 1,926,337	\$ 2,433,551	\$ 1,939,329	\$ 1,825,090	\$ 1,840,837
School District's covered payroll	\$ 634,239	\$ 525,453	\$ 598,963	\$ 589,045	\$ 597,072	\$ 581,363	\$ 631,093	\$ 635,047	\$ 641,067	\$ 631,057
School District's proportionate share of the net pension liability as a percentage of its covered payroll	176.83%	189.59%	227.80%	244.99%	255.80%	331.35%	385.61%	305.38%	284.70%	291.71%
Plan fiduciary net position as a percentage of the total pension liability	58.97%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	56.31%	62.41%	58.70%

\*The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

HAINESPORT TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS  
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)  
 LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's contractually required contribution	\$ 93,717	\$ 98,482	\$ 91,532	\$ 77,904	\$ 77,158	\$ 76,661	\$ 72,996	\$ 74,274	\$ 80,361	\$ 72,574
Contributions in relation to the contractually required contribution	(93,717)	(98,482)	(91,532)	(77,904)	(77,158)	(76,661)	(72,996)	(74,274)	(80,361)	(72,574)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 653,993	\$ 634,239	\$ 523,453	\$ 598,963	\$ 589,045	\$ 597,072	\$ 581,363	\$ 631,093	\$ 635,047	\$ 641,067
Contributions as a percentage of covered payroll	14.33%	15.53%	17.42%	13.01%	13.10%	12.84%	12.56%	11.77%	12.65%	11.32%

HAINESPORT TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 TEACHERS' PENSION AND ANNUITY FUND (TPAF)  
 LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	20,982,554	19,913,371	27,534,763	24,923,759	26,426,384	27,322,879	32,968,761	23,842,623	20,490,228	18,935,957
	\$ 20,982,554	\$ 19,913,371	\$ 27,534,763	\$ 24,923,759	\$ 26,426,384	\$ 27,322,879	\$ 32,968,761	\$ 23,842,623	\$ 20,490,228	\$ 18,935,957
School District's covered payroll	\$ 5,106,352	\$ 4,838,041	\$ 4,536,535	\$ 4,564,055	\$ 4,488,241	\$ 4,438,531	\$ 4,306,207	\$ 4,429,511	\$ 4,327,511	Not Available
School District's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	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	0.00%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

\*The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

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**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR OTHER POST  
EMPLOYMENT BENEFITS (GASB 75)**

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**HAINESPORT BOARD OF EDUCATION**  
**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS**  
**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (OPEB)**  
**LAST SIX FISCAL YEARS\***

	2023	2022	2021	2020	2019	2018
<b>District's Total OPEB Liability</b>						
Service Cost	\$ 1,206,223	\$ 1,468,218	\$ 810,312	\$ 731,187	\$ 865,196	\$ 1,046,507
Interest Cost	576,735	676,006	619,347	747,745	844,207	729,289
Difference between Expected & Actual Differences	311,396	(4,903,263)	5,911,760	(2,936,399)	(3,174,587)	-
Changes of Benefit Terms	-	(27,737)	-	-	-	-
Changes of Assumptions	(5,838,032)	25,709	5,358,603	255,421	(2,162,341)	(3,103,429)
Contributions: Member	18,327	17,282	15,480	15,588	17,414	19,580
Gross Benefit Payments	(571,273)	(532,503)	(510,708)	(525,864)	(503,858)	(531,735)
Net Change in District's Total OPEB Liability	(4,296,624)	(3,276,288)	12,204,794	(1,712,322)	(4,113,969)	(1,839,788)
District's Total OPEB Liability (Beginning)	26,059,295	29,335,583	17,130,789	18,843,111	22,957,080	24,796,868
District's Total OPEB Liability (Ending)	<u>\$ 21,762,671</u>	<u>\$ 26,059,295</u>	<u>\$ 29,335,583</u>	<u>\$ 17,130,789</u>	<u>\$ 18,843,111</u>	<u>\$ 22,957,080</u>
District's Covered Employee Payroll	\$ 5,740,591	\$ 4,957,125	\$ 5,135,498	\$ 5,153,100	\$ 5,085,313	\$ 5,019,894
District's Net OPEB Liability as a Percentage of Payroll	379%	526%	571%	332%	371%	457%

Note - The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - None.

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

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - None.

**State Health Benefit Local Education Retired Employees Plan (OPEB)**

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate changed from 2.16% as of June 30, 2022, to 3.54% as of June 30, 2023.

**OTHER SUPPLEMENTARY INFORMATION**

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	IDEA	IDEA	EVERY STUDENT SUCCEEDS ACT (ESSA)			C.R.R.S.A - ESSER II		
	PART B BASIC	PART B PRESCHOOL	TITLE I PART A	TITLE II PART A	TITLE IV	ESSER II	LEARNING ACCELERATION	MENTAL HEALTH
Revenues:								
Federal Sources	\$ 148,747	\$ 9,817	\$ 115,651	\$ 16,907	\$ 6,106	\$ 119,192	\$ 5,500	\$ 23,375
<b>Total Revenues</b>	<b>\$ 148,747</b>	<b>\$ 9,817</b>	<b>\$ 115,651</b>	<b>\$ 16,907</b>	<b>\$ 6,106</b>	<b>\$ 119,192</b>	<b>\$ 5,500</b>	<b>\$ 23,375</b>
Expenditures:								
Instruction:								
Salaries of Teachers	\$ -	\$ -	\$ 90,470	\$ -	\$ -	\$ 57,120	\$ 3,314	\$ 20,250
Salaries of Aides	-	6,817	-	-	-	-	-	-
Purchased Professional Technical Services	-	-	-	-	-	-	300	-
Tuition	148,747	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	55,250	1,553	-
<b>Total Instruction</b>	<b>148,747</b>	<b>6,817</b>	<b>90,470</b>	<b>-</b>	<b>-</b>	<b>112,370</b>	<b>5,167</b>	<b>20,250</b>
Support Services:								
Employee Benefits	-	3,000	25,181	-	-	4,201	333	2,878
Purchased Professional Educational Services	-	-	-	16,907	6,106	2,621	-	247
<b>Total Support Services</b>	<b>-</b>	<b>3,000</b>	<b>25,181</b>	<b>16,907</b>	<b>6,106</b>	<b>6,822</b>	<b>333</b>	<b>3,125</b>
<b>Total Expenditures</b>	<b>\$ 148,747</b>	<b>\$ 9,817</b>	<b>\$ 115,651</b>	<b>\$ 16,907</b>	<b>\$ 6,106</b>	<b>\$ 119,192</b>	<b>\$ 5,500</b>	<b>\$ 23,375</b>

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	AMERICAN RESCUE PLAN								TOTAL
	ESSER III	SUMMER LEARNING	BEYOND THE SCHOOL DAY	MENTAL HEALTH	NJSIG SAFETY GRANT	SCHOLARSHIPS	STUDENT ACTIVITIES		
Revenues:									
Federal Sources	\$ 419,930	\$ 39,580	\$ 37,724	\$ 1,400	\$ -	\$ -	\$ -	\$ -	\$ 943,929
Local Sources	-	-	-	-	4,082	11	29,312	-	33,405
<b>Total Revenues</b>	<b>\$ 419,930</b>	<b>\$ 39,580</b>	<b>\$ 37,724</b>	<b>\$ 1,400</b>	<b>\$ 4,082</b>	<b>\$ 11</b>	<b>\$ 29,312</b>	<b>\$ -</b>	<b>\$ 977,334</b>
Expenditures:									
Instruction:									
Salaries of Teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 171,154
Salaries of Aides	-	-	-	-	-	-	-	-	6,817
Purchased Professional Technical Services	-	-	-	-	-	-	-	-	300
Tuition	7,158	-	-	-	-	-	-	-	155,905
Supplies	71,929	39,580	37,724	-	-	-	-	-	206,036
<b>Total Instruction</b>	<b>79,087</b>	<b>39,580</b>	<b>37,724</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>540,212</b>
Support Services:									
Salaries	70,600	-	-	1,400	-	-	-	-	72,000
Employee Benefits	-	-	-	-	-	-	-	-	35,593
Purchased Professional Educational Services	24,628	-	-	-	4,082	-	-	-	54,591
Other Objects	3,891	-	-	-	-	-	-	-	3,891
Scholarships Awarded	-	-	-	-	-	175	-	-	175
Student Activities	-	-	-	-	-	-	21,011	-	21,011
<b>Total Support Services</b>	<b>99,119</b>	<b>-</b>	<b>-</b>	<b>1,400</b>	<b>4,082</b>	<b>175</b>	<b>21,011</b>	<b>-</b>	<b>187,261</b>
Facilities Acquisition & Construction Services:									
Construction	241,724	-	-	-	-	-	-	-	241,724
<b>Total Facilities Acquisition &amp; Construction Services</b>	<b>241,724</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>241,724</b>
<b>Total Expenditures</b>	<b>\$ 419,930</b>	<b>\$ 39,580</b>	<b>\$ 37,724</b>	<b>\$ 1,400</b>	<b>\$ 4,082</b>	<b>\$ 175</b>	<b>\$ 21,011</b>	<b>\$ -</b>	<b>\$ 969,197</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	(164)	8,301	-	8,137
Fund Balance, July 1	-	-	-	-	-	7,424	28,701	-	36,125
<b>Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,260</b>	<b>\$ 37,002</b>	<b>\$ -</b>	<b>\$ 44,262</b>

F. Capital Projects Fund

Not Applicable

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## G. Proprietary Funds

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Enterprise Funds

(See Exhibits B-4, B-5, B-6)

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Internal Service Fund

Not Applicable

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## I. Long-Term Debt

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**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS PAYABLE  
JUNE 30, 2023**

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>ANNUAL MATURITIES DATE</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>	<u>BALANCE JULY 1, 2022</u>	<u>ISSUED</u>	<u>RETIRED</u>	<u>BALANCE JUNE 30, 2023</u>
Refunding School Bond Series 2019	12/17/19	\$ 3,320,000	1/15/24	360,000	5.00%	\$ 2,475,000	\$ -	\$ 385,000	\$ 2,090,000
			1/15/25	335,000	5.00%				
			1/15/26	315,000	5.00%				
			1/15/27	290,000	5.00%				
			1/15/28	275,000	5.00%				
			1/15/29	265,000	5.00%				
			1/15/30	250,000	5.00%				
Total						\$ 2,475,000	\$ -	\$ 385,000	\$ 2,090,000

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:					
Local Sources:					
Local Tax Levy	\$ 510,222	\$ -	\$ 510,222	\$ 510,222	\$ -
State Sources:					
Debt Service Aid Type II	5,736	-	5,736	5,736	-
Total Revenues	<u>515,958</u>	<u>-</u>	<u>515,958</u>	<u>515,958</u>	<u>-</u>
Expenditures					
Regular Debt Service:					
Interest	130,958	-	130,958	119,900	11,058
Redemption of Principal	385,000	-	385,000	385,000	-
Total Expenditures	<u>515,958</u>	<u>-</u>	<u>515,958</u>	<u>504,900</u>	<u>11,058</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,058</u>	<u>11,058</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	-	-	-	11,058	11,058
Fund Balance, July 1	<u>(11,058)</u>	<u>-</u>	<u>(11,058)</u>	<u>(11,058)</u>	<u>-</u>
Fund Balance, June 30	<u>\$ (11,058)</u>	<u>\$ -</u>	<u>\$ (11,058)</u>	<u>\$ -</u>	<u>\$ 11,058</u>

**STATISTICAL SECTION (Unaudited)**

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### Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance. Note the the Exhibits are presented for the last ten fiscal years.

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**HAINESPORT TOWNSHIP SCHOOL DISTRICT**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
*(Accrual Basis of Accounting)*

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ 5,610,966	\$ 5,553,888	\$ 5,692,405	\$ 6,227,684	\$ 5,928,136	\$ 5,812,129	\$ 5,771,422	\$ 6,616,186	\$ 6,249,792	\$ 5,427,129
Restricted	2,759,091	3,221,810	3,446,308	2,547,800	1,833,665	1,602,684	1,439,774	933,253	878,264	1,656,735
Unrestricted	(1,349,054)	(1,762,590)	(2,120,590)	(2,627,248)	(2,263,760)	(2,310,272)	(2,455,747)	(2,211,097)	(348,140)	(302,783)
<b>Total Governmental Activities</b>	<b>\$ 7,021,003</b>	<b>\$ 7,013,108</b>	<b>\$ 7,018,123</b>	<b>\$ 6,148,236</b>	<b>\$ 5,498,041</b>	<b>\$ 5,104,541</b>	<b>\$ 4,755,449</b>	<b>\$ 5,338,342</b>	<b>\$ 6,779,916</b>	<b>\$ 6,781,081</b>
<b>Business-Type Activities:</b>										
Net Investment in Capital Assets	\$ 51,251	\$ 20,880	\$ 22,093	\$ 22,700	\$ 4,144	\$ 4,144	\$ 4,144	\$ 4,144	\$ 6,685	\$ 18,364
Unrestricted	50,237	104,459	9,170	44,629	77,065	62,162	30,146	21,295	22,383	16,048
<b>Total Business-Type Activities</b>	<b>\$ 101,488</b>	<b>\$ 125,339</b>	<b>\$ 31,263</b>	<b>\$ 67,329</b>	<b>\$ 81,209</b>	<b>\$ 66,306</b>	<b>\$ 34,290</b>	<b>\$ 25,439</b>	<b>\$ 29,068</b>	<b>\$ 34,412</b>
<b>District-Wide:</b>										
Net Investment in Capital Assets	\$ 5,662,217	\$ 5,574,768	\$ 5,714,498	\$ 6,250,384	\$ 5,932,280	\$ 5,816,273	\$ 5,775,566	\$ 6,620,330	\$ 6,256,477	\$ 5,445,493
Restricted	2,759,091	3,221,810	3,446,308	2,547,800	1,833,665	1,602,684	1,439,774	933,253	878,264	1,656,735
Unrestricted	(1,298,817)	(1,658,131)	(2,111,420)	(2,582,619)	(2,186,695)	(2,248,110)	(2,425,601)	(2,189,802)	(325,757)	(286,735)
<b>Total District Net Position</b>	<b>\$ 7,122,491</b>	<b>\$ 7,138,447</b>	<b>\$ 7,049,386</b>	<b>\$ 6,215,565</b>	<b>\$ 5,579,250</b>	<b>\$ 5,170,847</b>	<b>\$ 4,789,739</b>	<b>\$ 5,363,781</b>	<b>\$ 6,808,984</b>	<b>\$ 6,815,493</b>

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)  
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Expenses:</b>										
Governmental Activities										
Instruction:										
Regular	\$ 3,462,011	\$ 3,240,503	\$ 3,142,392	\$ 3,054,614	\$ 3,079,526	\$ 2,980,043	\$ 2,857,986	\$ 2,943,711	\$ 2,965,800	\$ 2,856,967
Special Education	1,159,012	1,065,471	1,004,528	1,092,477	1,099,256	1,137,371	1,217,565	1,172,147	1,132,731	1,028,678
Other Instruction	176,389	193,351	120,141	124,993	188,129	174,878	91,307	160,167	134,794	130,141
Support Services:										
Tuition	319,583	326,805	370,099	393,131	252,968	348,837	283,851	297,399	304,022	126,004
Student & Instruction Related Services	1,617,491	1,596,663	1,323,035	1,109,553	1,150,199	1,064,010	1,000,082	1,009,453	928,369	1,018,276
General Administrative	568,378	601,447	519,545	490,804	488,576	531,146	516,250	448,435	493,919	464,490
Central Services	305,480	277,028	265,536	265,726	272,644	258,611	233,662	242,149	200,332	197,523
Plant Operations & Maintenance	1,026,243	843,363	680,699	739,791	756,707	750,928	740,755	650,118	616,837	591,871
Pupil Transportation	533,169	427,574	403,428	445,495	455,954	486,468	483,951	543,668	545,865	483,172
Unallocated Employee Benefits	2,161,223	2,944,914	2,987,007	1,976,358	2,398,793	1,554,700	3,653,489	3,156,437	2,262,327	2,405,015
On Behalf TPAF Pension and Social Security Contributions	926,417	795,045	2,041,633	1,799,002	1,869,368	3,670,066	-	-	-	-
Special Schools	9,664	10,682	11,660	18,576	20,885	26,348	26,980	21,657	23,668	18,092
Interest & Other Charges	114,247	123,587	146,933	119,721	218,703	237,516	267,751	310,499	324,592	332,612
Reduction In Compensated Absences	-	-	-	-	-	-	52,987	36,125	(25,064)	(3,877)
Unallocated Depreciation	631,047	628,687	575,859	628,519	654,060	626,925	1,288,942	212,783	271,823	389,571
Cancellation of Prior Years Accounts Receivable	-	-	-	-	-	-	-	-	353,218	-
<b>Total Governmental Activities Expenses</b>	<b>13,010,354</b>	<b>13,075,120</b>	<b>13,592,495</b>	<b>12,258,760</b>	<b>12,905,768</b>	<b>13,847,847</b>	<b>12,695,558</b>	<b>11,204,748</b>	<b>10,533,233</b>	<b>10,038,535</b>
<b>Business-Type Activities:</b>										
Food Service	283,335	239,082	138,027	163,963	199,717	197,776	194,930	205,561	214,444	244,464

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)  
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Business-Type Activities Expense	283,335	239,082	138,027	163,963	199,717	197,776	194,930	205,561	214,444	236,703
Total District Expenses	\$ 13,293,689	\$ 13,314,202	\$ 13,730,522	\$ 12,422,723	\$ 13,105,485	\$ 14,045,623	\$ 12,890,488	\$ 11,410,309	\$ 10,747,677	\$ 10,275,238
Program Revenues: Governmental Activities: Operating Grants & Contributions	\$ 2,373,062	\$ 2,924,593	\$ 3,994,977	\$ 2,390,036	\$ 2,930,243	\$ 3,950,474	\$ 2,386,047	\$ 1,946,361	\$ 210,049	\$ 220,489
Total Governmental Activities Program Revenues	2,373,062	2,924,593	3,994,977	2,390,036	2,930,243	3,950,474	2,386,047	1,946,361	210,049	220,489
Charges for Services: Food Service Operating Grants & Contributions	143,990	9,514	336	98,331	152,613	149,761	138,524	137,525	141,098	153,668
	114,670	323,582	101,052	50,855	60,944	60,527	65,216	64,390	67,994	71,069
Total Business-Type Activities Program Revenues	258,660	333,096	101,388	149,186	213,557	210,288	203,740	201,915	209,092	224,737
Total District Program Revenues	\$ 2,631,722	\$ 3,257,689	\$ 4,096,365	\$ 2,539,222	\$ 3,143,800	\$ 4,160,762	\$ 2,589,787	\$ 2,148,276	\$ 419,141	\$ 445,226
Net/(Expense)/Revenue: Governmental Activities Business-Type Activities	\$ (10,637,292)	\$ (10,150,527)	\$ (9,597,518)	\$ (11,202,459)	\$ (9,975,525)	\$ (9,897,373)	\$ (10,309,511)	\$ (9,258,387)	\$ (10,323,184)	\$ (9,818,046)
	(24,675)	(94,014)	(36,639)	(14,777)	13,840	12,512	8,810	(3,646)	(5,352)	(11,966)
Total Government-Wide Net Expense	\$ (10,661,967)	\$ (10,244,541)	\$ (9,634,157)	\$ (11,217,236)	\$ (9,961,685)	\$ (9,884,861)	\$ (10,300,701)	\$ (9,262,033)	\$ (10,328,536)	\$ (9,830,012)

HAINESPORT TOWNSHIP SCHOOL DISTRICT  
 CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)  
 LAST TEN FISCAL YEARS

	2022	2021	2020	2019	2018	2017	2016	2015	2014
FISCAL YEAR ENDING JUNE 30.									
General Revenues & Other Changes in Net Position:									
Governmental Activities:									
Property Taxes, Levied for General Purposes	8,736,810	8,565,500	8,397,549	8,077,033	7,860,580	7,530,541	7,256,722	7,025,828	6,952,443
Property Taxes Levied for Debt Service	510,222	578,126	704,060	747,858	790,862	592,643	760,687	812,081	799,167
Federal & State Aid Restricted	247,460	9,626	8,089	8,600	9,087	-	-	-	-
Federal & State Aid Not Restricted	980,723	1,023,530	1,301,521	1,409,296	1,465,062	1,516,233	1,521,131	2,253,571	2,319,140
Tuition Charges	41,444	45,962	43,504	52,852	18,976	34,562	75,895	80,860	87,086
Investment Earnings	-	-	-	-	-	200	-	200	500
Miscellaneous	128,528	45,896	64,197	73,386	27,850	42,555	43,215	38,372	47,414
Adjustment to Capital Assets	-	-	-	-	-	9,884	-	1,407,715	-
Cancellation of Prior Years	-	-	-	-	-	-	-	-	-
Accounts Payable	-	-	-	-	-	-	-	1,000	-
<b>Total Governmental Activities</b>	<b>10,645,187</b>	<b>10,388,799</b>	<b>10,518,920</b>	<b>10,369,025</b>	<b>10,172,417</b>	<b>9,726,618</b>	<b>9,657,650</b>	<b>10,352,627</b>	<b>10,205,750</b>
Business-Type Activities:									
Miscellaneous	824	62	897	1,063	606	41	17	8	16
<b>Total Business-Type Activities</b>	<b>824</b>	<b>62</b>	<b>897</b>	<b>1,063</b>	<b>606</b>	<b>41</b>	<b>17</b>	<b>8</b>	<b>16</b>
<b>Total District-Wide</b>	<b>10,646,011</b>	<b>10,145,574</b>	<b>10,519,817</b>	<b>10,370,088</b>	<b>10,173,023</b>	<b>9,726,659</b>	<b>9,657,667</b>	<b>10,352,635</b>	<b>10,205,766</b>
Change in Net Position:									
Governmental Activities	7,895	(5,015)	650,195	393,500	275,044	(582,893)	399,263	29,443	387,704
Business-Type Activities	(23,851)	94,076	(35,742)	14,903	13,118	8,851	(3,629)	(5,344)	(11,950)
<b>Total District-Wide</b>	<b>(15,956)</b>	<b>89,061</b>	<b>614,453</b>	<b>408,403</b>	<b>288,162</b>	<b>(574,042)</b>	<b>395,634</b>	<b>24,099</b>	<b>375,754</b>

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
FUND BALANCES AND GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)**

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund:										
Restricted	\$ 2,714,829	\$ 3,196,743	\$ 3,334,584	\$ 2,525,175	\$ 1,910,275	\$ 1,687,797	\$ 1,332,603	\$ 1,044,622	\$ 718,854	\$ 540,849
Assigned To	156,560	26,289	14,659	70,391	59,846	35,481	34,617	5,949	283,891	543,912
Unassigned	338,112	329,285	280,663	164,930	176,433	185,525	163,014	157,469	126,587	197,008
<b>Total General Fund</b>	<b>\$ 3,209,501</b>	<b>\$ 3,552,317</b>	<b>\$ 3,629,906</b>	<b>\$ 2,760,496</b>	<b>\$ 2,146,554</b>	<b>\$ 1,908,803</b>	<b>\$ 1,530,234</b>	<b>\$ 1,208,040</b>	<b>\$ 1,129,332</b>	<b>\$ 1,281,769</b>
All Other Governmental Funds:										
Committed To	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned To	-	-	-	-	-	-	-	-	-	-
Restricted, Reported in:										
Special Revenue Fund	44,262	36,125	37,686	-	-	-	-	-	-	-
Capital Projects Fund	-	-	-	-	-	178,128	353,128	353,128	354,498	706,716
Debt Service Fund	-	(11,058)	74,038	85,096	-	641	723	281	3,296	3,990
<b>Total All Other Governmental Funds</b>	<b>\$ 44,262</b>	<b>\$ 25,067</b>	<b>\$ 111,724</b>	<b>\$ 85,096</b>	<b>\$ -</b>	<b>\$ 641</b>	<b>\$ 178,851</b>	<b>\$ 353,409</b>	<b>\$ 357,794</b>	<b>\$ 710,706</b>

**HAINESPORT TOWNSHIP SCHOOL DISTRICT**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,**  
**LAST TEN FISCAL YEARS**  
*(Modified Accrual Basis of Accounting)*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Revenues:</b>										
Tax Levy	\$ 9,247,032	\$ 9,020,498	\$ 9,143,626	\$ 9,101,609	\$ 8,824,891	\$ 8,651,442	\$ 8,123,184	\$ 8,017,409	\$ 7,837,909	\$ 7,751,611
Tuition	41,444	45,962	17,777	43,504	52,852	18,976	34,562	75,895	80,860	87,086
Interest Earnings	240	240	240	240	200	-	-	-	200	500
Miscellaneous	161,693	67,389	82,035	71,176	81,040	42,517	42,755	43,215	38,372	47,414
State Sources	3,355,819	3,441,374	3,082,010	2,903,034	2,905,161	2,816,625	2,554,589	2,338,258	2,248,535	2,294,571
Federal Sources	949,855	565,982	446,566	277,087	281,638	280,107	227,429	230,612	215,085	245,058
<b>Total Revenue</b>	<b>13,756,083</b>	<b>13,141,445</b>	<b>12,772,254</b>	<b>12,396,650</b>	<b>12,145,782</b>	<b>11,809,667</b>	<b>10,982,519</b>	<b>10,705,389</b>	<b>10,420,961</b>	<b>10,426,240</b>
<b>Expenditures:</b>										
<b>Current Expense:</b>										
Regular Instruction	3,462,011	3,240,503	3,142,392	3,054,614	3,079,526	2,980,043	2,857,986	2,943,711	2,965,800	2,856,967
Special Education Instruction	1,159,012	1,065,471	1,004,528	1,092,477	1,099,256	1,137,371	1,217,565	1,172,147	1,132,731	1,028,678
Other Instruction	176,389	193,351	120,141	124,993	188,129	174,878	91,307	160,167	134,794	130,141
<b>Support Services:</b>										
Tuition	319,583	326,805	370,099	393,131	252,968	348,837	283,851	297,399	304,022	126,004
Student & Instruction Related Services	1,617,491	1,596,663	1,323,035	1,109,553	1,150,199	1,064,010	1,000,082	1,009,453	928,369	1,018,276
General Administrative Services	392,029	427,376	343,371	306,233	311,148	355,719	345,984	295,143	317,827	304,706
School Administrative Services	176,349	174,071	176,174	184,571	177,428	175,427	162,320	153,292	176,092	159,784
Central Services	305,480	277,028	265,536	265,726	272,644	258,611	233,662	242,149	200,332	197,523
Plant Operations & Maintenance	1,026,243	843,363	680,699	713,023	729,939	735,043	740,755	650,118	616,837	591,871
Pupil Transportation	533,169	427,574	403,428	445,495	455,954	486,468	483,951	543,668	545,865	483,172
Other Support Services	1,724,626	1,648,257	1,577,232	1,691,405	1,631,772	1,579,103	2,494,147	2,240,938	2,262,327	2,405,015
On Behalf TPAF Pension and Social Security Contributions	2,372,842	2,420,941	1,940,895	1,608,887	1,514,142	1,356,842	-	-	-	-
Special Schools	9,664	10,682	11,660	18,576	20,885	26,348	26,980	21,657	23,668	18,092
Capital Outlay	259,168	66,558	-	10,067	226,835	237,864	48,694	58,125	87,911	506,212
Debt Service:										
Principal	385,000	410,000	435,000	545,000	570,000	595,000	595,000	570,000	605,167	578,262
Interest & Other Charges	160,648	177,048	200,852	133,860	227,847	245,697	252,599	273,099	294,107	313,899
<b>Total Expenditures</b>	<b>14,079,704</b>	<b>13,305,691</b>	<b>11,995,042</b>	<b>11,697,611</b>	<b>11,908,672</b>	<b>11,757,261</b>	<b>10,834,883</b>	<b>10,631,066</b>	<b>10,595,849</b>	<b>10,718,602</b>



**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(323,621)	(164,246)	777,212	699,039	237,110	52,406	147,636	74,323	(174,888)	(292,362)
Other Financing Sources/(Uses):										
Cancellation of Prior Years	-	-	-	-	-	-	-	-	1,000	-
Accounts Payable	-	-	-	-	-	-	-	-	(353,218)	-
Cancellation of Prior Years	-	-	-	-	-	-	-	-	21,757	-
Accounts Receivable	-	-	-	-	-	-	-	-	-	-
Lease Purchase Agreement	-	-	-	-	-	-	175,000	273	8	3,650
Transfers In	-	-	-	-	-	-	(175,000)	(273)	(8)	(3,650)
Transfers Out	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	-	-	-	-	-	-	-	-	(330,461)	-
Net Change in Fund Balance	\$ (323,621)	\$ (164,246)	\$ 777,212	\$ 699,039	\$ 237,110	\$ 52,406	\$ 147,636	\$ 74,323	\$ (505,349)	\$ (292,362)
Debt Service as a Percentage of Noncapital Expenditures	3.95%	4.43%	5.30%	6.83%	6.83%	7.30%	7.86%	7.97%	8.56%	8.74%

**HAINESPORT TOWNSHIP SCHOOL DISTRICT**  
**GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE**  
**LAST TEN FISCAL YEARS**  
*(Modified Accrual Basis of Accounting)*

FISCAL YEAR ENDED <u>JUNE 30.</u>	<u>INTEREST ON INVESTMENTS</u>	<u>TUITION</u>	<u>PRIOR YEAR REFUNDS</u>	<u>RENTAL OF FACILITIES</u>	<u>MISCELLANEOUS</u>	<u>TOTAL</u>
2023	\$ 28,653	\$ 41,444	\$ -	\$ 9,185	\$ 90,690	\$ 169,972
2022	5,832	45,962	-	7,742	32,322	91,858
2021	6,757	17,777	25,744	3,294	42,078	95,650
2020	34,220	43,504	-	7,925	11,033	96,682
2019	36,320	52,852	-	11,156	25,710	126,038
2018	10,164	18,976	-	4,296	13,390	46,826
2017	3,140	34,562	-	4,244	25,383	67,329
2016	1,195	75,895	7,269	9,248	18,965	112,572
2015	1,195	80,860	7,269	9,248	13,194	111,766
2014	2,238	87,086	7,446	10,004	24,576	131,350

Source: District Records

Revenue Capacity Information

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

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**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,  
LAST TEN FISCAL YEARS**

YEAR ENDED DECEMBER 31,	VACANT LAND	RESIDENTIAL	FARM REG.	OEARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TAX EXEMPT PROPERTY	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2023	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2022	14,817,000	614,784,400	10,580,200	362,505	86,102,800	44,823,400	606,000	772,076,305	1,050,836	773,127,141	80,892,300	1.196	904,869,443
2021	14,866,300	613,923,500	10,236,400	372,605	86,208,600	44,823,400	606,000	771,036,805	1,147,212	772,184,017	51,362,500	1.169	885,577,062
2020	14,642,500	613,528,700	10,202,500	376,900	83,715,000	44,869,800	606,000	767,941,400	1,141,773	769,083,173	50,439,800	1.189	854,586,610
2019	14,910,600	613,779,200	10,202,500	366,200	83,084,700	44,869,800	606,000	767,819,000	1,232,395	769,051,395	49,121,600	1.184	845,779,885
2018	16,294,700	612,553,000	9,761,100	362,600	80,907,000	45,556,600	606,000	766,041,000	1,214,206	767,255,206	47,918,900	1.127	816,393,610
2017	17,416,700	606,105,200	8,740,600	346,600	81,110,600	46,460,900	606,000	760,786,600	1,268,178	762,054,778	47,501,300	1.084	797,836,073
2016	17,589,300	605,896,300	8,740,600	363,800	80,125,000	46,460,900	606,000	759,781,900	1,268,178	761,050,078	47,501,300	1.067	780,920,684
2015	14,931,100	608,153,200	7,841,800	361,800	81,808,400	47,825,200	606,000	761,527,500	1,271,371	761,053,271	47,121,600	1.051	780,765,445
2014	15,858,500	607,273,000	9,180,700	356,600	78,592,900	48,382,700	606,000	760,250,400	1,223,181	762,750,681	44,457,500	1.029	unavailable

Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS  
(Rate per \$100 of Assessed Value)**

YEAR ENDED DECEMBER 31,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES				TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE	GENERAL OBLIGATION DEBT SERVICE	TOTAL DIRECT	HAINESPORT TOWNSHIP	REGIONAL SCHOOL	BURLINGTON COUNTY		
2023	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2022	1.096	0.100	1.196	0.368	0.501	0.440	2.505	2.505
2021	1.069	0.100	1.169	0.361	0.526	0.449	2.505	2.505
2020	1.089	0.100	1.189	0.354	0.498	0.439	2.480	2.480
2019	1.084	0.100	1.184	0.349	0.475	0.439	2.447	2.447
2018	1.026	0.103	1.129	0.355	0.445	0.431	2.360	2.360
2017	1.004	0.080	1.084	0.354	0.430	0.430	2.298	2.298
2016	0.927	0.140	1.067	0.316	0.412	0.455	2.250	2.250
2015	0.951	0.100	1.051	0.330	0.355	0.391	2.127	2.127
2014	0.849	0.180	1.029	0.315	0.338	0.394	2.076	2.076

Source: Municipal Tax Collector

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAX PAYERS,  
CURRENT YEAR AND NINE YEARS AGO**

<u>TAXPAYER</u>	<u>2023</u>		
	<u>TAXABLE ASSESSED VALUE</u>	<u>RANK (OPTIONAL)</u>	<u>% OF TOTAL DISTRICT NET ASSESSED VALUE</u>
DDRM Crossroads Plaza	\$ 14,475,000	1	1.60%
South Hainesport Industrial Trust	12,320,300	2	1.36%
Berry Drive, LLC	8,772,800	3	0.97%
Creek Crossing II, LLC	7,746,500	4	0.86%
Mt Laurel RD Limited Partnership	6,295,300	5	0.70%
FRG-X-NJ1, LP	4,401,000	6	0.49%
Diamantis Children's Trust	4,135,900	7	0.46%
Hoppecke USA REM, LLC	3,279,100	8	0.36%
Hainesport Enterprises, Inc	3,143,800	9	0.35%
BTC III Hainesport Logistics Center	2,969,000	10	0.33%
Total	<u>\$ 67,538,700</u>		<u>7.46%</u>

	<u>2014</u>		
	<u>TAXABLE ASSESSED VALUE</u>	<u>RANK (OPTIONAL)</u>	<u>% OF TOTAL DISTRICT NET ASSESSED VALUE</u>
DDRM Crossroads Plaza	\$ 13,504,400	1	1.78%
South Hainesport Industrial Trust	11,230,700	2	1.48%
Berry Drive, LLC	9,692,700	3	1.27%
Creek Crossing , LLC	7,369,800	4	0.97%
Mt. Laurel Road Limited Partnership	6,295,300	5	0.83%
Arrow International	3,279,100	6	0.43%
Hainesport Industrial Trust	3,201,000	7	0.42%
Landmark Property Management, Inc.	2,954,300	8	0.39%
White Cap Inc.	2,712,500	9	0.36%
Robert T. Winzinger, Inc.	2,533,100	10	0.33%
Total	<u>\$ 62,772,900</u>		<u>8.26%</u>

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY	
		AMOUNT	PERCENTAGE OF LEVY
2023	\$ 9,247,032	\$ 9,247,032	100.00%
2022	9,020,498	9,020,498	100.00%
2021	9,143,626	9,143,626	100.00%
2020	9,101,609	9,101,609	100.00%
2019	8,824,891	8,824,891	100.00%
2018	8,651,442	8,651,442	100.00%
2017	8,239,914	8,239,914	100.00%
2016	8,123,184	8,123,184	100.00%
2015	7,837,909	7,837,909	100.00%
2014	7,751,611	7,751,611	100.00%

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



Debt Capacity Information

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for historical view of the School District's outstanding debt and its debt capacity.

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**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED <u>JUNE 30,</u>	<u>GOVERNMENTAL ACTIVITIES</u>		<u>TOTAL DISTRICT</u>	PERCENTAGE OF <u>PERSONAL INCOME</u>	<u>PER CAPITA</u>
	<u>GENERAL OBLIGATION BONDS</u>	<u>OTHER</u>			
2023	\$ 2,090,000	\$ -	\$ 2,090,000	unavailable	N/A
2022	2,475,000	-	2,475,000	unavailable	409
2021	2,885,000	-	2,885,000	0.69%	480
2020	3,320,000	-	3,320,000	0.83%	556
2019	4,238,000	-	4,238,000	1.12%	709
2018	4,808,000	-	4,808,000	1.56%	802
2017	5,403,000	-	5,403,000	1.57%	897
2016	6,043,000	7,041	6,050,041	1.80%	1002
2015	6,068,000	21,335	6,089,335	1.89%	1009
2014	7,234,907	35,629	7,270,536	2.33%	1196

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF NET VALUATION TAXABLE	PER CAPITA
2023	\$ 2,090,000	\$ -	\$ 2,090,000	n/a	n/a
2022	2,475,000	-	2,475,000	0.27%	409
2021	2,885,000	-	2,885,000	0.33%	480
2020	3,320,000	-	3,320,000	0.39%	556
2019	4,238,000	-	4,238,000	0.55%	709
2018	4,808,000	-	4,808,000	0.63%	794
2017	5,403,000	-	5,403,000	0.71%	890
2016	6,043,000	-	6,043,000	0.79%	997
2015	6,068,000	-	6,068,000	0.80%	995
2014	7,208,000	-	7,208,000	0.95%	1180

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2022**

GOVERNMENTAL UNIT	NET DEBT (1)	TOWNSHIP PROPORTIONATE SHARE	NET DEBT ALLOCATED TO TOWNSHIP
Hainesport Township	\$ -	100.00%	\$ -
Burlington County (2)	161,356,421	1.72%	2,769,296
Rancocas Valley Regional High School (3)	28,245,000	18.44%	5,207,517
Hainesport Township School District	2,090,000	100.00%	2,090,000
Total Direct & Overlapping Debt			<u>\$ 10,066,813</u>

(1) 2022 Annual Debt Statement

(2) County net debt is allocated as a proportion of the Township's share of the total 2022 Equalized Value, which is provided by the New Jersey Division of Taxation

(3) Regional high school net debt is allocated as a percentage of the Average Equalized Valuations of the municipalities within the regional high school district, which is provided by the Division of Local Government

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN YEARS**

	YEAR ENDING DECEMBER 31,									
	2022	2022	2021	2020	2019	2017	2016	2015	2014	
Debt Limit	\$ 27,465,629	\$ 26,294,267	\$ 25,772,813	\$ 25,111,747	\$ 24,668,677	\$ 23,827,099	\$ 23,516,820	\$ 23,368,427	\$ 23,757,219	
Total Net Debt Applicable to Limit	2,090,000	2,475,000	2,885,000	3,320,000	4,808,000	6,043,000	6,043,000	6,068,000	7,208,000	
Legal Debt Margin	\$ 25,375,629	\$ 23,819,267	\$ 22,887,813	\$ 21,791,747	\$ 19,860,677	\$ 17,784,099	\$ 17,473,820	\$ 17,300,427	\$ 16,549,219	
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	7.61%	9.41%	11.19%	13.22%	19.49%	22.30%	25.70%	25.97%	30.34%	

**Legal Debt Margin Calculation for Fiscal Year 2022**

Equalized Valuation Basis	
2022	\$ 967,999,379
2021	\$ 900,113,011
2020	\$ 878,450,469
	<u>\$ 2,746,562,859</u>

Average Equalized Valuation of Taxable Property	\$ 915,520,953
Debt Limit (3 % of Average Equalization Value) Net Debt Applicable to Limit	\$ 27,465,629 <u>2,090,000</u>
Legal Debt Margin	<u>\$ 25,375,629</u>

SOURCE: Annual Debt Statement

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## Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

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**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

<u>YEAR</u>	<u>POPULATION</u> <sup>a</sup>	<u>PERSONAL INCOME (THOUSANDS OF DOLLARS)</u> <sup>b</sup>	<u>BURLINGTON COUNTY PER CAPITA INCOME</u> <sup>c</sup>	<u>UNEMPLOYMENT RATE</u> <sup>d</sup>
2022	6,055	unavailable	unavailable	3.0%
2021	6,014	417,948,944	69,496	5.2%
2020	5,967	400,707,918	67,154	5.8%
2019	5,981	379,960,968	63,528	3.8%
2018	5,997	307,410,488	61,140	3.9%
2017	6,022	344,735,216	59,271	4.0%
2016	6,039	335,371,709	57,583	5.2%
2015	6,034	322,289,457	55,925	6.4%
2014	6,078	312,389,824	53,572	9.8%
2013	6,145	311,791,155	50,739	7.6%

Source: NJ Dept of Labor and Workforce Development

<sup>a</sup> NJ Dept of Labor & Workforce Development

<sup>b</sup> Based upon the Municipal population & per capita personal income presented.

<sup>c</sup> Provided by the NJ Department of Labor & Workforce Development

<sup>d</sup> Provided by the NJ Department of Labor & Workforce Development

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

	2023
	EMPLOYEES
Shop Rite Supermarket	183
PRN Medical Transport	150
Visiting Nurse	120
Hainesport Township School District	91
Tranquility Salon & Spa	70
Hainesport Auto & Truck Repair	53
Brother's Electric, Inc.	50
Classic Cars Nissan, Inc.	50
Center for Kidney Care & Renal	44
Perry Videx, LLC	40
	40
Total	851

2013 Information was not available

Source: Burlington County Economic Development

Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

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**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Instruction:										
Regular	36	36	37	37	39	39	39	39	40	45
Special Education	20	19	19	19	20	20	20	18	19	19
Other Special Education	1	1	1	1	1	1	1	2	2	1
Support Services:										
Student & Instruction Related Services	20	23	24	26	23	23	22	21	21	15
School Administrative Services	8	6	6	5	5	5	5	5	5	5
Business Administrative Services	2	3	3	3	3	3	3	3	3	3
Plant Operations & Maintenance	2	3	3	3	3	3	3	3	3	7
Pupil Transportation	-	-	-	-	-	-	-	-	0	0
<b>Total</b>	<b>89</b>	<b>91</b>	<b>93</b>	<b>94</b>	<b>94</b>	<b>94</b>	<b>93</b>	<b>91</b>	<b>93</b>	<b>95</b>

Source: District Personnel Records

HAINESPORT TOWNSHIP SCHOOL DISTRICT  
 OPERATING STATISTICS  
 LAST TEN FISCAL YEARS

FISCAL YEAR	JUNE 30, ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO	AVERAGE DAILY ENROLLMENT (ADE)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2023	537	\$ 13,274,888	\$ 24,720	9.22%	65	8.26:1	530.7	494.4	-3.32%	93.16%
2022	559	12,652,085	22,633	5.80%	67	8.34:1	551.1	511.4	-1.29%	92.80%
2021	531	11,359,190	21,392	9.99%	66	8.18:1	540.0	518.1	-5.70%	95.94%
2020	566	11,008,684	19,450	2.58%	65	8.71:1	567.3	549.4	-0.79%	95.51%
2019	574	10,883,990	18,962	11.33%	65	8.83:1	577.9	553.8	-7.08%	95.51%
2018	627	10,678,700	17,031	5.19%	60	10.45:1	624.0	596.0	1.36%	95.51%
2017	627	10,151,729	16,191	2.31%	60	10.46:1	626.0	588.0	-2.00%	93.93%
2016	628	9,938,590	15,826	3.61%	59	11.80:1	639.0	600.0	-5.84%	93.90%
2015	637	9,729,842	15,274	7.14%	61	11.05:1	663.9	637.2	-2.09%	95.98%
2014	674	9,608,664	14,256	5.24%	59	11.66:1	672.3	650.8	-2.69%	96.80%

Sources: District records

Note: Enrollment based on annual October district count.

- a. Operating expenditures equal total expenditures less debt service and capital outlay.
- b. Teaching staff includes only full-time equivalents of certificated staff.
- c. Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**HAINESPORT TOWNSHIP BOARD OF EDUCATION  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS**

DISTRICT BUILDINGS	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Elementary Schools:										
Hainesport Elementary (1925):	97,782	97,782	97,782	97,782	97,782	97,782	97,782	97,782	97,782	97,782
Square Feet	636	636	636	636	636	636	636	636	636	636
Capacity (Students)	537	559	531	566	574	627	628	637	674	688

Number of Schools at June 30, 2023:  
Elementary = 1

Source: District Facilities Office

**HAINESPORT TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF REQUIRED MAINTENANCE  
LAST TEN FISCAL YEARS**

SCHOOL FACILITIES	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Hainesport Elementary	\$ 168,567	\$ 56,712	\$ 32,545	\$ 55,098	\$ 52,497	\$ 53,326	\$ 72,169	\$ 53,384	\$ 59,434	\$ 66,499

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

Source: District records



**HAINESPORT TOWNSHIP BOARD OF EDUCATION  
INSURANCE SCHEDULE  
June 30, 2023**

	COVERAGE	SELF-INSURED RETENTION	DEDUCTIBLE
School Package Policy - Utica National Insurance Company:			
Building & Contents (All Locations)			
Limits of Liability per Occurrence	\$ 24,395,417	\$ -	\$ 1,000
General Liability	3,000,000	-	-
Flood	1,015,000	-	25,000
Automobile Liability	1,000,000	-	1,000
Crime Coverage	100,000	-	-
Inland Marine	30,892	-	250
Umbrella Liability	10,000,000	10,000	-
New Jersey School Boards Association:			
Workers' Compensation	3,000,000	-	-
The Maskin Group:			
Student Accident	1,000,000	-	-
New Jersey School Boards Association:			
Surety Bonds:			
Treasurer	200,000	-	-
Board Secretary	300,000	-	-

Source: District records.

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**SINGLE AUDIT SECTION**

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

EXHIBIT K-1

**INDEPENDENT AUDITOR'S 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**

Honorable President and Members  
of the Board of Education  
Hainesport Township School District  
County of Burlington  
Hainesport, 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 and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities and each major fund and the aggregate remaining fund information of the Hainesport Township School District (the "School District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated January 25, 2024.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School District'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 School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District'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

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deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School District's financial statements are free from 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*.

### **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 School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

**HOLT MCNALLY & ASSOCIATES, INC.**  
*Certified Public Accountants & Advisors*

David T. McNally  
Certified Public Accountant  
Public School Accountant, No. 2616

Medford, New Jersey  
January 25, 2024



HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

EXHIBIT K-2

**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**

Honorable President and Members  
of the Board of Education  
Hainesport Township School District  
County of Burlington  
Hainesport, New Jersey

**Report on Compliance for Each Major Federal and State Program**

**Opinion on Each Major Federal and State Program**

We have audited the Hainesport Township School District's (the "School District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2023. The School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School District 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, 2023.

**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; Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards 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 School District and to meet our 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 state program. Our audit does not provide a legal determination of the School District's compliance with the compliance requirements referred to above.

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## **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 School District'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 School District'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 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; New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. 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, individual or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted accounting standards, *Government Auditing Standards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, 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 School District'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 School District'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 New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, but not for the purpose of expressing an opinion on the effectiveness of School District'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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

### **Purpose of this Report**

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's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

**HOLT MCNALLY & ASSOCIATES, INC**  
*Certified Public Accountants & Advisors*

David McNally  
Certified Public Accountant  
Public School Accountant, No. 2616

Medford, New Jersey  
January 25, 2024

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

ASSISTANCE LISTING NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2022	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	(ACCOUNTS RECEIVABLE)	BALANCE JUNE 30, 2023	
										DUPLICATE	UNEARNED REVENUE
93.778	2305N5MA0P	100-054-7540-211	\$ 2,749	7/1/22-6/30/23	\$ -	\$ 2,749	\$ (2,749)	\$ -	\$ -	\$ -	\$ -
93.778	2305N5MA0P	100-054-7540-211	9,303	7/1/21-6/30/22	(1,371)	1,371	-	-	-	-	-
93.778	2305N5MA0P	100-054-7540-211	733	1/1/21-12/31/21	-	733	(733)	-	-	-	-
			(1,371)		4,853	(3,482)	-	-	-	-	-
<b>Total U.S. Department of Health and Human Services</b>											
<b>U.S. Department of Agriculture</b>											
Passed Through New Jersey Department of Agriculture:											
Child Nutrition Cluster:											
National School Lunch Program											
10.555	231N30AN1099	100-010-3350-026	58,856	7/1/22-6/30/23	-	55,576	(58,856)	-	(3,280)	-	-
10.555	221N30AN1099	100-010-3350-026	289,699	7/1/21-6/30/22	(17,520)	7,520	-	-	-	-	-
10.555	231N30AN1099	100-010-3350-026	3,023	7/1/22-6/30/23	-	3,023	(3,023)	-	(174)	-	-
10.555	231N30AN1099	100-010-3350-118	30,022	7/1/22-6/30/23	-	30,022	(30,022)	-	-	-	-
10.555	231N30AN1099	Unavailable	24,114	7/1/22-6/30/23	-	24,114	(20,011)	-	-	-	-
10.555	221N30AN1099	Unavailable	18,761	7/1/21-6/30/22	3,112	-	-	-	(3,112)	-	-
			(14,408)		139,071	(11,864)	-	-	(3,454)	-	-
			(14,408)		139,071	(11,864)	-	-	(3,454)	-	-
			(14,408)		139,071	(11,864)	-	-	(3,454)	-	-
<b>Total U.S. Department of Agriculture</b>											
<b>Total U.S. Department of Education</b>											
Passed Through New Jersey Department of Education:											
I.D.E.A. Part B (Special Education Cluster)											
84.027A	H027A220100	100-034-5065-016	149,130	7/1/22-9/30/23	-	139,263	(148,747)	-	(9,484)	-	-
84.027A	H027A210100	100-034-5065-016	141,146	7/1/21-9/30/22	(11,008)	11,008	-	-	-	-	-
			(11,008)		150,271	(148,747)	-	-	(9,484)	-	-
84.173	H173A220114	100-034-5065-020	9,817	7/1/22-9/30/23	-	8,317	(9,817)	-	(1,500)	-	-
			(11,008)		8,317	(9,817)	-	-	(1,500)	-	-
			(11,008)		158,588	(158,564)	-	-	(10,984)	-	-
<b>Total Special Education Cluster</b>											
<b>Total U.S. Department of Education</b>											
84.010	S010A220030	100-034-5064-194	115,651	7/1/22-9/30/23	-	21,545	(115,651)	-	(94,106)	-	-
84.010	S010A210030	100-034-5064-194	85,857	7/1/21-9/30/22	(23,489)	23,489	-	-	-	-	-
			(23,489)		45,034	(115,651)	-	-	(94,106)	-	-
84.367A	S367A220029	100-034-5063-290	1,000	7/1/22-9/30/23	-	1,000	(89)	-	-	-	-
84.367A	S367A210029	100-034-5063-290	25,312	7/1/21-9/30/22	1,095	15,723	(16,818)	-	-	-	-
			(1,095)		16,723	(16,907)	-	-	-	-	-
84.424A	S424A220031	100-034-5063-348	6,400	7/1/22-9/30/23	-	9,706	(6,106)	-	-	-	-
84.424A	S424A210031	100-034-5063-348	10,651	7/1/21-9/30/22	4,349	-	-	-	-	-	-
			(4,349)		9,706	(6,106)	-	-	-	-	-
			4,349		-	-	-	-	-	4,349	3,600
			4,349		-	-	-	-	-	-	3,600
<b>Education Stabilization Fund</b>											
COVID-19 Coronavirus Response & Relief Suppl. Appr. Act:											
84.425D	S425D210027	100-034-5120-518	302,319	3/13/20-9/30/23	(5,510)	116,243	(119,192)	-	(8,459)	-	-
84.425D	S425D210027	100-034-5120-518	25,000	3/13/20-9/30/23	(22,026)	4,827	(5,500)	-	(3,157)	-	-
84.425D	S425D210027	100-034-5120-518	45,000	3/13/20-9/30/23	(30,020)	40,251	(23,375)	-	(5,150)	-	-
			(30,020)		161,321	(148,067)	-	-	(16,766)	-	-
84.425U	S425U210027	100-034-5120-523	679,443	3/13/20-9/30/24	(73,543)	380,363	(419,930)	-	(113,110)	-	-
84.425U	S425U210027	100-034-5120-523	40,000	3/13/20-9/30/24	(2,276)	40,000	(39,580)	-	-	-	-
84.425U	S425U210027	100-034-5120-523	40,000	3/13/20-9/30/24	(2,276)	40,000	(37,724)	-	-	-	-
84.425U	S425U210027	100-034-5120-523	45,000	3/13/20-9/30/24	(43,600)	45,000	(1,400)	-	-	-	-
			(119,419)		504,943	(498,634)	-	-	(113,110)	-	-
			(149,439)		666,264	(646,701)	-	-	(29,876)	-	-
			(178,492)		896,315	(943,929)	-	-	(234,966)	-	-
			(194,271)		1,040,239	(1,059,275)	-	-	(238,420)	-	-
			4,349		-	-	-	-	-	4,349	20,764

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

HAINESPORT TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

GRANT OR STATE PROJECT NUMBER	STATE GRANTOR/PROGRAM TITLE OR CLUSTER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2022	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	ACCOUNTS RECEIVABLE	BALANCE, JUNE 30, 2023		MEMO	
									UNEARNED REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
<b>New Jersey Department of Education:</b>												
General Fund:												
495-034-5120-078	State Aid Public:	\$ 169,798	7/1/22-6/30/23	\$ -	\$ 169,798	\$ (169,798)	\$ -	\$ -	\$ -	\$ -	\$ 11,687	\$ 169,798
495-034-5120-084	Equalization Aid	62,448	7/1/22-6/30/23	-	62,448	(62,448)	-	-	-	-	4,298	62,448
495-034-5120-089	Security Aid	441,909	7/1/22-6/30/23	-	441,909	(441,909)	-	-	-	-	30,416	441,909
	Special Education Categorical Aid											
	Total State Aid Public				674,155	(674,155)	-	-	-	-	46,401	674,155
495-034-5120-014	Transportation Aid	137,699	7/1/22-6/30/23	-	137,699	(137,699)	-	-	-	-	9,478	137,699
495-034-5120-148	Supplemental Stabilization Aid	51,947	7/1/22-6/30/23	-	51,947	(51,947)	-	-	-	-	-	51,947
495-034-5120-014	Additional Nonpublic School Transportation Aid	18,279	7/1/22-6/30/23	-	-	(18,279)	-	-	-	-	-	18,279
495-034-5120-014	Additional Nonpublic School Transportation Aid	16,220	7/1/21-6/30/22	(16,220)	-	-	-	-	-	-	-	-
495-034-5120-044	Extraordinary Aid	73,765	7/1/22-6/30/23	-	-	(73,765)	-	-	-	-	-	73,765
588-034-5120-001	Securing Our Children's Future Bond Act	30,347	7/1/20-6/30/22	(30,347)	30,347	-	-	-	-	-	-	-
495-034-5094-003	Reimbursed TPAF Social Security Contributions	361,059	7/1/22-6/30/23	-	328,595	(361,059)	-	-	-	(32,464)	-	361,059
495-034-5094-001	TPAF - Post Retirement											
495-034-5094-001	Medical (Noncash Assistance)	418,404	7/1/22-6/30/23	-	418,404	(418,404)	-	-	-	-	-	418,404
495-034-5094-002	TPAF Pension	1,592,720	7/1/22-6/30/23	-	1,592,720	(1,592,720)	-	-	-	-	-	1,592,720
495-034-5094-004	Contributions (Noncash Assistance)	659	7/1/22-6/30/23	-	659	(659)	-	-	-	-	-	659
495-034-5094-004	TPAF Pension - Long Term Disability Insurance (Noncash Assistance)											
	Total General Fund			(46,567)	3,250,746	(3,328,687)	-	(124,508)	-	-	55,879	3,328,687
Debt Service Fund:												
495-034-5120-017	School Construction Debt Service Aid	5,736	7/1/22-6/30/23	-	5,736	(5,736)	-	-	-	-	-	5,736
	Total Debt Service Fund				5,736	(5,736)	-	-	-	-	-	5,736
<b>New Jersey Department of Agriculture:</b>												
Enterprise Fund:												
495-010-3350-001	National School Lunch Program	2,345	7/1/22-6/30/23	-	2,210	(2,345)	-	(135)	-	-	-	2,345
495-010-3350-002	National School Lunch Program - Reduced	461	7/1/22-6/30/23	-	439	(461)	-	(22)	-	-	-	461
495-010-3350-001	National School Lunch Program	7,266	7/1/21-6/30/22	(403)	403	-	-	-	-	-	-	-
	Total Enterprise Fund			(403)	3,052	(2,806)	-	(157)	-	-	-	2,806
	<b>Total State Financial Assistance</b>			\$ (46,970)	\$ 3,259,534	\$ (3,337,229)	\$ -	\$ (124,665)	\$ -	\$ -	\$ 55,879	\$ 3,337,229
State Financial Assistance Programs not subject to Calculation for Major Program Determination:												
495-034-5094-001	TPAF - Post Retirement	418,404	7/1/22-6/30/23	-	-	418,404	-	-	-	-	-	-
495-034-5094-002	Medical (Noncash Assistance)	1,592,720	7/1/22-6/30/23	-	-	1,592,720	-	-	-	-	-	-
495-034-5094-004	TPAF Pension	659	7/1/22-6/30/23	-	-	659	-	-	-	-	-	-
495-034-5094-004	Contributions (Noncash Assistance)											
495-034-5094-004	TPAF Pension - Long Term Disability Insurance (Noncash Assistance)											
	<b>Total State Financial Assistance subject to Calculation for Major Program Determination</b>					\$ (1,325,446)						

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

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE  
FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Note 1. Basis of Presentation**

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Hainesport Township School District. The School District is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) 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*. 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. Summary of Significant Accounting Policies**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting and programs recorded in the capital projects fund are presented using the modified accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The School District did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2023. 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, 2023.

**Note 3. Relationship to Basic Financial Statements**

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

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE  
FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Note 3. Relationship to Basic Financial Statements (continued)**

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$21,396 for the general fund and \$2,444 for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 3,482	\$ 3,350,083	\$ 3,353,565
Special Revenue Fund	946,373	-	946,373
Debt Service Fund	-	5,736	5,736
Food Service Fund	111,864	2,806	114,670
	<hr/>	<hr/>	<hr/>
Total Awards & Financial Assistance	<u>\$ 1,061,719</u>	<u>\$ 3,358,625</u>	<u>\$ 4,420,344</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. Federal and State Loans Outstanding**

The Hainesport Township School District had no loan balances outstanding at June 30, 2023.

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**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

2) Significant deficiency(ies) identified?        yes   X   none reported

Noncompliance material to financial statements noted?        yes   X   no

**Federal Awards**

Internal control over major programs:

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

2) Significant deficiency(ies) identified?        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 2 CFR 200 section .516(a) of Uniform Guidance?        yes   X   no

Identification of major programs:

<u>ALN Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425D	S425D210027	Educational Stabilization Fund
84.425U	S425U210027	Educational Stabilization Fund

Dollar threshold used to determine Type A programs \$ 750,000

Auditee qualified as low-risk auditee?        yes   X   no

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**State Financial Assistance**

Dollar threshold used to determine Type A programs \_\_\_\_\_ \$ 750,000 \_\_\_\_\_

Auditee qualified as low-risk auditee?   X   yes        no

Internal control over major programs:

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

2) Significant deficiency(ies) identified?        yes   X   no

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 New Jersey OMB's Circular 15-08?        yes   X   no

Identification of major programs:

**State Grant/Project Number(s)**

**Name of State Program**

495-034-5120-078	State Aid Public:
495-034-5120-084	Equalization Aid
495-034-5120-089	Security Aid
	Special Education Categorical Aid

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Section II – Financial Statement Findings**

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

**None.**



**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Section III – Federal Awards & State Financial Assistance Findings & Questioned Costs**

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08.

**FEDERAL AWARDS**

**None.**

**STATE FINANCIAL ASSISTANCE**

**None.**

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular 15-08.

Financial Statement Findings

**Finding 2022-001**

*Condition:*

Net cash resources in the Food Service Fund exceeded three months average expenditures.

*Current Status:*

This condition has been corrected.

**Finding 2022-002**

*Condition:*

The District is not maximizing its efforts under the Special Education Medicaid Initiative (SEMI) Program for obtaining federal funding for special education services.

*Current Status:*

This condition has been corrected.

**Finding 2022-003**

*Condition:*

The District is not accurately recording ASSA data.

*Current Status:*

This condition has been corrected.

**Finding 2022-004**

*Condition:*

The District did not publicly approve a bid awarded.

*Current Status:*

This condition has been corrected.

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Financial Statement Findings (continued):

**Finding 2022-005**

*Condition:*

A travel purchase order was not approved by the board prior to travel.

*Current Status:*

This condition has been corrected.

**Finding 2022-006**

*Condition:*

The District is not accurately recording ASSA data.

*Current Status:*

This condition has been corrected.

Federal Awards

**Finding 2022-001:**

*Condition:*

Net cash resources in the Food Service Fund exceeded three months average expenditures.

*Current Status:*

This condition has been corrected.

State Financial Assistance

**Finding No. 2022-002**

Condition

The District is not maximizing its efforts under the Special Education Medicaid Initiative (SEMI) Program for obtaining federal funding for special education services.

Current Status:

This finding has been corrected.

**HAINESPORT TOWNSHIP SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

State Financial Assistance (continued):

**Finding No. 2022-003**

Condition

The District is not accurately recording ASSA data.

Current Status:

This finding has been corrected.

**Finding No. 2022-004**

Condition

The District did not publicly approve a bid awarded.

Current Status:

This finding has been corrected.

**Finding No. 2022-005**

Condition

A travel purchase order was not approved by the board prior to travel.

Current Status:

This finding has been corrected.

**Finding No. 2022-006**

Condition

The District is not accurately recording ASSA data.

Current Status:

This finding has been corrected.