

School District of
TOWN OF HAMMONTON BOARD OF EDUCATION

Town of Hammonton Board of Education
Hammonton, New Jersey

ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2023

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE
TOWN OF HAMMONTON BOARD OF EDUCATION
HAMMONTON, NEW JERSEY 08037**



YEAR ENDED JUNE 30, 2023

**PREPARED BY THE TOWN OF HAMMONTON BOARD OF EDUCATION
BUSINESS OFFICE
BARBARA S. PRETTYMAN
SCHOOL BUSINESS ADMINISTRATOR/BOARD SECRETARY**

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INTRODUCTORY SECTION

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Hammonton Board of Education

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ROBIN CHIECO
Superintendent of Schools

BARBARA S. PRETTYMAN
Business Administrator/Board Secretary

January 29, 2024

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

Dear Board Members:

The annual comprehensive financial report of the Town of Hammonton School District (District) for the fiscal year ended June 30, 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 Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, management's discussion and analysis, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Town of Hammonton School District is an independent reporting entity as set forth in Section 2100 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards*. All funds and account groups of the District are included in this report. The Town of Hammonton Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through twelve. These include regular as well as special education for handicapped children. The District completed the 2022-2023 fiscal year with an average daily enrollment of 3,341 students, which is 19 students above the previous year's average daily enrollment. The following details the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2022-2023	3,341	.57
2021-2022	3,322	(1.51)
2020-2021	3,373	(3.02)
2019-2020	3,478	(1.05)
2018-2019	3,515	.57
2017-2018	3,495	(2.40)
2016-2017	3,581	(1.02)
2015-2016	3,627	1.01
2014-2015	3,585	(.97)
2013-2014	3,623	.77

2) ECONOMIC CONDITION AND OUTLOOK: The cost per pupil a district allocates is not the sole indicator of the effectiveness of the educational programs. The NJ Department of Education provides an analysis of 2022-2023 Budgeted Costs Amount Per Pupil. Hammonton spends \$15,599 and is one of the lowest spending districts in the state. With the additional aid revenue received, the cost per pupil has increased over the past few years. In addition, ARP-ESSER Funds have also allowed for the purchase of additional resources and supplemental programs to assist in meeting the needs of students. To maintain our current programs, we must increase staff in key areas such as bilingual/ESL (MLL). It is also a struggle to find qualified applicants to replace retiring staff.

Hammonton Schools are designated as “high performing” under the NJQSAC review process that was conducted during the 2022-2023 school year. The district received a score of 81% in Instruction and Program, 96% in Fiscal Management, 100% in Governance, 98% in Operations and 93% in Personnel.

With a student population of approximately 3,300 students in combination with our sending districts of Waterford and Folsom, the Hammonton School District provides educational opportunities to prepare 21st century learners with the skill set necessary to compete in an ever-changing world. Our professional staff continuously researches and implements best practices to provide a well-rounded education. The ability to achieve this goal is through the commitment of all stakeholders to promote the mission of inspiring all students.

3) MAJOR INITIATIVES: For the 2023-2024 school year, Hammonton continues to maintain the 1:1 initiative for students to devices as part of our regular instructional program by purchasing Chromebooks to enhance instruction. All staff utilize Google Classroom to post assignments and to reduce the amount of paper copies required. In addition, teaching staff incorporate various technology tools such as Pear Deck, IXL, and Edpuzzle to enhance instruction. LinkIt continues to be utilized to measure student growth through benchmarking as well as the Intervention Manager as a component of MTSS. PBSIS continues to be successful at High School and Middle School to improve school climate. Mental health assistance is a major initiative for the 2023-2024 school year. The District was awarded a Bipartisan Safer Communities Act-Stronger Connections Grant in the amount of \$1.38 million. Effective School Solutions was contracted to work with the District to provide 4 additional clinicians to deliver Tier 3 counseling services within the four buildings. This will allow for additional students to receive Tier 1 and Tier services with existing staff. As students are exhibiting behaviors associated with trauma and other mental health concerns, the additional services are meeting the needs of more students, as well as supporting families. We are dedicated to providing an educational environment that develops, fosters and enhances student achievement and well-being with a mission to provide educational opportunities and supports that inspire students to achieve their full academic, social and civic potential.

As part of the expansion of universal preschool for all students, a cohort of 12, 3-year-olds was added to the Early Childhood Education Center. To alleviate overcrowding and to provide additional space for small group instruction at the Warren E. Sooy Jr. Elementary School, ARP-ESSER funds are being expended for an 8-classroom addition at the Early Childhood Education Center. This will allow all students in PK-Grade 1 to be housed at ECEC and free up 8 classrooms at WES.

Curriculum: The Hammonton School District is committed to the goal that all students can learn. Each grade level builds on the foundations set by the previous one. Throughout the school year and through the summer months, we devote resources to articulate our district curriculum vertically and horizontally to continuously improve our programs. To accommodate any revisions needed, Atlas Curriculum Mapping is utilized for all content areas. Numerous staff members worked in PLC structures to revise and develop units of study along with curriculum maps. LinkIt Benchmarks are used to measure student growth and to identify areas of need. IXL is used to provide targeted skill reinforcement to assist students in acquiring necessary mastery in ELA and Math. A new science series, Elevate Science, was purchased for the 2023-2024 school year for grades 6-8. Additional courses of AP Spanish Language and Culture, AP Computer Science A, Statistics and Probability and American Pop Culture were added to the high school program of studies to expand learning opportunities for students. Common Lit, Actively Learn, Mystery Science and Studies Weekly are used to address skills needed to analyze informational text for students in grades K-12.

Students are also provided opportunities to give back to their community through various clubs and organizations that donate food, clothing, money and various resources to families in need, thus fulfilling our mission to providing opportunities for students to achieve to their full potential.

Professional Development: As well as providing opportunities to our students, the Hammonton School District is committed to providing teachers with resources to refine subject matter mastery and expertise needed to allow students to function as independent learners and problem-solvers. Three professional development days are used to begin the school year for additional opportunities to enhance skills and incorporate new materials into classroom instructional practices along with a CPI training for designated staff. Two additional professional development days are utilized during the school year for program evaluations and data analysis. Teacher-led teams are supported by supervisors and principals to provide professional development that is aligned to the districts mission and goals of providing educational opportunities that inspire students to achieve their full academic, social and civic potential. Our professional development committees survey our teachers and identify areas of interest and concerns. Based on these findings, in-service training has been implemented to meet the needs of our professional staff. During the 2023-2024 school year, training will be provided on mental health and wellness, student engagement, implementation of IXL, and Go Math. ELA teachers in grades 6-12 will also participate in the Literacy Consortium at Rowan University. In addition, building level teams have been established to implement student-support instructional practices throughout the district to better meet student needs and to include equity awareness.

Technology: The Hammonton District has maintained the number of student devices in grades K-12 to achieve a 1:1 ratio of students to devices to assist students in becoming college and career ready as well as equity for learning. Wifi hotspots are provided to families in need of connectivity. With the availability of devices, all content areas have implemented technology-infused instructional programs through various platforms such as Google Classroom along with instructional resources such as Wonders, ST Math, Go Math, Study Sync, Common Lit, Actively Learn, Mystery Science, Studies Weekly, Elevate Science, IXL, LinkIt and Pearson Savvas with a plethora of on-line supplements. Go Guardian is utilized to manage student usage of internet sites. The curriculum has been adjusted to connect academics with application. To support this initiative, numerous infrastructure upgrades have been required throughout the district and devices are regularly updated and replaced. Additionally, on-going budgets reflect the replacement of devices to maintain our technology needs with a specific amount of funding reserved for technology: devices and infrastructure.

4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining internal controls designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal awards and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

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

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2023.

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

7) DEBT ADMINISTRATION: At June 30, 2023, the District's outstanding debt issues included \$14,715,000 of general obligation bonds. The proceeds of the bond issues were used to provide funds for the construction of the High School and Early Childhood Center and also for capital improvements to the Middle School and W.E.S. Elementary School.

8) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 1 and 2. The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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

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

10) OTHER INFORMATION:

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

11) ACKNOWLEDGMENTS:

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

Respectfully submitted,

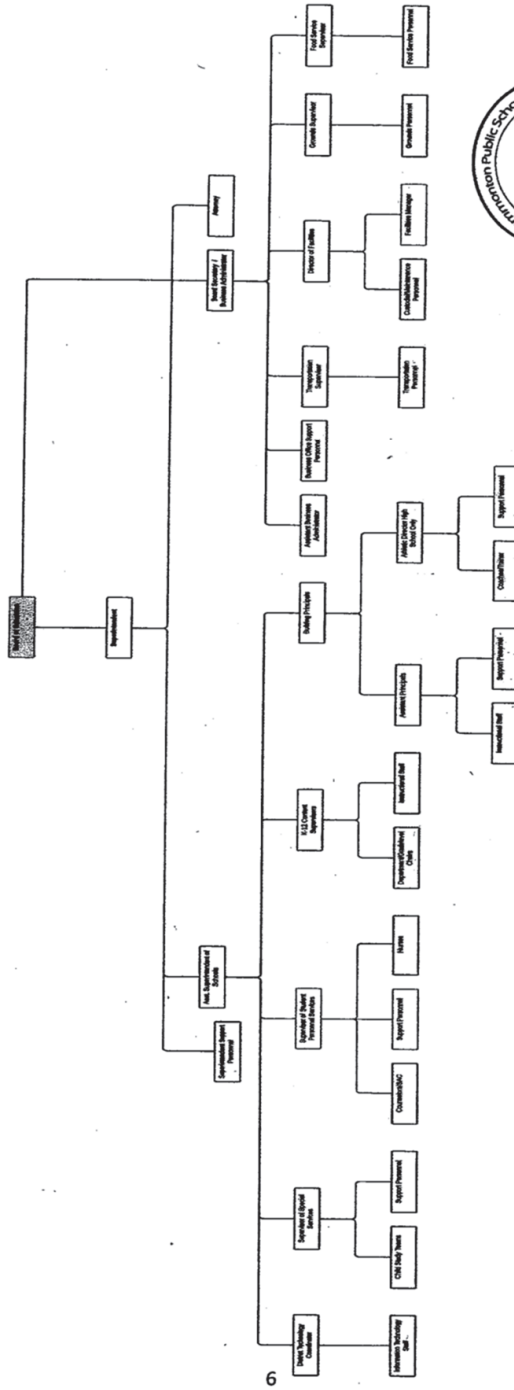


Robin Chieco
Superintendent



Barbara S. Prettyman
School Business Administrator/Board Secretary

Hammonton Public School District
 Table of Organization
 2022 - 2023



**TOWN OF HAMMONTON SCHOOL DISTRICT
HAMMONTON, NEW JERSEY
ROSTER OF OFFICIALS
JUNE 30, 2023**

Members of the Board of Education

TERM EXPIRES

Sam Mento <i>III</i> , President	2023
Linda Byrnes, Vice President	2025
Thomas Atlasani	2024
Barbara Berenato	2025
Luke Cola	2024
Kelly Donio	2024
Kelli Fallon	2023
John Lyons	2025
Ray Scipione	2023
Roe Hunter - Waterford Representative	2023
John Thomas - Folsom Representative	2023
Danielle Drialo - Student Representative	2023

Other Officials

Robin Chieco, Superintendent of Schools

Barbara S. Prettyman School Business Administrator/Board Secretary

William Donio, Esq., Solicitor

**TOWN OF HAMMONTON SCHOOL DISTRICT
HAMMONTON, NEW JERSEY
CONSULTANTS AND ADVISORS
JUNE 30, 2023**

AUDITOR/AUDIT FIRM

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OFFICIAL DEPOSITORY

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FINANCIAL SECTION

Second Section

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

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 Town of Hammonton School District, County of Atlantic, 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 School District 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with 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 the Financial Statements section of our report. We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility

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, *Government Auditing Standards*, and audit requirements 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards* and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 judgment, 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 introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and 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 presented for purposes of additional analysis and are 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 accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 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 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,

HOLMAN FRENIA ALLISON, P.C.

Jerry W. Conaty
Certified Public Accountant
Public School Accountant, No. 2470

Lakewood, New Jersey
January 29, 2024

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of the Town of Hammonton School District (“District”) annual financial report presents our discussion and analysis of the District’s financial performance during the fiscal year that ended on June 30, 2023. Please read it in conjunction with the transmittal letter at the front of this report and the District’s financial statement.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the fiscal year by \$21,329,530. This amount represents net position, which increased by \$9,461,305 from the previous year end.
- The District’s total net position of governmental activities totaled \$19,938,311.
- General revenues accounted for \$62,733,618 in revenue, or 70% of all revenues. Program specific revenues in the form of charges for services, operating grants, contributions and capital grants accounted for \$27,169,898 or 30% to total revenues of \$89,802,405.
- Total net assets of governmental activities increased by \$9,439,320 made up of changes in cash and cash equivalents, various receivables and liabilities.
- The district had \$78,552,043 in governmental expenses, of which \$25,265,682 of these expenses was offset by program specific charges for services, grants or contributions. General revenues, primarily Federal and State aid and property taxes of \$62,725,681 adequately provided for governmental activity programs.
- The General Fund had \$69,589,846 in revenues, \$345,351 in other financing sources and \$67,451,452 in expenditures. As a result, the General Fund balance increased by \$2,483,745.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District’s *overall* financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the District’s government, reporting on the District’s operations in *more detail* than the government-wide statements.
 - The *governmental funds* statements tell how *general government* services like instruction were financed in the *short term* as well as what remains for future spending.
 - *Proprietary fund* statements offer *short-* and *long-term* financial information about the activities the District operates like businesses, such as the food service area and latchkey program.

- *Fiduciary fund* statements provide information about the financial relationships – like the unemployment trust fund – in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

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

Government-wide Statements

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

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

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

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

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

Fund Financial Statements

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

The District has two kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide

statements, we provide additional information at the bottom of the governmental funds statement that explains the relationship (or differences) between them.

- *Proprietary funds* – Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. In fact, the District’s *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

Table 1 provides a comparative summary of the School District's net position for the years ended in 2023 and 2022.

	<u>2023</u>	<u>2022</u>
Assets		
Current and other assets	18,231,857	12,428,724
Capital assets, net	37,592,933	33,725,528
Total assets	<u>55,824,790</u>	<u>46,154,252</u>
Deferred Outflows	<u>1,912,045</u>	<u>1,293,266</u>
Liabilities		
Long-term liabilities	27,933,626	27,168,636
Other liabilities	6,414,723	3,143,045
Total liabilities	<u>34,348,349</u>	<u>30,311,681</u>
Deferred Inflows	<u>2,058,956</u>	<u>5,267,611</u>
Net position		
Invested in capital assets	22,792,706	17,397,179
Restricted	10,688,599	6,718,782
Unrestricted	(12,151,775)	(12,247,735)
Total net position	<u><u>21,329,530</u></u>	<u><u>11,868,226</u></u>

Table 2
Changes in Net Position

	<u>2023</u>	<u>2022</u>
Revenues		
Program Revenues		
Charges for Services	9,869,140	9,250,607
Operating Grants and Contributions	17,300,758	18,275,438
General Revenues		
Property Taxes	19,982,897	19,843,417
Grants and Entitlements	42,113,186	37,832,033
Other	637,535	469,274
Total Revenues	<u>89,903,516</u>	<u>85,670,769</u>
Program Expenses		
Instruction	45,526,180	45,779,466
Support Services		
Tuition	3,419,702	3,177,949
Pupils and Instructional Staff	10,713,496	11,361,857
General Administration, School		
Administration, Business	7,437,045	7,207,816
Operation and Maintenance	6,567,575	6,795,692
Pupil Transportation	4,370,133	4,209,843
Interest on Debt	517,913	569,518
Business Type Activities	1,890,169	1,816,847
Total Expenses	<u>80,442,212</u>	<u>80,918,988</u>
Increase (Decrease) in Net Position	<u>9,461,304</u>	<u>4,751,781</u>

Business-type Activities

The District's business-type activities net position increased \$21,984 from the previous year end. Operating and non-operating revenues decreased \$459,607 and expenses increased by \$73,322 over the prior year.

Governmental Activities

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

Table 3

Revenues	<u>Total Cost of Services 2023</u>	<u>Net Cost of Services 2023</u>	<u>Total Cost of Services 2022</u>	<u>Net Cost of Services 2022</u>
Instruction	45,526,180	25,631,909	45,779,466	25,991,680
Support services:				
Tuition	3,419,702	3,419,702	3,177,949	3,177,949
Pupils and instructional staff	10,713,495	8,105,545	11,361,857	8,606,235
General Administration, School				
Administration, Business	7,437,045	5,690,565	7,207,816	5,639,081
Plant operations/maintenance	6,567,575	6,072,108	6,795,692	6,223,354
Pupil transportation	4,370,133	3,848,619	4,209,843	3,738,804
Interest on long term debt	517,913	517,913	569,518	569,518
Total expenses	78,552,043	53,164,150	79,102,141	53,946,621

FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS

The School District's major funds are accounted for using the modified accrual basis of accounting. All governmental funds had total net revenues \$81,434,696 and expenditures of \$78,970,296. The net change in fund balance for the year was an increase of \$2,464,400.

General Fund Budgetary Highlights

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

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2023, the District had invested \$37.6 million in a broad range of capital assets, including land, buildings, improvements, machinery and equipment.

	Governmental		Business-type		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	324,908	324,908			324,908	324,908
Construction in progress	5,215,057	1,742,255			5,215,057	1,742,255
Site improvements	1,846,765	170,863			1,846,765	170,863
Bldgs and Bldg impr.	27,026,114	28,183,643			27,026,114	28,183,643
Machinery & equipment	2,559,888	2,664,571	538,236	565,003	3,098,124	3,229,574
Right-to-use lease assets	81,965	74,285			81,965	74,285
Total	37,054,697	33,160,525	538,236	565,003	37,592,933	33,725,528

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

Long-term Obligations

All bonds are authorized in accordance with State law by the voters of the District. At the end of the current fiscal year, the District had total bonded debt outstanding of \$14,715,000.

	Balance 6/30/22	Issued	Retired	Balance 6/30/23
Governmental Activities				
Bonds payable	\$16,245,000		1,530,000	14,715,000
Right-to-use lease liability	83,349	37,346	35,468	85,227
Compensated absences Payable	3,684,278	2,905		3,687,183
Total Governmental Activities	<u>20,012,627</u>	<u>40,251</u>	<u>1,565,468</u>	<u>18,487,410</u>
Business-type Activities				
Compensated absences Payable	39,225	5,061		44,286
Total Business-type Activities	<u>39,225</u>	<u>5,061</u>	<u>0</u>	<u>44,286</u>

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

The legal debt limit for the District is \$61,521,359 of which \$46,806,359 or 76.08% is available to be authorized by voter approval.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Mitigation of pandemic risks have resulted in a significant strain on the school district and the local taxpayers. The 2023-2024 state aid funding increase was significant however, based on the current state of the economy, we are unable to predict what the future holds as far as future state aid allocations.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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TOWN OF HAMMONTON SCHOOL DISTRICT
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 10,510,563	\$ 836,388	\$ 11,346,951
Receivables, net	25,935	-	25,935
Due from other governments	6,647,487	203,237	6,850,724
Internal balances	99,811	(99,811)	-
Inventory	-	8,247	8,247
Capital assets not being depreciated:			
Land and CIP	5,539,965	-	5,539,965
Capital assets, net of accumulated depreciation and amortization	<u>31,514,732</u>	<u>538,236</u>	<u>32,052,968</u>
Total Assets	<u>54,338,493</u>	<u>1,486,297</u>	<u>55,824,790</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Deferred Outflows	<u>1,912,045</u>	<u>-</u>	<u>1,912,045</u>
LIABILITIES			
Accounts payable	5,310,241	30,975	5,341,216
Accrued interest payable	189,350	-	189,350
Intergovernmental payable	45,028	-	45,028
Unearned revenue	819,312	19,817	839,129
Net Pension Liability	9,401,930	-	9,401,930
Noncurrent liabilities:			
Due within one year	1,748,690	-	1,748,690
Due beyond one year	16,738,720	44,286	16,783,006
Total liabilities	<u>34,253,271</u>	<u>95,078</u>	<u>34,348,349</u>
DEFERRED INFLOWS OF RESOURCES			
Refunding of Long Term Debt	447,892	-	447,892
Pension Deferred Inflows	<u>1,611,064</u>	<u>-</u>	<u>1,611,064</u>
	<u>2,058,956</u>	<u>-</u>	<u>2,058,956</u>
NET POSITION			
Net investment in capital assets	22,254,470	538,236	22,792,706
Restricted for:			
Capital Reserve	4,924,295	-	4,924,295
Maintenance Reserve	2,156,917	-	2,156,917
Emergency Reserve	330,936	-	330,936
Unemployment Compensation	495,001	-	495,001
Tuition Reserve	2,080	-	2,080
Excess Surplus	2,248,434	-	2,248,434
Scholarships	142,890	-	142,890
Student Activities	388,046	-	388,046
Unrestricted (Deficit) (Note 22)	<u>(13,004,758)</u>	<u>852,983</u>	<u>(12,151,775)</u>
Total net position	<u>\$ 19,938,311</u>	<u>\$ 1,391,219</u>	<u>\$ 21,329,530</u>

TOWN OF HAMMONTON SCHOOL DISTRICT

Statement of Activities

For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	\$ 25,642,422	\$ 10,868,046	\$ 9,125,539	\$ 9,382,493	\$ (18,002,436)	\$ -	\$ (18,002,436)
Special education	3,602,149	1,513,316	-	874,850	(4,240,615)	-	(4,240,615)
Other instruction	2,711,022	1,189,225	-	511,389	(3,388,858)	-	(3,388,858)
Support services:							
Tuition	3,419,702	-	-	-	(3,419,702)	-	(3,419,702)
Student & instruction related services	8,180,285	2,533,210	-	2,607,950	(8,105,545)	-	(8,105,545)
School administrative services	3,218,862	1,446,129	-	1,453,163	(3,211,828)	-	(3,211,828)
General administrative services	872,112	183,929	-	79,093	(976,948)	-	(976,948)
Plant operations and maintenance	5,415,376	1,152,199	-	495,467	(6,072,108)	-	(6,072,108)
Pupil transportation	3,425,289	944,844	115,214	406,300	(3,848,619)	-	(3,848,619)
Business and other support services	1,217,841	498,172	-	214,224	(1,501,789)	-	(1,501,789)
Unallocated benefits	20,329,070	(20,329,070)	-	-	-	-	-
Interest on long-term debt	517,913	-	-	-	(517,913)	-	(517,913)
Total governmental activities	78,552,043	-	9,240,753	16,024,929	(53,286,361)	-	(53,286,361)
Business-type activities:							
Food Service	1,881,693	-	628,387	1,275,829	-	22,523	22,523
After School Program	8,476	-	-	-	-	(8,476)	(8,476)
Total business-type activities	1,890,169	-	628,387	1,275,829	-	14,047	14,047
Total primary government	\$ 80,442,212	\$ -	\$ 9,869,140	\$ 17,300,758	\$ (53,286,361)	\$ 14,047	\$ (53,272,314)
General revenues:							
Taxes:							
Property taxes, levied for general purposes, net					18,320,722	-	18,320,722
Taxes levied for debt service					1,662,175	-	1,662,175
Federal and State aid not restricted					42,113,186	-	42,113,186
Investment Earnings					137,278	7,937	145,215
Miscellaneous Income					55,489	-	55,489
Prior year encumbrances					17,465	-	17,465
Refund prior year expenditures					339,798	-	339,798
Capital Lease Income					79,568	-	79,568
Total general revenues, special items, extraordinary items and transfers					62,725,681	7,937	62,733,618
Change in Net Position					9,439,320	21,984	9,461,304
Net Position, July 1					10,498,991	1,369,235	11,868,226
Net Position—ending					\$ 19,938,311	\$ 1,391,219	\$ 21,329,530

B. Fund Financial Statements

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Governmental Funds

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TOWN OF HAMMONTON SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 4,624,448	\$ 961,819	\$ -	\$ 1	\$ 5,586,268
Capital reserve cash	4,924,295	-	-	-	4,924,295
Interfund accounts receivable	99,811	-	-	-	99,811
Receivables, net	25,935	-	-	-	25,935
Receivables from other governments	1,750,566	4,896,921	-	-	6,647,487
Total assets	<u>\$ 11,425,055</u>	<u>\$ 5,858,740</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 17,283,796</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 637,934	\$ 4,672,307	\$ -	\$ -	\$ 5,310,241
Due to other governments	-	45,028	-	-	45,028
Unearned revenue	55,000	764,312	-	-	819,312
Total liabilities	<u>692,934</u>	<u>5,481,647</u>	<u>-</u>	<u>-</u>	<u>6,174,581</u>
Fund Balances:					
Restricted:					
Capital Reserve	4,924,295	-	-	-	4,924,295
Maintenance Reserve	2,156,917	-	-	-	2,156,917
Emergency Reserve	330,936	-	-	-	330,936
Unemployment Compensation	495,001	-	-	-	495,001
Tuition	2,080	-	-	-	2,080
Excess Surplus	2,248,434	-	-	-	2,248,434
Scholarships	-	142,890	-	-	142,890
Student Activities	-	388,046	-	-	388,046
Assigned:					
Encumbrances	762,069	-	-	-	762,069
Designated for subsequent year's expenditures	1,004,159	-	-	1	1,004,160
Unassigned:					
General fund	(1,191,770)	-	-	-	(1,191,770)
Special revenue fund (deficit)	-	(153,843)	-	-	(153,843)
Total Fund balances	<u>10,732,121</u>	<u>377,093</u>	<u>-</u>	<u>1</u>	<u>11,109,215</u>
Total liabilities and fund balances	<u>\$ 11,425,055</u>	<u>\$ 5,858,740</u>	<u>\$ -</u>	<u>\$ 1</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 \$75,200,977, and the accumulated depreciation is \$38,146,280.

37,054,697

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

300,981

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

(9,401,930)

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

(189,350)

Deferred inflows of resources related to the loss on Bond Refunding of Debt are applicable to future periods and therefore are not reported in the funds.

(447,892)

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

(18,487,410)

Net position of governmental activities

\$19,938,311

TOWN OF HAMMONTON SCHOOL DISTRICT
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the 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 tax levy	\$ 18,320,722	\$ -	\$ 1,662,175	\$ 19,982,897
Tuition from LEAs within State	9,125,539	-	-	9,125,539
Transportation fees from other leas	115,214	-	-	115,214
Interest earned on capital reserves	25,191	-	-	25,191
Interest	112,087	-	-	112,087
Miscellaneous	55,489	-	-	55,489
Local sources	-	933,090	-	933,090
State sources	41,656,558	1,606,390	277,582	43,540,530
Federal sources	179,046	6,928,782	-	7,107,828
	<u>69,589,846</u>	<u>9,468,262</u>	<u>1,939,757</u>	<u>80,997,865</u>
Total revenues				
EXPENDITURES				
Current:				
Regular instruction	17,942,335	2,610,659	-	20,552,994
Special education instruction	2,960,093	-	-	2,960,093
Other instruction	2,382,572	-	-	2,382,572
Support services and undistributed costs:				
Tuition	3,405,042	-	-	3,405,042
Student & instruction related services	5,962,018	1,140,704	-	7,102,722
General administrative services	821,313	-	-	821,313
School administrative services	2,023,625	682,923	-	2,706,548
Plant operations and maintenance	4,933,995	-	-	4,933,995
Pupil transportation	3,164,334	-	-	3,164,334
Business and other support services	1,181,424	-	-	1,181,424
Unallocated Benefits	21,273,586	496,599	-	21,770,185
Transfer to Charter School	14,660	-	-	14,660
Debt service:				
Principal	-	-	1,530,000	1,530,000
Interest and other charges	-	-	531,156	531,156
Capital outlay	1,386,455	4,526,803	-	5,913,258
Total expenditures	<u>67,451,452</u>	<u>9,457,688</u>	<u>2,061,156</u>	<u>78,970,296</u>
Excess (Deficiency) of revenues over expenditures	<u>2,138,394</u>	<u>10,574</u>	<u>(121,399)</u>	<u>2,027,569</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	53,980	37,500	91,480
Transfers out	(91,480)	-	-	(91,480)
Capital lease income	79,568	-	-	79,568
Refund prior year expenditures	339,798	-	-	339,798
Prior year encumbrances	17,465	-	-	17,465
Total other financing sources and uses	<u>345,351</u>	<u>53,980</u>	<u>37,500</u>	<u>436,831</u>
Net change in fund balances	<u>2,483,745</u>	<u>64,554</u>	<u>(83,899)</u>	<u>2,464,400</u>
Fund balance—July 1 (deficit)	8,248,376	312,539	83,900	8,644,815
Fund balance—June 30 (deficit)	<u>\$ 10,732,121</u>	<u>\$ 377,093</u>	<u>\$ 1</u>	<u>\$ 11,109,215</u>

TOWN OF HAMMONTON SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2023

Total net change in fund balances - governmental funds (from B-2) \$ 2,464,400

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

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

Depreciation expense	(1,863,609)	
Amortization expense	(29,667)	
Right-to-use prior year adjustment	(1,878)	
Right-to-use asset additions	37,347	
Capital outlays	5,750,101	3,892,294

Repayment of long term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 1,530,000

Amortization of premium on bond refunding in the statement of activities. 101,172

Payment of accrued interest on long term debt is an expenditure in the governmental funds, but the payment reduces the liability in the statement of net position and is not reported in the statement of activities. 13,243

Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period. 1,441,116

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 (+). (2,905)

Change in net position of governmental activities \$ 9,439,320

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Proprietary Funds

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TOWN OF HAMMONTON SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-type Activities - Enterprise Funds		
	Food Service	Latchkey Program (Non Major Fund)	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 762,836	\$ 73,552	\$ 836,388
Accounts receivable	203,237	-	203,237
Inventories	8,247	-	8,247
Total current assets	<u>974,320</u>	<u>73,552</u>	<u>1,047,872</u>
Noncurrent assets:			
Furniture, machinery & equipment	1,310,860	119,467	1,430,327
Less accumulated depreciation	<u>(800,529)</u>	<u>(91,562)</u>	<u>(892,091)</u>
Total noncurrent assets	510,331	27,905	538,236
Total assets	<u>\$ 1,484,651</u>	<u>\$ 101,457</u>	<u>\$ 1,586,108</u>
LIABILITIES			
Current liabilities:			
Interfund Accounts Payable	\$ 99,811	\$ -	\$ 99,811
Accounts Payable	30,863	112	30,975
Unearned Revenue	19,817	-	19,817
Compensated absences	44,286	-	44,286
Total current liabilities	<u>194,777</u>	<u>112</u>	<u>194,889</u>
Total liabilities	<u>194,777</u>	<u>112</u>	<u>194,889</u>
NET POSITION			
Net investment in capital assets	510,331	27,905	538,236
Unrestricted	779,543	73,440	852,983
Total net position	<u>\$ 1,289,874</u>	<u>\$ 101,345</u>	<u>\$ 1,391,219</u>

TOWN OF HAMMONTON SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Business-type Activities - Enterprise Fund		
	Food Service	Latchkey Program (Non Major Fund)	Total Enterprise
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$ 382,959	\$ -	\$ 382,959
Daily sales - non-reimbursable programs	227,198	-	227,198
Special functions	2,911	-	2,911
Miscellaneous	15,319	-	15,319
Total operating revenues	<u>628,387</u>	<u>-</u>	<u>628,387</u>
 Operating expenses:			
Cost of sales-Reimbursable programs	715,335	-	715,335
Cost of sales-Nonreimbursable programs	41,584	-	41,584
Salaries	646,127	-	646,127
Employee benefits	296,161	-	296,161
General supplies & materials	117,612	-	117,612
Tuition	-	1,035	1,035
Other costs	28,046	-	28,046
Depreciation	36,828	7,441	44,269
Total operating expenses	<u>1,881,693</u>	<u>8,476</u>	<u>1,890,169</u>
Operating (loss)	<u>(1,253,306)</u>	<u>(8,476)</u>	<u>(1,261,782)</u>
 Nonoperating revenues:			
State sources:			
State school lunch program	32,912	-	32,912
State school breakfast program	3,347	-	3,347
Federal sources:			
National school lunch program	821,869	-	821,869
National school breakfast program	179,493	-	179,493
Supply chain assistance award	162,145	-	162,145
P-EBT Administrative Cost	3,256	-	3,256
Food distribution program	72,807	-	72,807
Interest and investment revenue	7,316	621	7,937
Total nonoperating revenues	<u>1,283,145</u>	<u>621</u>	<u>1,283,766</u>
Income(loss) before transfers	29,839	(7,855)	21,984
Transfers in (out)	-	-	-
Change in net position	29,839	(7,855)	21,984
Total net position—beginning	<u>1,260,035</u>	<u>109,200</u>	<u>1,369,235</u>
Total net position—ending	<u>\$ 1,289,874</u>	<u>\$ 101,345</u>	<u>\$ 1,391,219</u>

TOWN OF HAMMONTON SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Business-type Activities - Enterprise Funds		
	Food Service	Latchkey Program (Non Major Fund)	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 623,481	\$ -	\$ 623,481
Payments to employees	(1,000,414)	-	(1,000,414)
Payments to suppliers	(912,816)	(923)	(913,739)
Net cash provided/(used) by operating activities	<u>(1,289,749)</u>	<u>(923)</u>	<u>(1,290,672)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash received from state and federal reimbursements	1,096,478	-	1,096,478
Operating subsidies	-	-	-
Net cash provided by non-capital financing activities	<u>1,096,478</u>	<u>-</u>	<u>1,096,478</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING			
Purchases of capital assets	(17,502)	-	(17,502)
Net cash (used) by capital and related financing activities	<u>(17,502)</u>	<u>-</u>	<u>(17,502)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	7,316	621	7,937
Net cash provided by investing activities	<u>7,316</u>	<u>621</u>	<u>7,937</u>
Net increase (decrease) in cash and cash equivalents	(203,457)	(302)	(203,759)
Balances—beginning of year	966,293	73,854	1,040,147
Balances—end of year	<u>\$ 762,836</u>	<u>\$ 73,552</u>	<u>\$ 836,388</u>
Reconciliation of operating income/(loss) to net cash provided/(used) by operating activities:			
Operating income/(loss)	\$ (1,253,306)	\$ (8,476)	\$ (1,261,782)
Adjustments to reconcile operating income(loss) to net cash provided/(used) by operating activities			
Depreciation and net amortization	36,828	7,441	44,269
Federal commodities	72,807	-	72,807
(Increase)/Decrease in accounts receivable, net	1,246	-	1,246
Decrease in inventories	(2,884)	-	(2,884)
(Decrease)/Increase in accounts payable	(80,162)	112	(80,050)
(Decrease)/Increase in interfund accounts payable	(63,187)	-	(63,187)
(Decrease)/Increase in unearned revenue	(6,152)	-	(6,152)
(Decrease)/Increase in compensated absences payable	5,061	-	5,061
Total adjustments	<u>(36,443)</u>	<u>7,553</u>	<u>(28,890)</u>
Net cash provided/(used) by operating activities	<u>\$ (1,289,749)</u>	<u>\$ (923)</u>	<u>\$ (1,290,672)</u>

Noncash Investing, Capital, and Financing Activities:

During the year, the District received \$71,279 of food commodities from the U.S. Department of Agriculture

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Fiduciary Fund
Not Applicable

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TOWN OF HAMMONTON SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

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Town of Hammonton School District
Notes to Financial Statements
June 30, 2023

Note 1. Summary of Significant Accounting Policies

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

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

A. Reporting Entity

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

The purpose of the district is to educate students in grades K-12 as well as providing educational services for the Borough of Folsom students in grades 9-12 and the Township of Waterford students in grades 7-12. Beginning with the 2011-2012 school year the District was approved as a Choice School. The Town of Hammonton School District had an approximate enrollment at June 30, 2023 of 3,341 students.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

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

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

Town of Hammonton School District
Notes to Financial Statements
June 30, 2023

B. Basic Financial Statements – Government Wide Statements:

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

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

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

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

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

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

Town of Hammonton School District
Notes to Financial Statements
June 30, 2023

C. Basic Financial Statements – Fund Financial Statements:

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

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

The following fund types are used by the District:

1. Governmental Funds:

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

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

Town of Hammonton School District
Notes to Financial Statements
June 30, 2023

Fund Balances – Governmental Funds

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

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

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

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

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

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

2. Proprietary Funds:

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

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

Town of Hammonton School District
Notes to Financial Statements
June 30, 2023

3. Fiduciary Funds:

Fiduciary fund financial statements include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The School District's fiduciary funds include Custodial Funds, which are used to report fiduciary activities where the School District controls assets that are collected on behalf of other entities. These assets are not held in a trust and are distributed in accordance with applicable policies. The Custodial Funds are accounted for on a spending or "economic resources" measurement focus and the accrual basis of accounting in accordance with GASBS No. 84, Fiduciary Activities.

The school district reports no fiduciary funds.

D. Basis of Accounting:

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

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

The governmental fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days after the end of the fiscal year. Revenue from federal, state and other grants designated for payment of specific school district expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as deferred revenues until earned. Expenditures are generally recorded when the related liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

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

E. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election in November. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-2(g).

Town of Hammonton School District
Notes to Financial Statements
June 30, 2023

Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. However, any transfer that cumulatively exceeds ten percent of the advertised budget category must receive the approval of the County Superintendent of Schools.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

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

<u>Account Name</u>	<u>Amount</u>
Salaries of Teachers – Grades 1 – 5	(350,643)
Salaries of Teachers – Grades 6 - 8	101,325
Salaries of Teachers – Grades 9 - 12	(262,796)
Regular Programs – General Supplies	(101,541)
Regular Programs – Textbooks	223,857
Learning and/or Language Disabilities – Salaries of Teachers	177,709
Emotional Regulation Impairment – Salaries of Teachers	(180,000)
Multiple Disabilities – Salaries of Teachers	(249,335)
Resource Room/Resource Center – Salaries of Teachers	(235,000)
Preschool Disabilities – Full Time – Salaries of Teachers	133,000
Bilingual Education – Instruction – Salaries of Teachers	210,003
School Sponsored Athletics – Instruction - Salaries	110,679
School Sponsored Athletics – Instruction – Supplies and Materials	101,713
Tuition to CSSD & Regional Day Schools	(120,500)
Tuition to Private Schools for the Disabled	120,500
Improvement of Instructional Services – Salaries of Supervisors of Instruction	899,606
Improvement of Instructional Services – Salaries of Secretarial and Clerical Assistants	123,919
Instructional Staff Training Services – Salaries of Supervisors of Instruction	(951,606)
Student Transportation – Between Home and School – Joint Agreements	114,525
Student Transportation – Contracted Services – Special Education	

Town of Hammonton School District
Notes to Financial Statements
June 30, 2023

– Joint Agreements	123,283
Unallocated Benefits – Health Benefits	(494,320)
Equipment – School Sponsored	255,489
Equipment – General Administration	149,746
Equipment – Security	179,328
Facilities Acquisition and Construction Services – Architectural/Engineering Services	496,549
Facilities Acquisition and Construction Services – Construction Services	718,521

F. Encumbrance Accounting:

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

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

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

G. Assets, Liabilities and Equity:

Cash, Cash Equivalents and Investments

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

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

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

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

Town of Hammonton School District
Notes to Financial Statements
June 30, 2023

Investments

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

Interfund Transactions

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

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

Inventories

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

Capital Assets

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

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

Compensated Absences

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

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

Town of Hammonton School District
Notes to Financial Statements
June 30, 2023

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

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

Unearned Revenue

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

Accrued Liabilities and Long-Term Obligations

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

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

Net Position

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

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

Fund Balance Reserves

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

- Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual restraints.

Town of Hammonton School District
Notes to Financial Statements
June 30, 2023

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

Revenues

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

Expenditures

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

Tuition Receivable

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

Tuition Payable

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

Management Estimates

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

Town of Hammonton School District
Notes to Financial Statements
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Allocation of Costs

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

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. 99, Omnibus 2022.

Management has determined the implementation of these Statements did not have a significant impact on the District's financial statements.

Accounting Pronouncements Effective in Future Reporting Periods

The following GASB Statements will be effective in future fiscal years:

- Statement No. 100, Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023.
- Statement No. 101, Compensated Absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023.

Management has not yet determined the potential impact on the District's financial statements.

Notes 2. Investments

As of June 30, 2023, the district had no investments. However, if the District had investments they would be subject to the following risks.

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

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

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

Town of Hammonton School District
Notes to Financial Statements
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Notes 3. Cash

Custodial Credit Risk—Deposits. Custodial credit risk is the risk that in the event of a bank failure, the School District’s deposits may not be returned to it. The district’s policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. At June 30, 2023, the carrying amount of the District’s deposits (cash and cash equivalents) was \$11,346,951 and the bank balance was \$13,219,742.

As of June 30, 2023, the School District’s bank balance was exposed to custodial credit risk as follows:

FDIC Insured	\$	250,000
GUDPA Insured		<u>12,969,742</u>
Bank balance, June 30, 2023	\$	<u><u>13,219,742</u></u>

Notes 4. Receivables

Receivables at June 30, 2023, consisted of other receivables (tuition, taxes and other), inter-fund and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

		Governmental Fund Financial Statements		Government Wide Financial Statements
	\$	<u>6,647,487</u>	\$	<u>6,851,724</u>
State and Federal Aid		99,811		
Inter-funds		25,935		25,935
Other		<u>6,773,233</u>		<u>6,877,659</u>
Total Receivables, Net	\$		\$	

Note 5. Inventory

Inventory in the Food Service Enterprise Fund at June 30, 2023, consisted of the following which included \$385 in Federal Commodities:

Food	\$	6,760
Supplies		<u>1,487</u>
	\$	<u><u>8,247</u></u>

Town of Hammonton School District
Notes to Financial Statements
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Note 6. Capital Assets

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

	<u>Balance</u> <u>June 30,</u> <u>2022</u>	<u>Additions</u>	<u>Disposals /</u> <u>Adjustments</u>	<u>Balance</u> <u>June 30, 2023</u>
Governmental Activities:				
Capital assets that are not being depreciated:				
Land	\$ 324,908			324,908
Construction in Progress	1,742,255	5,186,457	(1,713,655)	5,215,057
Total capital assets not being depreciated	<u>2,067,163</u>	<u>5,186,457</u>	<u>(1,713,655)</u>	<u>5,539,965</u>
Capital assets being depreciated and amortized:				
Site improvements	3,576,178	76,422	1,713,655	5,366,255
Bldg and bldg improve	56,653,817	99,778		56,753,595
Machinery & equipment	6,960,299	387,444		7,347,743
Right-to-use lease assets	156,072	37,347		193,419
Totals at historical cost	<u>67,346,366</u>	<u>600,991</u>	<u>1,713,655</u>	<u>69,661,012</u>
Less accumulated depr and amort for:				
Site improvements	(3,405,315)	(114,175)		(3,519,490)
Bldg and bldg improve	(28,470,174)	(1,257,307)		(29,727,481)
Machinery & equipment	(4,295,728)	(492,127)		(4,787,855)
Right-to-use lease assets	(81,787)	(29,667)		(111,454)
Total accum deprec and amort	<u>(36,253,004)</u>	<u>(1,893,276)</u>		<u>(38,146,280)</u>
Total capital assets being depr, net of accum depr	<u>31,093,362</u>	<u>(1,292,285)</u>	<u>1,713,655</u>	<u>31,514,732</u>
Governmental activities capital assets, net	<u>33,160,525</u>	<u>3,894,172</u>	<u>0</u>	<u>37,054,697</u>
Business-type activities:				
Equipment	1,412,825	17,502		1,430,327
Less accum depr for:				
Equipment	(847,822)	(44,269)		(892,091)
Business-type activities capital assets, net	<u>\$ 565,003</u>	<u>(26,767)</u>	<u>0</u>	<u>538,236</u>

Town of Hammonton School District
Notes to Financial Statements
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Depreciation and amortization expense as charged to governmental functions as follows:

Regular instruction	\$	1,012,157
Special education		140,937
Other instruction		110,754
Student & instruction related services		235,922
School administrative services		14,680
General administrative services		17,130
Plant operations and maintenance		107,306
Pupil transportation		87,995
Business and other support services		46,395
	\$	1,893,276

Note 7. Long-Term Obligations

Long-term liability activity for the year ended June 30, 2023 was as follows:

	<u>Balance</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u>	<u>Amounts</u>
	<u>6-30-22</u>			<u>6-30-23</u>	<u>Due Within</u>
					<u>One year</u>
Governmental Activities					
Bonds & loans payable:					
School bonds	\$ 16,245,000		1,530,000	14,715,000	1,570,000
Other liabilities:					
Lease Liability	83,349	37,347	35,468	85,228	28,933
Compensated absences payable	3,684,278	2,905		3,687,183	94,023
Governmental activities long-term liabilities	20,012,627	40,252	1,565,468	18,487,411	1,692,956
Business-type Activities:					
Other liabilities:					
Compensated absences Payable	39,225	5,061		44,286	0
Business-type activities long-term liabilities	\$ 39,225	5,061		44,286	0

Compensated absences and lease liabilities will be liquidated in the General Fund.

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

Description of Bonds Payable

At June 30, 2023, bonds payable consisted of the following issues:

\$21,611,000 School Bonds dated 10/15/2001 payable in annual installments through August 1, 2012.

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Interest is paid semiannually at a fixed rate of 4.75% per annum. The balance as of June 30, 2023 was \$0. \$7,385,000 of these bonds were refunded on 9/19/06. The net present value savings amounted to \$426,798. \$10,890,000 of these bonds were refunded on 3/23/10. The net present value savings amounted to \$449,777.

\$10,890,000 Refunding School Bonds dated 3/23/2010 payable in annual installments through August 1, 2025. Interest is paid semiannually at varying rates between 2.00% and 5.00% per annum. The balance as of June 30, 2023 was \$0. \$4,175,000 of these bonds were refunded on 6/18/20. The net present value savings amounted to \$312,041.

\$4,175,000 Refunding School Bonds dated 6/18/2020 payable in annual installments through August 1, 2025. Interest is paid semiannually at varying rates between 3.00% and 4.00% per annum. The balance as of June 30, 2023 was \$2,415,000.

\$7,385,000 School Bonds dated 9/19/2006 payable in annual installments through August 1, 2030. Interest is paid semiannually at varying rates between 3.00% and 4.20% per annum. The balance as of June 30, 2023 was \$0. \$7,050,000 of these bonds were refunded on 5/11/16.

\$7,050,000 Refunding School Bonds dated 5/11/2016 payable in annual installments through August 1, 2030. Interest is paid semiannually at varying rates between 2.00% and 3.25% per annum. The balance as of June 30, 2023 was \$6,815,000.

\$2,614,000 School Bonds dated 4/15/2006 payable in annual installments through July 15, 2021. Interest is paid semiannually at varying rates between 4.25% and 4.30% per annum. The balance as of June 30, 2023 was \$0.

\$11,800,000 School Bonds dated 6/24/2010 payable in annual installments through July 1, 2030. Interest is paid semiannually at varying rates between 3.25% and 4.125% per annum. The balance as of June 30, 2023 was \$0. \$6,650,000 of these bonds were refunded on 12/20/17.

\$6,695,000 Refunding School Bonds dated 12/20/17 payable in annual installments through July 1, 2030. Interest is paid semiannually at varying rates between 3.00% and 4.00% per annum. The balance as of June 30, 2023 was \$5,485,000.

Debt service requirements on serial bonds payable at June 30, 2023 are as follows:

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,570,000	474,281	2,044,281
2025	1,615,000	411,281	2,026,281
2026	1,705,000	347,906	2,052,906
2027	1,830,000	285,731	2,115,731
2028	1,915,000	222,707	2,137,707
2029-2031	6,080,000	291,705	6,371,705
	<u>\$ 14,715,000</u>	<u>2,033,615</u>	<u>16,748,615</u>

Town of Hammonton School District
Notes to Financial Statements
June 30, 2023

B. Bonds Authorized But Not Issued:

As of June 30, 2023 the Board had authorized but not issued bonds in the amount of \$0.

C. Operating Lease:

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

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

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

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

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

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

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

The District has determined all of their lease agreements qualify as right-to-use assets. As of June 30, 2023, total future minimum lease payments are as follows:

Year Ending			
June 30,	Principal	Interest	Total
2024	\$ 28,933	\$ 4,261	\$ 33,194
2025	28,990	2,815	31,805
2026	19,912	1,365	21,277
2027	7,393	370	7,763
	\$ 85,228	\$ 8,811	\$ 94,039
	\$ 85,228	\$ 8,811	\$ 94,039

Town of Hammonton School District
Notes to Financial Statements
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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 Comprehensive Financial Report (ACFR) which can be found at <http://www.nj.gov/treasury/pensions/financial-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, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 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. 43:15A 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 2023, 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.

Town of Hammonton School District
Notes to Financial Statements
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Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2023, the School District reported a liability of \$9,401,930 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 School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The School District's proportion measured as of June 30, 2022, was 0.062300%, which was an increase of 0.002255% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the School District recognized full accrual pension benefit of \$573,399 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 School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 67,859	\$ 59,842
Changes of Assumptions	29,130	1,407,841
Net Difference between Projected and Actual Earnings on Pension Plan Investments	389,137	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	640,286	143,381
School District contributions subsequent to measurement date	785,633	-
	\$ 1,912,045	\$ 1,611,064

\$785,633 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2022-2023 total salaries for PERS employees multiplied by an employer pension contribution rate of 17.11%. The payable is due on April 1, 2024 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. 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:

Year Ending June 30,		
2023	\$	(707,107)
2024		(311,498)
2025		(100,996)
2026		536,529
2027		98,420
	\$	(484,652)

Town of Hammonton School District
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Special Funding Situation – Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State, are Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001.

The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation.

However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities’ total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employers as well as revenue in an amount equal to the nonemployer contributing entities’ total proportionate share of the collective pension expense associated with the local participating employer.

Additionally, the State has no proportionate share of the PERS net pension liability attributable to the District as of June 30, 2023. At June 30, 2023, the State’s proportionate share of the employer pension expense and related revenue, associated with the District, calculated by the plan as of the June 30, 2022 measurement date was \$19,782.

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 Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75% - 6.55%
	Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate of Return:	
	Pub-2010 General Below-Median Income Employee mortality table with fully generational mortality improvement projections from the central year using Scale MP-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.

Town of Hammonton School District
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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.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic 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:

<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%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Assets	8.00%	11.19%
Real Estate	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 and the nonemployer contributing entity will be 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 all projected benefit payments to determine the total pension liability.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net pension liability as of June 30, 2022, calculated using the discount rate of 7.00% as well as what the School 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:

Town of Hammonton School District
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	At 1% Decrease <u>(6.00%)</u>	At Current Discount Rate <u>(7.00%)</u>	At 1% Increase <u>(8.00%)</u>
School District's Proportionate Share of the Net Pension Liability	\$ 12,181,018	\$ 9,401,930	\$ 7,184,200

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

	<u>06/30/23</u>	<u>06/30/22</u>
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	15,219,184,920	11,972,782,878
School District's portion	0.062300%	0.060075%

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description - TPAF is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which 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 Division. For additional information about TPAF, please refer to the Division's annual financial statements which can be found at www.nj.gov/treasury/pensions/financial-reports.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

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Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 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. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.5% in State fiscal year 2018. 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 2023, 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 School 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 School 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 School District as of June 30, 2023 was \$105,459,100. The School 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 school districts, actuarially determined. At June 30, 2022, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.2044002%, which was an increase of 0.0046711% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the State of New Jersey recognized a pension expense in the amount of \$2,838,199 for the State's proportionate share of the TPAF pension expense attributable to the School District. This pension expense was based on the pension plans June 30, 2022 measurement date.

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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:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75% - 3.25%
	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 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 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:

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<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%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Assets	8.00%	11.19%
Real Estate	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 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 School 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 School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School 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 School 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:

	<u>At 1% Decrease (6.00%)</u>	<u>At Current Discount Rate (7.00%)</u>	<u>At 1% Increase (8.00%)</u>
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	\$ 123,653,036	\$ 105,459,100	\$ 90,132,995

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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:

	<u>06/30/23</u>	<u>06/30/22</u>
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
 School District's portion	 0.20440%	 0.19973%

C. Defined Contribution Retirement 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 2020 is \$8,400 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.

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Contributions – The contribution policy is set by N.J.S.A 43:15C-3 and requires contributions by active members and contributing employers. Plan members are required to contribute 5.5% of their base salary and the District’s employer match is an additional 3% contribution. For the year ended June 30, 2023, employee contributions totaled \$166,148 and the District’s employer contribution, recognized in pension expense, was \$90,626. There were no forfeitures during the fiscal year.

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- 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 are 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.

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Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 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:

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

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2021. Postretirement mortality rates were based on the PUB-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2021. Disability mortality was based on the PUB-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2021 for current disables retirees. Future disabled retirees were based on Pub-2010 "Safety" (PFRS), "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 TPAF, PERS and PFRS experience studies prepared for July 1, 2018 to 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, 2022 was \$109,102,090. 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 0.215419%, which was a decrease of 0.001963% 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 \$3,718,465 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.

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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 eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.54%, respectively. 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:

	June 30, 2022		
	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 128,238,030	\$ 109,102,090	\$ 93,765,591
State of New Jersey's Total Nonemployer OPEB Liability	\$ 59,529,589,697	\$ 50,646,462,966	\$ 43,527,080,995

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

	June 30, 2022		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 90,179,546	\$ 109,102,090	\$ 133,958,001
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
Differences Between Expected & Actual Experience	\$ 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 2023 After June 30, Measurement Date	TBD	N/A
	\$ 17,808,023,196	\$ (32,700,239,909)

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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,	
2022	\$ (2,517,151,602)
2023	(2,517,151,602)
2024	(2,517,151,602)
2025	(2,175,449,761)
2026	(1,243,951,140)
Thereafter	(3,921,361,006)
	\$ (14,892,216,713)

** Employer Contributions made after June 30, 2023 are reported as a deferred outflow of resources, but are not amortized in expense.

Plan Membership

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

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:

Total OPEB Liability	
Service Cost	\$ 2,770,618,025
Interest Cost	1,342,187,139
Difference Between Expected & Actual Experience	1,399,200,736
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%

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Note 10. Deferred Compensation

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

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

Note 11. Compensated Absences

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

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

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2023, a liability existed for compensated absences in the Food Service Program in the amount of \$44,286.

Town of Hammonton School District
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Note 12. Capital Reserve Account

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

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

The activity in the capital reserve for the 2023 fiscal year is as follows:

Beginning balance, July 1, 2022	\$3,971,514
Interest Earnings	25,191
Withdrawal	(1,572,410)
Board Resolution dated June 8, 2023	<u>2,500,000</u>
Ending balance, June 30, 2023	<u><u>\$4,924,295</u></u>

The 2023-2024 Budget includes a withdrawal from the Capital Reserve Account in the amount of \$675,934.

Note 13. Emergency Reserve

New Jersey Statute 18A:7F-41(c) permits school districts to establish a current expense emergency reserve in the general fund with deposits made to the account with voter approval, beginning in the fiscal year 2008 budget process, or at year end by board resolution. This reserve account is to be used to finance future unanticipated (reasonably unforeseeable) general fund expenditures required for a thorough and efficient education. The emergency reserve balance cannot exceed \$250,000 or one percent of the district’s general fund budget (which amounts to \$549,409 for the 2022 fiscal year) up to a maximum of \$1 million, whichever is greater. Withdrawals require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health costs greater than four percent.

The activity in the emergency reserve for the 2023 fiscal year is as follows:

Beginning balance, July 1, 2022	\$ 327,447
Interest Earnings	<u>3,489</u>
Ending balance, June 30, 2023	<u><u>\$ 330,936</u></u>

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Note 14. Maintenance Reserve

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

The activity in the maintenance reserve for the 2023 fiscal year is as follows:

Beginning balance, July 1, 2022	\$1,798,161
Interest Earnings	17,217
Budgeted Withdrawal	(158,461)
Board Resolution dated June 8, 2023	500,000
Ending balance, June 30, 2023	\$2,156,917

The 2023-2024 Budget includes a withdrawal from the Maintenance Reserve Account in the amount of \$140,730.

Note 15. Tuition Reserve 2020-2021

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

The activity in the tuition reserve for the 2023 fiscal year is as follows:

Beginning balance, July 1, 2022	\$ 800,000
Interest Earnings	2,080
Budgeted Withdrawal	(800,000)
Ending balance, June 30, 2023	\$ 2,080

The 2023-2024 Budget includes a withdrawal from the Maintenance Reserve Account in the amount of \$2,080.

Note 16. Deficit Funds Balances

The District has a deficit fund balance of \$153,843 in the Special Revenue Fund as of June 30, 2023 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last state aid payment in the subsequent fiscal year, the school district can not recognize the last state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last state aid payment, the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

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Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of correction action. The District deficit in the GAAP funds statement of \$153,843 in the Special revenue fund is equal to or less than the last state payment(s).

Note 17. Fund Balances

Restricted Fund Balance

General Fund:

Capital Reserve – As of June 30, 2023, there is a balance of \$4,924,295 in the Capital Reserve Account of which \$675,934 has been appropriated and included as anticipated revenue for the year ended June 30, 2024.

Maintenance Reserve – As of June 30, 2023, there is a balance of \$2,156,917 in the Maintenance Reserve Account of which \$140,730 has been appropriated and included as anticipated revenue for the year ended June 30, 2024.

Emergency Reserve – As of June 30, 2023, there is a balance of \$330,936 in the Emergency Reserve Account of which \$0 has been appropriated and included as anticipated revenue for the year ended June 30, 2024.

Unemployment Compensation Reserve – As of June 30, 2023, there is a balance of \$495,001 in the Unemployment Compensation Reserve Account of which \$2,000 has been appropriated and included as anticipated revenue for the year ended June 30, 2024.

Tuition Reserve – As of June 30, 2023, there is a balance of \$2,080 in the Tuition Reserve Account of which \$2,080 has been appropriated and included as anticipated revenue for the year ended June 30, 2024.

Excess Surplus – As of June 30, 2023, there is a balance of \$2,248,434 in the Excess Surplus Account of which \$0 has been appropriated and included as anticipated revenue for the year ended June 30, 2024.

Special Revenue Fund:

Scholarships Reserve – As of June 30, 2023, there is a balance of \$142,890 in the Scholarships Reserve Account of which \$0 has been appropriated and included as anticipated revenue for the year ended June 30, 2024.

Student Activities Reserve – As of June 30, 2023, there is a balance of \$388,046 in the Student Activities Reserve Account of which \$0 has been appropriated and included as anticipated revenue for the year ended June 30, 2024.

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Assigned Fund Balance

General Fund – As of June 30, 2023, \$1,004,159 has been included as anticipated revenue for the subsequent year ended June 30, 2024. Additionally, \$792,069 is for year-end encumbrances.

Debt Service Fund – As of June 30, 2022, there is a balance of \$1 in the Debt Service Fund for the subsequent year ended June 30, 2024.

Unassigned Fund Balance (Deficit)

General Fund – As of June 30, 2023, there is a balance of \$1,556,544 in the general fund for the year ended June 30, 2023.

Special Revenue Fund Deficit – As of June 30, 2023, the special revenue fund deficit is \$153,843. The deficit is a result from the delay in the payment of state aid until the following fiscal year.

Note 18. Calculation of Excess Surplus

In accordance with NJSA 18A:7F-7, as amended, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years’ budget. The excess fund balance at June 30, 2023 is \$2,248,434.

Note 19. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance – The District maintains commercial insurance coverage for property, liability and surety bonds. During the fiscal year ended June 30, 2023 the District did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

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

Fiscal Year	District Contributions	Employee Contributions	Interest Earned	Amount Reimbursed	Ending Balance
2022-2023	\$0	65,540	4,011	85,937	495,011
2021-2022	0	59,164	1,128	0	511,387
2020-2021	0	63,123	1,985	25,113	451,095

Town of Hammonton School District
Notes to Financial Statements
June 30, 2023

Note 20. Economic Dependency

The District is heavily reliant on local property taxation to fund the District operations and debt service. Property taxes funded approximately 24% of the Districts 2022-2023 governmental operations.

Note 21. Interfund Receivables and Payables

The following Interfund balances remained on the balance sheet at June 30, 2023:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 99,811	\$
Food Service Program		99,811
	<u>\$ 99,811</u>	<u>\$ 99,811</u>

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

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers out</u>
General Fund	\$	\$ 91,480
Special Revenue	53,980	
Debt Service	37,500	\$
	<u>\$ 91,480</u>	<u>\$ 91,480</u>

Note 22. Deficit in Net Position

Unrestricted Net Position – The School District governmental activities had a deficit in unrestricted net position in the amount of \$13,004,758 at June 30, 2023. The primary cause of this deficit is the School 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) and of June 30, 2023. This deficit in unrestricted net position for government activities does not indicate the school district is facing financial difficulties.

Note 23. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2023 and January 29, 2024, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements. In the subsequent period the District was awarded a BSCA Stronger Connections grant to provide mental health services to students in the amount \$1,380,000.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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TOWN OF HAMMONTON SCHOOL DISTRICT

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 18,320,722	\$ -	\$ 18,320,722	\$ 18,320,722	\$ -
Tuition from LEAs within State	8,974,411	-	8,974,411	9,125,539	151,128
Transportation Fees from Other LEA's	2,000	-	2,000	115,214	113,214
Interest earned on Reserves	6,350	-	6,350	25,191	18,841
Interest earned	-	-	-	112,087	112,087
Miscellaneous	100,000	-	100,000	55,489	(44,511)
Total - Local Sources	27,403,483	-	27,403,483	27,754,242	350,759
State Sources:					
Equalization Aid	22,988,881	-	22,988,881	22,988,881	-
Categorical Special Education Aid	2,297,445	-	2,297,445	2,297,445	-
Categorical Security Aid	773,246	-	773,246	773,246	-
Categorical Transportation Aid	757,886	-	757,886	757,886	-
Special Education Extraordinary Aid	150,000	-	150,000	587,735	437,735
Public School Choice Aid	1,850,797	-	1,850,797	1,850,797	-
Non Public Transportation Aid	-	-	-	19,032	19,032
Securing Our Children's Future Bond Act (Alyssa's Law)	-	-	-	193,509	193,509
Homeless Tuition Reimbursement	-	-	-	29,036	29,036
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)	-	-	-	2,219,088	2,219,088
TPAF Non-Contributory (On-Behalf - Non-Budgeted)	-	-	-	8,447,308	8,447,308
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)	-	-	-	2,509	2,509
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	1,847,700	1,847,700
Total - State Sources	28,818,255	-	28,818,255	42,014,172	13,195,917
Federal Sources:					
FFCRA/SEMI	-	-	-	15,402	15,402
Medicaid Reimbursement and unrestricted federal funds	87,468	-	87,468	163,644	76,176
	87,468	-	87,468	179,046	91,578
Total Revenues	56,309,206	-	56,309,206	69,947,460	13,638,254

TOWN OF HAMMONTON SCHOOL DISTRICT

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	810,380	85,010	895,390	876,583	18,807
Grades 1-5	5,081,628	(350,643)	4,730,985	4,681,279	49,706
Grades 6-8	4,564,484	101,325	4,665,809	4,520,194	145,615
Grades 9-12	6,779,874	(262,796)	6,517,078	6,488,479	28,599
Regular Programs - Home Instruction:					
Salaries of Teachers	150,000	38,088	188,088	188,088	-
Purchased Professional-Educational Services	25,000	14,700	39,700	37,582	2,118
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	362,183	(45,796)	316,387	278,075	38,312
Purchased Professional-Educational Services	67,866	(1,671)	66,195	50,062	16,133
Purchased Technical Services	37,153	(198)	36,955	7,488	29,467
Other Purchased Services	123,365	(7,582)	115,783	92,757	23,026
General Supplies	958,620	(101,541)	857,079	457,219	399,860
Textbooks	167,250	223,857	391,107	263,763	127,344
Other Objects	12,800	(3,754)	9,046	766	8,280
Total Regular Programs	19,140,603	(311,001)	18,829,602	17,942,335	887,267
Special Education - Instruction:					
Learning and/or Language Disabilities					
Salaries of Teachers	373,458	177,709	551,167	546,638	4,529
Other Salaries for Instruction	189,635	7,000	196,635	160,161	36,474
Purchased Professional-Educational Services	-	2,000	2,000	1,548	452
General Supplies	2,529	3,310	5,839	929	4,910
Other Objects	-	987	987	715	272
Total Learning and/or Language Disabilities	565,622	191,006	756,628	709,991	46,637

TOWN OF HAMMONTON SCHOOL DISTRICT

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Emotional Regulation Impairment					
Salaries of Teachers	405,652	(180,000)	225,652	212,329	13,323
Other Salaries for Instruction	107,025	(7,000)	100,025	60,635	39,390
Purchased Professional-Educational Services	3,200	(500)	2,700	240	2,460
General Supplies	3,230	(2,730)	500	474	26
Textbooks	1,000	(226)	774	-	774
Total Emotional Regulation Impairment	520,107	(190,456)	329,651	273,678	55,973
Multiple Disabilities					
Salaries of Teachers	1,039,539	(249,335)	790,204	761,266	28,938
Other Salaries for Instruction	439,794	(70,665)	369,129	350,807	18,322
Purchased Professional Educational Services	2,427	1,000	3,427	1,548	1,879
General Supplies	23,550	2,183	25,733	24,187	1,546
Textbooks	3,190	(500)	2,690	-	2,690
Total Multiple Disabilities	1,508,500	(317,317)	1,191,183	1,137,808	53,375
Resource Room/Resource Center					
Salaries of Teachers	726,165	(235,000)	491,165	342,185	148,980
Other Salaries for Instruction	162,394	-	162,394	115,424	46,970
General Supplies	9,200	-	9,200	5,542	3,658
Total Resource Room/Resource Center	897,759	(235,000)	662,759	463,151	199,608
Preschool Disabilities - Full - Time					
Salaries of Teachers	193,814	133,000	326,814	165,837	160,977
Other Salaries for Instruction	121,052	-	121,052	81,708	39,344
Other Purchased Services	100	-	100	-	100
General Supplies	11,900	2,125	14,025	13,017	1,008
Other Objects	115	-	115	-	115
Total Preschool Disabilities - Full-Time	326,981	135,125	462,106	260,562	201,544

TOWN OF HAMMONTON SCHOOL DISTRICT

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Home Instruction	50,600	71,000	121,600	114,903	6,697
Purchased Professional Education Services					
Total Home Instruction	50,600	71,000	121,600	114,903	6,697
Total Special Education - Instruction	3,869,569	(345,642)	3,523,927	2,960,093	563,834
Bilingual Education - Instruction:					
Salaries of Teachers	851,551	210,003	1,061,554	1,014,340	47,214
Other Salaries for Instruction	181,041	67,534	248,575	206,167	42,408
Purchased Professional Educational Services	6,805	-	6,805	1,588	5,217
General Supplies	32,255	10,545	42,800	36,536	6,264
Total Bilingual Education - Instruction	1,071,652	288,082	1,359,734	1,258,631	101,103
School Sponsored Cocurricular Activities - Instruction:					
Salaries	324,000	-	324,000	268,839	55,161
Purchased Services	24,370	(600)	23,770	20,285	3,485
Supplies and Materials	38,210	3,685	41,895	24,455	17,440
Other Objects	4,600	(2,625)	1,975	875	1,100
Total School Sponsored Cocurricular Activities - Instruction	391,180	460	391,640	314,454	77,186
School-Sponsored Athletics - Instruction					
Salaries	404,000	110,679	514,679	514,112	567
Purchased Services	14,400	24,717	39,117	38,228	889
Supplies and Materials	100,000	101,713	201,713	164,647	37,066
Other Objects	4,300	(200)	4,100	2,500	1,600
Transfers to Cover Deficit (Agency Funds)	80,000	13,000	93,000	90,000	3,000
Total School-Sponsored Athletics - Instruction	602,700	249,909	852,609	809,487	43,122
Total Instruction	25,075,704	(118,192)	24,957,512	23,285,000	1,672,512

TOWN OF HAMMONTON SCHOOL DISTRICT

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	28,800	(7,748)	21,052	13,513	7,539
Tuition to Other LEAs Within the State - Special	147,000	(3,652)	143,348	106,488	36,860
Tuition to Co. Voc. School District - Regular	418,667	-	418,667	409,934	8,733
Tuition to Co. Voc. School District - Special	31,875	-	31,875	31,875	-
Tuition to CSSD & Regional Day Schools	1,122,757	(120,500)	1,002,257	842,382	159,875
Tuition to Private Schools for the Disabled - Within State	2,111,524	120,500	2,232,024	2,000,850	231,174
Total Undistributed Expenditures - Instruction	3,860,623	(11,400)	3,849,223	3,405,042	444,181
Undistributed Expenditures - Attendance and Social Work:					
Salaries	87,748	2,000	89,748	88,522	1,226
Purchased Professional & Technical Services	44,000	-	44,000	41,752	2,248
Other Purchased Services	1,000	-	1,000	130	870
Supplies and Materials	2,725	78	2,803	1,629	1,174
Total Undistributed Expenditures - Attendance and Social Work	135,473	2,078	137,551	132,033	5,518
Undistributed Expenditures - Health Services:					
Salaries	375,758	13,000	388,758	383,119	5,639
Purchased Professional and Technical Services	36,600	3,650	40,250	37,584	2,666
Other Purchased Services	4,250	3,450	7,700	2,757	4,943
Supplies and Materials	22,125	8,100	30,225	16,575	13,650
Total Undistributed Expenditures - Health Services	438,733	28,200	466,933	440,035	26,898
Undistributed Expenditures - Other Support Services - Students - Related Services:					
Salaries	358,507	66,579	425,086	422,013	3,073
Purchased Professional-Educational Services	139,240	(69,119)	70,121	49,860	20,261
Supplies and Materials	8,010	2,873	10,883	6,411	4,472
Other Objects	558	-	558	219	339
Total Undistributed Expenditures - Other Support Services - Students - Related Services	506,315	333	506,648	478,503	28,145

TOWN OF HAMMONTON SCHOOL DISTRICT

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Other Support Services - Students - Extraordinary Services:					
Salaries	788,691	276	788,967	778,000	10,967
Purchased Professional Educational Services	208,900	67,035	275,935	193,597	82,338
Supplies and Materials	3,393	6,600	9,993	7,933	2,060
Total Undistributed Expenditures - Other Support Services - Students - Extraordinary Services:	1,000,984	73,911	1,074,895	979,530	95,365
Undistributed Expenditures - Other Support Services - Students - Regular					
Salaries of Other Professional Staff	1,001,870	13,855	1,015,725	1,013,423	2,302
Salaries of Secretarial and Clerical Assistants	162,384	1,750	164,134	162,440	1,694
Purchased Professional Educational Services	5,770	408	6,178	710	5,468
Other Purchased Professional & Technical Services	6,589	(2,900)	3,689	-	3,689
Other Purchased Services	7,750	-	7,750	4,161	3,589
Supplies and Materials	17,880	1,442	19,322	9,570	9,752
Other Objects	2,625	-	2,625	2,139	486
Total Undistributed Expenditures - Other Support Services - Regular	1,204,868	14,555	1,219,423	1,192,443	26,980
Undistributed Expenditures - Other Support Services - Students - Special:					
Salaries of Other Professional Staff	1,034,303	(18,400)	1,015,903	970,068	45,835
Salaries of Secretarial and Clerical Assistants	90,018	7,907	97,925	97,879	46
Purchased Professional Educational Services	110,647	45,335	155,982	150,599	5,383
Other Purchased Professional and Technical Services	13,355	(940)	12,415	10,560	1,855
Miscellaneous Purchased Services	11,685	(1,552)	10,133	8,886	1,247
Supplies and Materials	22,660	(2,389)	20,271	17,985	2,286
Other Objects	2,415	50	2,465	600	1,865
Total Undistributed Expenditures - Other Support Services - Students - Special	1,285,083	30,011	1,315,094	1,256,577	58,517

TOWN OF HAMMONTON SCHOOL DISTRICT

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Other Support Services - Improvement of Instructional Services					
Salaries of Supervisors of Instruction	-	899,606	899,606	894,935	4,671
Salaries of Secretarial and Clerical Assistants	-	123,919	123,919	123,919	-
Purchased Professional Educational Services	2,455	(127)	2,328	-	2,328
Purchased Professional and Technical Services	6,615	27	6,642	6,590	52
Other Purchased Services	-	94	94	93	1
Supplies and Materials	2,400	(94)	2,306	-	2,306
Total Undistributed Expenditures - Other Support Services - Improvement of Instructional Services	11,470	1,023,425	1,034,895	1,025,537	9,358
Undistributed Expenditures - Educational Media Services - School Library					
Salaries	348,369	4,604	352,973	352,173	800
Purchased Professional and Technical Services	38,950	599	39,549	34,924	4,625
Other Purchased Services	5,130	(1,604)	3,526	810	2,716
Supplies and Materials	39,200	2,000	41,200	22,264	18,936
Other Objects	36,015	(2,000)	34,015	26,225	7,790
Total Undistributed Expenditures - Educational Media Services - School Library	467,664	3,599	471,263	436,396	34,867
Undistributed Expenditures - Instructional Staff Training Services					
Salaries of Supervisors of Instruction	951,606	(951,606)	-	-	-
Salaries of Secretarial and Clerical Assistants	69,420	(69,420)	-	-	-
Purchased Professional-Educational Services	11,300	-	11,300	3,095	8,205
Purchased Professional and Technical Services	1,300	-	1,300	980	320
Other Purchased Services	11,279	-	11,279	5,499	5,780
Supplies and Materials	13,098	-	13,098	1,999	11,099
Other Objects	11,909	-	11,909	9,391	2,518
Total Undistributed Expenditures - Instructional Staff Training Srvc	1,069,912	(1,021,026)	48,886	20,964	27,922

TOWN OF HAMMONTON SCHOOL DISTRICT

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Support Services - Gen. Admin.:					
Salaries	316,560	-	316,560	309,860	6,700
Legal Services	155,500	40,000	195,500	129,459	66,041
Audit Fees	25,000	-	25,000	22,415	2,585
Architectural/Engineering Services	22,000	61,000	83,000	71,609	11,391
Other Purchased Professional Services	2,000	4,000	6,000	4,200	1,800
Purchased Technical Services	80	-	80	-	80
Communications/Telephone	134,300	(5,000)	129,300	109,056	20,244
BOE Other Purchased Services	1,700	1,549	3,249	2,348	901
Other Purchased Services	180,000	(21,499)	158,501	149,508	8,993
General Supplies	10,500	-	10,500	3,313	7,187
BOE IN-House Training/Meeting Supplies	1,825	-	1,825	216	1,609
Miscellaneous Expenditures	6,000	-	6,000	2,803	3,197
Membership Dues and Fees	18,200	(50)	18,150	16,526	1,624
Total Undistributed Expenditures - Support Services - Gen. Admin.	873,665	80,000	953,665	821,313	132,352
Undistributed Expenditures - Support Serv. - School Admin.:					
Salaries of Principals/Assistant Principals	1,264,108	30,000	1,294,108	1,233,132	60,976
Salaries of Secretarial and Clerical Assistants	736,085	(35,035)	701,050	646,469	54,581
Purchased Professional and Technical Services	600	-	600	420	180
Other Purchased Services	101,880	1,407	103,287	57,742	45,545
Supplies and Materials	72,550	9,580	82,130	73,742	8,388
Other Objects	14,395	-	14,395	12,120	2,275
Total Undistributed Expenditures - Support Serv. - School Admin.	2,189,618	5,952	2,195,570	2,023,625	171,945

TOWN OF HAMMONTON SCHOOL DISTRICT

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Central Services					
Salaries	520,636	35	520,671	520,671	-
Purchased Professional Services	46,000	8,080	54,080	52,139	1,941
Purchased Technical Services	48,000	14,323	62,323	62,322	1
Misc. Purchased Services (400-500 series)	16,600	(5,973)	10,627	8,191	2,436
Supplies and Materials	6,000	2,920	8,920	5,452	3,468
Interest on Lease Purchased Agreements	800	(400)	400	-	400
Miscellaneous Expenditures	4,400	(800)	3,600	2,710	890
Total Undistributed Expenditures - Central Services	642,436	18,185	660,621	651,485	9,136
Undistributed Expenditures - Admin. Info Technology					
Salaries	325,584	-	325,584	318,587	6,997
Purchased Technical Services	214,305	(28,805)	185,500	96,745	88,755
Other Purchased Services (400-500 series)	112,000	-	112,000	108,915	3,085
Supplies and Materials	21,384	2,149	23,533	5,692	17,841
Other Objects	820	-	820	-	820
Total Undistributed Expenditures - Admin. Info Technology	674,093	(26,656)	647,437	529,939	117,498
Undistributed Expenditures - Required Maint for School Facilities					
Interest Earned on Maintenance Reserve	2,500	(2,500)	-	-	-
Salaries	422,053	-	422,053	377,654	44,399
Cleaning, Repair, and Maintenance Services	416,437	39,679	456,116	280,624	175,492
General Supplies	105,500	63,594	169,094	132,611	36,483
Other Objects	1,950	-	1,950	625	1,325
Total Undistributed Expenditures - Required Maint for School Facilities	948,440	100,773	1,049,213	791,514	257,699

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TOWN OF HAMMONTON SCHOOL DISTRICT

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Operation and Maintenance of Plant Services:					
Salaries	973,166	(31,041)	942,125	880,741	61,384
Salaries of Non-Instructional Aides	390,582	(24,000)	366,582	364,400	2,182
Purchased Professional and Technical Services	1,200	2,800	4,000	3,995	5
Cleaning, Repair, and Maintenance Services	72,380	6,000	78,380	63,008	15,372
Rental of Land & Buildings Other than Lease	4,200	420	4,620	4,620	-
Other Purchased Property Services	56,700	23,000	79,700	69,046	10,654
Insurance	220,000	(420)	219,580	219,386	194
Miscellaneous Purchased Services	21,300	-	21,300	4,602	16,698
General Supplies	349,255	(31,705)	317,550	273,432	44,118
Energy (Natural Gas)	332,000	63,105	395,105	382,582	12,523
Energy (Electricity)	924,600	66,000	990,600	980,692	9,908
Energy (Gasoline)	15,000	2,000	17,000	16,974	26
Other Objects	1,750	-	1,750	-	1,750
Total Undistributed Expenditures - Operation and Maintenance of Plant Services	3,362,133	76,159	3,438,292	3,263,478	174,814
Undistributed Expenditures - Care and Upkeep of Grounds					
Salaries	347,407	(4,970)	342,437	318,287	24,150
Purchased Professional & Technical Services	100	-	100	-	100
Cleaning, Repair, and Maintenance Services	41,610	23,400	65,010	47,434	17,576
Travel		220	220	220	-
General Supplies	87,943	(2,665)	85,278	65,270	20,008
Other Objects	4,800	1,445	6,245	3,630	2,615
Total Undistributed Expenditures - Care and Upkeep of Grounds	481,860	17,430	499,290	434,841	64,449

TOWN OF HAMMONTON SCHOOL DISTRICT

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Security					
Salaries	90,540	-	90,540	83,736	6,804
Purchased Professional & Technical Services	326,445	10,000	336,445	301,801	34,644
Cleaning, Repair, & Maintenance Services	19,220	639	19,859	9,414	10,445
General Supplies	23,807	27,840	51,647	49,211	2,436
Total Undistributed Expenditures - Security	460,012	38,479	498,491	444,162	54,329
Total Operation & Maintenance Services	5,252,445	232,841	5,485,286	4,933,995	551,291
Undistributed Expenditures - Student Transportation Services:					
Salaries of Non-Instructional Aides	224,652	(9,740)	214,912	201,139	13,773
Sal for Pupil Transp (Between Home and School)-Reg.	1,205,790	(87,810)	1,117,980	1,117,980	-
Sal for Pupil Transp (Between Home and School)-Sp Ed	233,089	(40,944)	192,145	182,950	9,195
Sal for Pupil Transp (Other than Between Home & School)	63,000	26,684	89,684	89,684	-
Other Purchased Professional and Technical Services	10,000	-	10,000	8,811	1,189
Cleaning, Repair, and Maintenance Services	65,000	(9,370)	55,630	25,944	29,686
Contracted Services - (Betw Home/Sch) - Vendors	652	-	652	-	652
Contracted Services - (Other than betw Home/Sch) - Vendors	8,300	(3,000)	5,300	-	5,300
Contracted Services - (Betw Home/Sch) - Joint Agr	7,000	114,525	121,525	118,515	3,010
Contracted Services - (Special Education) - Vendors	1,200	-	1,200	-	1,200
Contracted Services - (Special Education) - Joint Agr	777,000	123,283	900,283	843,732	56,551
Contracted Services - ESCs	17,600	18,543	36,143	35,896	247
Contracted Services - (Special Education) - ESCs	93,600	(13,751)	79,849	78,407	1,442
Contracted Services - Aid in Lieu of Payments-Non Pub Sch	72,000	-	72,000	63,450	8,550
Contracted Services - Aid in Lieu of Payments-Charter	1,000	22	1,022	483	539
Contracted Services - Aid in Lieu of Payments-Choice	11,000	1,264	12,264	12,002	262
Miscellaneous Purchased Services	53,300	6,700	60,000	53,932	6,068
General Supplies	280,000	(71,021)	208,979	171,024	37,955
Transportation Supplies	194,000	(18,000)	176,000	160,185	15,815
Other Objects	2,000	-	2,000	200	1,800
Total Undistributed Expenditures - Student Transportation Serv.	3,320,183	37,385	3,357,568	3,164,334	193,234

TOWN OF HAMMONTON SCHOOL DISTRICT

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Interest Earned on Current Expense Emergency Reserves	50	(50)	-	-	-
Unallocated Benefits:					
Social Security Contributions	756,000	3,614	759,614	748,330	11,284
Other Retirement Contributions - PERS	840,000	87,000	927,000	924,271	2,729
Unemployment Compensation	2,000	16,575	18,575	13,571	5,004
Workmen's Compensation	481,000	(190)	480,810	477,269	3,541
Health Benefits	6,839,870	(494,320)	6,345,550	6,163,195	182,355
Tuition Reimbursement	42,000	15,000	57,000	48,636	8,364
Other Employee Benefits	485,300	(3,000)	482,300	362,209	120,091
Unused Vac Payment to Term/Ret Staff	120,340	-	120,340	19,500	100,840
Total Unallocated Benefits	9,566,510	(375,321)	9,191,189	8,756,981	434,208
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)	-	-	-	2,219,088	(2,219,088)
TPAF Non-Contributory (On-Behalf - Non-Budgeted)	-	-	-	8,447,308	(8,447,308)
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)	-	-	-	2,509	(2,509)
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	1,847,700	(1,847,700)
Total On-behalf Contributions	-	-	-	12,516,605	(12,516,605)
Total Undistributed Expenditures	32,500,125	116,022	32,616,147	42,765,337	(10,149,190)
Total Current Expense	57,575,829	(2,170)	57,573,659	66,050,337	(8,476,678)

TOWN OF HAMMONTON SCHOOL DISTRICT

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Capital Outlay:					
Interest Deposit to Capital Reserve	3,800	(3,800)	-	-	-
Equipment					
Kindergarten	-	2,633	2,633	2,633	-
Grades 1 - 5	-	12,395	12,395	12,106	289
Bilingual education	-	2,278	2,278	2,278	-
School sponsored	-	255,489	255,489	61,762	193,727
Undistributed Expenditures:					
General administration	-	149,746	149,746	-	149,746
School administration	-	13,633	13,633	13,633	-
Support Services - Admin. Info. Tech.	-	26,826	26,826	26,826	-
Undistr. Expenditures - Custodial	-	47,999	47,999	43,158	4,841
Undistr. Expenditures - Care and Upkeep of Grounds	100,000	(26,317)	73,683	37,043	36,640
Undistr. Expenditures - Security	-	179,328	179,328	169,954	9,374
Undistr. Expenditures - School buses - Special	-	21,000	21,000	20,398	602
Total Equipment	100,000	685,010	785,010	389,791	395,219
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	-	496,549	496,549	397,221	99,328
Other Purchased Professional Educational Services	-	39,134	39,134	39,134	-
Construction Services	-	718,521	718,521	397,152	321,369
Assessment for Debt Service on SDA Funding	163,157	-	163,157	163,157	-
Total Facilities Acquisition and Construction Services	163,157	1,254,204	1,417,361	996,664	420,697
Total Capital Outlay	266,957	1,935,414	2,202,371	1,386,455	815,916
Transfer of Funds to Charter Schools	22,500	-	22,500	14,660	7,840
Total Expenditures	57,865,286	1,933,244	59,798,530	67,451,452	(7,652,922)

TOWN OF HAMMONTON SCHOOL DISTRICT

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Other Financing Sources (Uses):					
Capital Reserve-Transfer to Debt Service	(37,500)	-	(37,500)	(37,500)	-
Local Contribution - Transfer to Special Revenue Fund	(53,980)	-	(53,980)	(53,980)	-
Capital Lease Income	-	-	-	79,568	79,568
Prior year encumbrances	-	-	-	17,465	17,465
Refund prior year expenditures	-	-	-	339,798	339,798
Total Other Financing Sources (Uses)	(91,480)	-	(91,480)	345,351	436,831
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(1,647,560)	(1,933,244)	(3,580,804)	2,841,359	6,422,163
Fund Balances, July 1	10,639,076	-	10,639,076	10,639,076	-
Fund Balances, July 1 Restated	-	-	-	10,639,076	-
Fund Balances, June 30	\$ 8,991,516	\$ (1,933,244)	\$ 7,058,272	\$ 13,480,435	\$ 6,422,163

Recapitulation of Budget Transfers

Prior Year Encumbrances	\$ 543,809
Withdrawal from Capital Reserve	1,375,554
Withdrawal from Maintenance Reserve	13,881
	\$ 1,933,244

TOWN OF HAMMONTON SCHOOL DISTRICT

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2023

Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Recapitulation of Fund Balance:				
Restricted Fund Balance:				
Maintenance Reserve		\$ 2,016,187		
Maintenance Reserve Designated for Subsequent Year's Exp.		140,730		
Emergency Reserve		330,936		
Capital Reserve		4,248,361		
Capital Reserve Designated for Subsequent Year's Exp.		563,157		
Capital Reserve Designated for Debt Service		112,777		
Unemployment Compensation		493,001		
Unemployment Compensation Designated for Subsequent Year's Exp.		2,000		
Tuition Reserve Designated for Subsequent Year's Exp.		2,080		
Excess Surplus		2,248,434		
Assigned Fund Balance:				
Year End Encumbrances		762,069		
Designated for Subsequent Year's Expenditures		1,004,159		
Unassigned Fund Balance		<u>1,556,544</u>		
Reconciliation to Governmental Funds Statements (GAAP):				
Last State Aid Payment Not Recognized on GAAP Basis:				
			13,480,435	
			<u>(2,748,314)</u>	
Fund Balance per Governmental Funds (GAAP)				
		\$	<u><u>10,732,121</u></u>	

TOWN OF HAMMONTON SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources:					
Local Programs	\$ 479,977	\$ 17,785	\$ 497,762	\$ 935,332	\$ 437,570
Total - Local Sources	479,977	17,785	497,762	935,332	437,570
State Sources:					
Preschool Education Aid	1,575,368	-	1,575,368	1,411,395	(163,973)
Nonpublic aid	132,954	4,380	137,334	92,306	(45,028)
Other State Aid	-	83,433	83,433	83,433	-
Total - State Sources	1,708,322	87,813	1,796,135	1,587,134	(209,001)
Federal Sources:					
Title I	739,325	(39,420)	699,905	625,625	(74,280)
I.D.E.A., Part B	694,413	124,424	818,837	818,065	(772)
Other	167,881	6,456,333	6,624,214	5,488,100	(1,136,114)
Total - Federal Sources	1,601,619	6,541,337	8,142,956	6,931,790	(1,211,166)
Total Revenues	3,789,918	6,646,935	10,436,853	9,454,256	(982,597)
EXPENDITURES:					
Instruction					
Salaries of Teachers	1,156,441	215,836	1,372,277	1,145,674	226,603
Other Salaries for Instruction	395,467	77,775	473,242	408,830	64,412
Purchased Professional, Technical & Educational Services	780,412	277,091	1,057,503	955,321	102,182
General Supplies	53,069	68,883	121,952	94,594	27,358
Textbooks	7,245	2,391	9,636	9,582	54
Other Objects	-	4,013	4,013	1,424	2,589
Total instruction	2,392,634	645,989	3,038,623	2,615,425	423,198
EXPENDITURES (CONT'D):					
Support Services					
Salaries of Principals/Program Directors	174,844	(111,161)	63,683	63,216	467
Salaries of Other Professional Staff	295,821	512,746	808,567	556,657	251,910
Salaries of Secretary's and Other Salaries	93,982	(59)	93,923	63,050	30,873
Personal Services - Employee Benefits	218,027	325,112	543,139	496,599	46,540
Purchased Professional and Technical Services	65,500	594,612	660,112	169,353	490,759
Other Purchased Services	51,010	172,720	223,730	99,616	124,114
Travel	5,000	-	5,000	-	5,000
Supplies and Materials	525,957	31,354	557,311	51,095	506,216
Scholarships Awarded	-	-	-	7,250	(7,250)
Student Activities	-	-	-	813,874	(813,874)
Total support services	1,430,141	1,525,324	2,955,465	2,320,710	634,755
Facilities acquisition and construction services					
Instructional equipment	-	11,252	11,252	11,252	-
Non-Instructional equipment	21,123	39,342	60,465	56,465	4,000
Construction Services	-	4,425,028	4,425,028	4,425,028	-
Total facilities acquisition and construction services	21,123	4,475,622	4,496,745	4,492,745	4,000
Total expenditures	3,843,898	6,646,935	10,490,833	9,428,880	1,061,953
Excess (Deficiency) of Revenues Over (Under) Expenditures	(53,980)	-	(53,980)	25,376	79,356
OTHER FINANCING SOURCES (USES)					
Transfer from Operating Budget - Preschool	53,980	-	53,980	53,980	-
Total other financing sources and uses	53,980	-	53,980	53,980	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	79,356	79,356
Fund Balance, July 1				451,580	
Fund Balance, June 30				\$ 530,936	
Recapitulation:					
Restricted:					
Scholarships				\$ 142,889	
Student Activities				388,047	
Total Fund Balance				\$ 530,936	

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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TOWN OF HAMMONTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2023

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

	General Fund	Special Revenue
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 69,947,460	\$ 9,454,256
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	-	57,086
Current year	-	(28,278)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	2,390,700	139,041
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(2,748,314)	(153,843)
Total revenues reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	\$ 69,589,846	\$ 9,468,262
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 67,451,452	\$ 9,428,880
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes		
Prior year	-	57,086
Current year	-	(28,278)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 67,451,452	\$ 9,457,688

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's Proportion of the Net Pension Liability (Asset)	0.062300%	0.060075%	0.060808%	0.057614%	0.058204%	0.058789%	0.060652%	0.070345%	0.069498%	0.067962%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 9,401,930	\$ 7,116,784	\$ 9,916,212	\$ 10,381,141	\$ 11,460,122	\$ 13,685,233	\$ 17,963,393	\$ 15,791,086	\$ 13,011,915	\$ 12,988,945
District's Covered Employee Payroll	\$ 4,639,584	\$ 4,481,720	\$ 4,441,505	\$ 4,346,161	\$ 4,292,183	\$ 4,105,495	\$ 4,062,230	\$ 4,096,106	\$ 4,156,086	\$ 4,398,336
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its covered employee payroll	202.65%	158.80%	223.26%	238.86%	267.00%	333.34%	442.21%	385.51%	313.08%	295.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.47%	35.63%	42.51%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

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

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contribution	\$ 785,633	\$ 703,548	\$ 665,211	\$ 561,625	\$ 580,071	\$ 547,556	\$ 539,844	\$ 604,780	\$ 572,931	\$ 512,082
Contributions in Relation to the Contractually Required Contribution	(785,633)	(703,548)	(665,211)	(561,625)	(580,071)	(547,556)	(539,844)	(604,780)	(572,931)	(512,082)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Employee Payroll	\$ 4,639,584	\$ 4,481,720	\$ 4,441,505	\$ 4,346,161	\$ 4,292,183	\$ 4,105,495	\$ 4,062,230	\$ 4,096,106	\$ 4,156,086	\$ 4,398,336
Contributions as a Percentage of Covered Employee Payroll	16.93%	15.70%	14.98%	12.92%	13.51%	13.34%	13.29%	14.76%	13.79%	11.64%

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

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

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's Proportion of the Net Pension Liability (Asset)	20.440022%	19.972906%	19.831193%	19.873413%	0.194972%	0.196938%	0.195411%	0.194530%	0.196987%	0.193339%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability (Asset) associated with the District	\$ 105,459,100	\$ 96,020,121	\$ 130,586,022	\$ 121,965,013	\$ 124,036,957	\$ 132,782,502	\$ 153,722,385	\$ 122,951,456	\$ 105,283,211	\$ 97,711,916
Total	\$ 105,459,100	\$ 96,020,121	\$ 130,586,022	\$ 121,965,013	\$ 124,036,957	\$ 132,782,502	\$ 153,722,385	\$ 122,951,456	\$ 105,283,211	\$ 97,711,916
District's Covered Employee Payroll	\$ 25,252,591	\$ 24,226,099	\$ 23,177,232	\$ 22,921,558	\$ 21,957,911	\$ 21,222,897	\$ 20,831,365	\$ 20,445,981	\$ 20,056,657	\$ 18,688,353
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its covered employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.68%	35.52%	24.60%	26.95%	26.48%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

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SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSIONS (GASB 68)

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

	2022	2021	2020	2019	2018	2017
Total OPEB Liability						
Service cost	\$ 6,075,711	\$ 6,833,953	\$ 3,781,690	\$ 3,777,871	\$ 4,246,674	\$ 5,131,237
Interest	2,891,326	3,383,895	3,215,403	3,923,712	4,180,451	3,616,191
Changes of benefit terms	-	(138,843)	-	-	-	-
Differences between expected and actual experience	1,729,197	(22,702,982)	25,093,205	(15,995,790)	(9,384,772)	-
Changes of assumptions or other inputs	(29,267,615)	128,694	26,581,480	1,331,540	(11,352,424)	(15,430,462)
Member contributions	91,877	86,510	76,787	81,262	91,425	97,051
Benefit payments	<u>(2,863,944)</u>	<u>(2,665,561)</u>	<u>(2,533,381)</u>	<u>(2,741,388)</u>	<u>(2,645,286)</u>	<u>(2,635,651)</u>
Net change in total OPEB liability	<u>(21,343,448)</u>	<u>(15,074,334)</u>	<u>56,215,184</u>	<u>(9,622,793)</u>	<u>(14,863,932)</u>	<u>(9,221,634)</u>
Total OPEB liability - beginning	<u>130,445,538</u>	<u>145,519,872</u>	<u>89,304,688</u>	<u>98,927,481</u>	<u>113,791,413</u>	<u>123,013,047</u>
Total OPEB liability - ending	<u>\$ 109,102,090</u>	<u>\$ 130,445,538</u>	<u>\$ 145,519,872</u>	<u>\$ 89,304,688</u>	<u>\$ 98,927,481</u>	<u>\$ 113,791,413</u>
Covered-employee payroll						
Total OPEB liability as a percentage of covered-employee payroll	\$ 25,252,591	\$ 24,226,099	\$ 27,618,737	\$ 27,267,719	\$ 26,250,094	\$ 25,328,392
	432.04%	538.45%	526.89%	327.51%	376.87%	449.26%

Notes to Schedule:

Changes of benefit terms: None

Changes of assumptions: The decrease in the liability from June 30, 2021 to June 30, 2022 is due to the increase in the assumed discount rate from 2.16% as of June 30, 2021 to (3.54)% as of June 30, 2022.

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

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

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

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**TOWN OF HAMMONTON SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
YEAR ENDED JUNE 30, 2023**

Public Employees' Retirement System (PERS)

Changes in Benefit Terms

The June 30, 2021 measurement date includes one change in plan provisions as Chapter 140, P.L. 2021 reopened the Worker's Compensation Judges (WCJ) Part of PERS and transferred WCJs from the Defined Contribution Retirement Program (DCRP) and regular part of PERS into the WCJ Part of PERS.

Changes in Assumptions

The discount rate used as of June 30, measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2019	6.28%	2016	3.98%
2021	7.00%	2018	5.66%	2015	4.90%
2020	7.00%	2017	5.00%	2014	5.39%

The long-term expected rate of return used as of June 30, measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2019	7.00%	2016	7.65%
2021	7.00%	2018	7.00%	2015	7.90%
2020	7.00%	2017	7.00%	2014	7.90%

The mortality assumption was updated upon the direction from the Division of Pensions and Benefits.

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms

None.

Changes in Assumptions

The discount rate used as of June 30, measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2019	5.60%	2016	3.22%
2021	7.00%	2018	4.86%	2015	4.13%
2020	5.40%	2017	4.25%	2014	4.68%

The long-term expected rate of return used as of June 30, measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2019	7.00%	2016	7.65%
2021	7.00%	2018	7.00%	2015	7.90%
2020	7.30%	2017	7.00%	2014	7.90%

The mortality assumption was updated upon the direction from the Division of Pensions and Benefits.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms

None.

Changes in Assumptions

The discount rate used as of June 30, measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	3.54%	2019	3.50%	2016	2.85%
2021	2.16%	2018	3.87%		
2020	2.21%	2017	3.58%		

The mortality assumption was updated upon the direction from the Division of Pensions and Benefits.

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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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TOWN OF HAMMONTON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenue and Expenditures
Budgetary Basis
FOR THE FISCAL YEAR ENDED June 30, 2023

	HEF HS	HEF BioTechnology	HEF FY20 HS Teacher of the Year Grant	HEF FY20 HS Teacher of the Year Grant	HEF HS	HEF Industrial Arts HS	HEF Coding Robots WES	HEF Agriculture ECEC	HEF Book Club HS	AtlantiCare School Health Grant	HEF Sensory Room ECEC	HEF Mindfulness MS		
REVENUES:														
Local Sources	\$	3,285	\$	286	\$	4,976	\$	1,039	\$	1,825	\$	3,000	\$	2,967
State Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	\$	3,285	\$	286	\$	4,976	\$	1,039	\$	1,825	\$	3,000	\$	2,967
EXPENDITURES:														
Instruction:														
Salaries of teachers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other salaries of instruction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchased professional, technical and educational services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General supplies	\$	290	\$	286	\$	4,976	\$	1,039	\$	1,825	\$	3,000	\$	2,967
Textbooks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other objects	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total instruction	290	286	4,976	1,825	3,000	2,967								
Support services:														
Salaries of principals/program directors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Salaries of other professional staff	-	-	-	-	-	-	-	-	-	4,000	-	-	-	-
Salaries of secretary's and other salaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Personnel services- employee benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchased professional and technical services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other purchased services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplies and materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Scholarships Awarded	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Student Activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total support services	-	-	-	-	-	-	-	-	-	4,000	-	-	-	-
Facilities acquisition and construction services														
Instructional equipment	2,995	-	-	-	-	-	2,990	-	-	-	-	-	-	-
Non-Instructional equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Construction Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total facilities acquisition and construction services	2,995	-	-	-	-	-	2,990	-	-	-	-	-	-	-
Total expenditures	3,285	286	4,976	1,825	3,000	2,967				4,000				
Other Financing Sources (Uses)														
Transfer from Operating Budget - Preschool	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balance, June 30	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-

TOWN OF HAMMONTON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenue and Expenditures
Budgetary Basis
FOR THE FISCAL YEAR ENDED June 30, 2023

	HEF HS	HEF Blue Devils Pantry HS	HEF FY20 HS Taste of the Town Award	HEF FY22 ECEC Teacher of the Year Grant	HEF FY22 MS Teacher of the Year Grant	HEF FY23 MS Teacher of the Year Grant	HEF FY23 HS Teacher of the Year Grant	HEF Blue Devils Pantry MS	Scholarship Fund	Student Activity / Athletics Fund
REVENUES:										
Local Sources	\$ 1,151	\$ 5,756	\$ 250	\$ 500	\$ 500	\$ 271	\$ 433	\$ 1,123	\$ 14,063	\$ 886,417
State Sources	-	-	-	-	-	-	-	-	-	-
Federal Sources	-	-	-	-	-	-	-	-	-	-
Total revenues	\$ 1,151	\$ 5,756	\$ 250	\$ 500	\$ 500	\$ 271	\$ 433	\$ 1,123	\$ 14,063	\$ 886,417
EXPENDITURES:										
Instruction:										
Salaries of teachers	-	-	-	-	-	-	-	-	-	-
Other salaries of instruction	-	-	-	-	-	-	-	-	-	-
Purchased professional, technical and educational services	-	-	-	-	-	-	-	-	-	-
General supplies	\$ -	\$ -	\$ 250	\$ 500	\$ -	\$ 271	\$ 433	\$ -	\$ -	\$ -
Textbooks	-	-	-	-	-	-	-	-	-	-
Other objects	-	-	-	-	-	-	-	-	-	-
Total instruction	-	-	250	500	500	271	433	-	-	-
Support services:										
Salaries of principals/program directors	-	-	-	-	-	-	-	-	-	-
Salaries of other professional staff	-	-	-	-	-	-	-	-	-	-
Salaries of secretary's and other salaries	-	-	-	-	-	-	-	-	-	-
Personnel services-employee benefits	-	-	-	-	-	-	-	-	-	-
Purchased professional and technical services	-	-	-	-	-	-	-	-	-	-
Other purchased services	-	-	-	-	-	-	-	-	-	-
Supplies and materials	1,151	5,756	-	-	-	-	-	1,123	7,250	-
Scholarships Awarded	-	-	-	-	-	-	-	-	-	813,874
Student Activities	-	-	-	-	-	-	-	-	-	-
Total support services	1,151	5,756	-	-	-	-	-	1,123	7,250	813,874
Facilities acquisition and construction services										
Instructional equipment	-	-	-	-	-	-	-	-	-	-
Non-Instructional equipment	-	-	-	-	-	-	-	-	-	-
Construction Services	-	-	-	-	-	-	-	-	-	-
Total facilities acquisition and construction services	-	-	-	-	-	-	-	-	-	-
Total expenditures	1,151	5,756	250	500	500	271	433	1,123	7,250	813,874
Other Financing Sources (Uses)										
Transfer from Operating Budget - Preschool	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	6,813	72,543
Fund Balance, July 1	-	-	-	-	-	-	-	-	1,36,076	315,504
Fund Balance, June 30	-	-	-	-	-	-	-	-	\$ 142,889	\$ 388,047

TOWN OF HAMMONTON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenue and Expenditures
Budgetary Basis
FOR THE FISCAL YEAR ENDED June 30, 2023

	Total Local Funds	Nonpublic Textbooks	Nonpublic Home Instruction	Nonpublic Auxiliary Aid		Examination & Classification	Nonpublic Handicapped Aid		Nonpublic Nursing	Nonpublic Technology	Nonpublic Security
				Compensatory Education	ESL		Corrective Speech	Supplemental Instruction			
REVENUES:											
Local Sources	\$ 935,332	\$ -	\$ -	\$ -	\$ -	\$ 13,471	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	9,582	770	494	-	1,488	15,529	14,804	6,034	30,134	-
Federal Sources	-	-	-	-	-	-	-	-	-	-	-
Total revenues	\$ 935,332	\$ 9,582	\$ 770	\$ 494	\$ -	\$ 13,471	\$ 15,529	\$ 14,804	\$ 6,034	\$ 30,134	\$ -
EXPENDITURES:											
Instruction:											
Salaries of teachers	-	-	-	-	-	-	-	-	-	-	-
Other salaries of instruction	-	-	-	-	-	-	-	-	-	-	-
Purchased professional, technical and educational services	-	-	770	494.0	-	13,471	1,488	15,529	-	6,034	-
General supplies	10,870	-	-	-	-	-	-	-	-	-	-
Textbooks	-	9,582	-	-	-	-	-	-	-	-	-
Other objects	-	-	-	-	-	-	-	-	-	-	-
Total instruction	10,870	9,582	770	494	-	13,471	1,488	15,529	-	6,034	-
Support services:											
Salaries of principals/program directors	-	-	-	-	-	-	-	-	-	-	-
Salaries of other professional staff	4,000	-	-	-	-	-	-	-	-	-	-
Salaries of secretary's and other salaries	-	-	-	-	-	-	-	-	-	-	-
Personnel services--employee benefits	-	-	-	-	-	-	-	-	-	-	-
Purchased professional and technical services	-	-	-	-	-	-	-	12,570	-	-	-
Other purchased services	-	-	-	-	-	-	-	-	-	-	-
Supplies and materials	13,997	-	-	-	-	-	-	2,234	-	-	2,387
Scholarships Awarded	7,250	-	-	-	-	-	-	-	-	-	9,457
Student Activities	813,874	-	-	-	-	-	-	-	-	-	-
Total support services	839,121	-	-	-	-	-	-	14,804	-	-	11,844
Facilities acquisition and construction services											
Instructional equipment	5,985	-	-	-	-	-	-	-	-	-	-
Non-Instructional equipment	-	-	-	-	-	-	-	-	-	18,290	-
Construction Services	-	-	-	-	-	-	-	-	-	-	-
Total facilities acquisition and construction services	5,985	-	-	-	-	-	-	-	-	-	18,290
Total expenditures	855,976	9,582	770	494	-	13,471	1,488	14,804	6,034	30,134	-
Other Financing Sources (Uses)											
Transfer from Operating Budget - Preschool	-	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	79,356	-	-	-	-	-	-	-	-	-	-
Fund Balance, July 1	451,580	-	-	-	-	-	-	-	-	-	-
Fund Balance, June 30	\$ 530,936	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TOWN OF HAMMONTON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenue and Expenditures
Budgetary Basis
FOR THE FISCAL YEAR ENDED June 30, 2023

	SDA Emergent Needs & Capital Maintenance	Preschool Education Aid	Total State Funds	Title I Part A		Carryover Title I Part A	ARP ESSER Accelerated Learning Coach & Educator Support		ARP ESSER Evidence Based Summer Learning Support & Enrichment		Carryover Title III English Language Enhanc.	Title III English Language Enhancement		Title IV Student Support and Academic Enrichment		Carryover Title IV Student Support and Academic Enrichment
				Part A	Part A		Support	Enrichment	English Language Enhancement	Support and Academic Enrichment						
REVENUES:																
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	83,433	1,411,395	1,587,134	581,581	44,044	44,044	52,103	14,317	837	50,365	51,021	50,365	51,021	3,430	3,430	
Federal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total revenues	\$ 83,433	\$ 1,411,395	\$ 1,587,134	\$ 581,581	\$ 44,044	\$ 44,044	\$ 52,103	\$ 14,317	\$ 837	\$ 50,365	\$ 51,021	\$ 50,365	\$ 51,021	\$ 3,430	\$ 3,430	
EXPENDITURES:																
Instruction:																
Salaries of teachers	\$ -	\$ 617,801	\$ 617,801	\$ 262,947	\$ 17,192	\$ 17,192	\$ -	\$ 8,800	\$ -	\$ 39,895	\$ -	\$ -	\$ -	\$ -	\$ -	
Other salaries of instruction	-	200,835	200,835	37,762	9,998	9,998	-	-	-	-	-	-	-	-	-	
Purchased professional, technical and educational services	-	-	-	31,752	-	-	-	-	-	-	-	-	-	-	-	
General supplies	-	46,213	46,213	20,813	7	7	-	-	837	200	5,890	200	5,890	3,430		
Textbooks	-	-	9,582	-	-	-	-	-	-	-	-	-	-	-		
Other objects	-	-	-	1,424	-	-	-	-	-	-	-	-	-	-		
Total instruction	-	864,849	912,217	322,946	27,197	27,197	-	8,800	837	40,095	-	40,095	5,890	3,430		
Support services:																
Salaries of principals/program directors	-	46,216	46,216	-	-	-	-	2,500	-	-	-	-	-	-	-	
Salaries of other professional staff	-	267,507	267,507	67,165	6,795	6,795	26,440	2,000	-	6,000	-	6,000	29,901	-		
Salaries of secretary's and other salaries	-	63,050	63,050	-	-	-	-	-	-	-	-	-	-	-		
Personnel services-employee benefits	-	218,086	218,086	188,842	10,052	10,052	2,023	1,017	-	3,512	-	3,512	14,667	-		
Purchased professional and technical services	11,056	-	-	999	-	-	-	-	-	-	-	-	-	-		
Other purchased services	-	400	400	2,787	-	-	15,296	-	-	758	-	758	563	-		
Supplies and materials	9,174	-	9,174	20,865	1,629	1,629	8,344	-	-	-	-	-	-	-		
Scholarships Awarded	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Student Activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total support services	20,230	595,259	642,137	258,635	16,847	16,847	52,103	5,517	-	10,270	-	10,270	45,131	-		
Facilities acquisition and construction services																
Instructional equipment	-	5,267	5,267	-	-	-	-	-	-	-	-	-	-	-		
Non-Instructional equipment	38,175	-	38,175	56,465	-	-	-	-	-	-	-	-	-	-		
Construction Services	25,028	-	25,028	-	-	-	-	-	-	-	-	-	-	-		
Total facilities acquisition and construction services	63,203	5,267	68,470	56,465	-	-	-	-	-	-	-	-	-	-		
Total expenditures	83,433	1,465,375	1,641,114	581,581	44,044	44,044	52,103	14,317	837	50,365	51,021	50,365	51,021	3,430		
Other Financing Sources (Uses)																
Transfer from Operating Budget - Preschool	-	53,980	53,980	-	-	-	-	-	-	-	-	-	-	-		
Total Other Financing Sources (Uses)	-	53,980	53,980	-	-	-	-	-	-	-	-	-	-	-		
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Fund Balance, July 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		

TOWN OF HAMMONTON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenue and Expenditures
Budgetary Basis
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	I.D.E.A. Part - B Basic	Carryover I.D.E.A. Part - B Basic	I.D.E.A. Part - B Preschool	Title II Part A	Carryover Title II Part A	ARP ESSER NJSS Mental Health	Extended Day Learning Support & Enrichment	Coronavirus Response and Relief Supplemental ESSER II	ESSER II Learning Acceleration	ESSER II Mental Health
REVENUES:										
Local Sources	-	-	-	-	-	-	-	-	-	-
State Sources	-	-	-	-	-	-	-	-	-	-
Federal Sources	\$ 780,862	\$ 8,696	\$ 28,507	\$ 24,240	\$ 4,651	\$ 58,780	\$ 32,699	\$ 99,133	\$ 39,946	\$ 147
Total revenues	\$ 780,862	\$ 8,696	\$ 28,507	\$ 24,240	\$ 4,651	\$ 58,780	\$ 32,699	\$ 99,133	\$ 39,946	\$ 147
EXPENDITURES:										
Instruction:										
Salaries of teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,375	\$ 87,292	\$ 33,522	\$ -
Other salaries of instruction	-	-	-	-	-	-	-	-	-	-
Purchased professional, technical and educational services	740,425	-	28,507	-	-	-	-	-	-	-
General supplies	-	-	-	-	-	-	-	300	-	-
Textbooks	-	-	-	-	-	-	-	-	-	-
Other objects	-	-	-	-	-	-	-	-	-	-
Total instruction	740,425	-	28,507	-	-	-	27,375	87,592	33,522	-
Support services:										
Salaries of principals/program directors	-	-	-	-	-	-	3,000	-	-	-
Salaries of other professional staff	-	-	-	-	-	37,352	-	-	1,280	137
Salaries of secretary's and other salaries	-	-	-	-	-	21,428	2,324	6,678	2,664	10
Personnel services- employee benefits	39,040	8,696	-	4,104	-	-	-	-	2,480	-
Purchased professional and technical services	-	-	-	20,136	4,651	-	-	-	-	-
Other purchased services	1,397	-	-	-	-	-	-	4,863	-	-
Supplies and materials	-	-	-	-	-	-	-	-	-	-
Scholarships Awarded	-	-	-	-	-	-	-	-	-	-
Student Activities	-	-	-	-	-	-	-	-	-	-
Total support services	40,437	8,696	-	24,240	4,651	58,780	5,324	11,541	6,424	147
Facilities acquisition and construction services										
Instructional equipment	-	-	-	-	-	-	-	-	-	-
Non-Instructional equipment	-	-	-	-	-	-	-	-	-	-
Construction Services	-	-	-	-	-	-	-	-	-	-
Total facilities acquisition and construction services	-	-	-	-	-	-	-	-	-	-
Total expenditures	780,862	8,696	28,507	24,240	4,651	58,780	32,699	99,133	39,946	147
Other Financing Sources (Uses)										
Transfer from Operating Budget - Preschool	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TOWN OF HAMMONTON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenue and Expenditures
Budgetary Basis
FOR THE FISCAL YEAR ENDED June 30, 2023

	ARP Act of 2022 I.D.E.A. Part - B Preschool	ARP Act of 2022 I.D.E.A. Part - B Basic	ACSFERS	ARP ESSER III	Total Federal Funds	Totals
REVENUES:						
Local Sources	\$ -	\$ -	-	-	-	\$ 935,332
State Sources	-	-	-	-	-	1,587,134
Federal Sources	-	-	101,376	4,955,055	6,931,790	6,931,790
Total revenues	\$ -	\$ -	\$ 101,376	\$ 4,955,055	\$ 6,931,790	\$ 9,454,256
EXPENDITURES:						
Instruction:						
Salaries of teachers	-	\$ -	-	\$ 178,037	\$ 527,873	\$ 1,145,674
Other salaries of instruction	-	-	-	33,048	207,995	408,830
Purchased professional, technical and educational services	-	-	72,608	82,029	923,569	955,321
General supplies	-	-	-	-	31,477	94,594
Textbooks	-	-	-	-	-	9,582
Other objects	-	-	-	-	1,424	1,424
Total instruction	-	-	72,608	293,114	1,692,338	2,615,425
Support services:						
Salaries of principals/program directors	-	-	-	11,500	17,000	63,216
Salaries of other professional staff	-	-	-	108,080	285,150	556,657
Salaries of secretary's and other salaries	-	-	-	-	-	63,050
Personnel services-employee benefits	-	-	-	25,296	278,513	496,599
Purchased professional and technical services	-	-	-	90,408	145,727	169,353
Other purchased services	-	-	28,768	26,657	96,829	99,616
Supplies and materials	-	-	-	-	16,233	51,095
Scholarships Awarded	-	-	-	-	-	7,250
Student Activities	-	-	-	-	-	813,874
Total support services	-	-	28,768	261,941	839,452	2,320,710
Facilities acquisition and construction services						
Instructional equipment	-	-	-	-	-	11,252
Non-Instructional equipment	-	-	-	-	-	56,465
Construction Services	-	-	-	4,400,000	4,400,000	4,425,028
Total facilities acquisition and construction services	-	-	-	4,400,000	4,400,000	4,492,745
Total expenditures	-	-	101,376	4,955,055	6,931,790	9,428,880
Other Financing Sources (Uses)						
Transfer from Operating Budget - Preschool	-	-	-	-	-	53,980
Total Other Financing Sources (Uses)	-	-	-	-	-	53,980
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	79,356
Fund Balance, July 1	-	-	-	-	-	451,580
Fund Balance, June 30	-	\$ -	\$ -	\$ -	\$ -	\$ 530,936

TOWN OF HAMMONTON SCHOOL DISTRICT
Special Revenue Fund
Preschool Education Aid Schedule of Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 621,403	\$ 617,801	\$ 3,602
Other Salaries for Instruction	202,470	200,835	1,635
Instructional Supplies	48,000	46,213	1,787
Total instruction	<u>871,873</u>	<u>864,849</u>	<u>7,024</u>
Support services:			
Salaries of Supervisors of Instruction	33,232	32,302	930
Salaries of Program Directors	46,683	46,216	467
Salaries of Other Professional Staff	185,279	157,895	27,384
Salaries of Secretary's and Other Salaries	51,243	51,243	-
Other Salaries	42,680	11,807	30,873
Salaries of Master Teachers	77,310	77,310	-
Personnel Service Benefits	218,086	218,086	-
Purchased Professional - Educational Svcs	15,000	-	15,000
Other Purchased Professional Svcs	16,982	400	16,582
Cleaning, Repair & Maintenance Svcs	14,733	-	14,733
Travel	5,000	-	5,000
Non-Instructional Supplies	45,980	-	45,980
Total support services	<u>752,208</u>	<u>595,259</u>	<u>156,949</u>
Facilities acquisition and construction services			
Instructional equipment	5,267	5,267	-
Total facilities acquisition and construction services	<u>5,267</u>	<u>5,267</u>	<u>-</u>
Total expenditures	<u>\$ 1,629,348</u>	<u>\$ 1,465,375</u>	<u>\$ 163,973</u>

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2022-2023 Preschool Education Aid Allocation	\$ 1,538,430
Add: Actual ECPA Carryover (June 30, 2022)	551,708
Add: Budgeted Transfer from the General Fund 2022-23	53,980
Total Preschool Education Aid Funds Available for 2022-23 Budget	<u>2,144,118</u>
Less: 2022-23 Budgeted Preschool Education Aid(Including prior year budgeted carryover)	<u>(1,629,348)</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2023	514,770
Add: June 30, 2023 Unexpended Preschool Education Aid	163,973
2022-23 Carryover - Preschool Education Aid/Preschool	<u>\$ 678,743</u>
2022-23 Preschool Education Aid Carryover Budgeted for Preschool Programs 2023-24	<u>\$ 514,770</u>

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F. Capital Projects Fund

Not Applicable

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G. Proprietary Funds

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TOWN OF HAMMONTON SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Net Position
June 30, 2023

	<u>Food Service</u>	<u>Latchkey Program</u>	<u>2023</u>
ASSETS:			
Cash and cash equivalents	\$ 762,836	\$ 73,552	\$ 836,388
Accounts Receivable:			
State	6,994	-	6,994
Federal	196,243	-	196,243
Inventories	8,247	-	8,247
	<u>974,320</u>	<u>73,552</u>	<u>1,047,872</u>
Total Current Assets			
Capital Assets:			
Equipment	1,310,860	119,467	1,430,327
Accumulated depreciation	(800,529)	(91,562)	(892,091)
	<u>510,331</u>	<u>27,905</u>	<u>538,236</u>
Total capital assets			
Total assets	<u>\$ 1,484,651</u>	<u>\$ 101,457</u>	<u>\$ 1,586,108</u>
 LIABILITIES AND FUND EQUITY:			
Current liabilities:			
Interfund accounts payable	\$ 99,811	\$ -	\$ 99,811
Accounts payable	30,863	112	30,975
Unearned revenue	19,817	-	19,817
Compensated absences payable	44,286	-	44,286
	<u>194,777</u>	<u>112</u>	<u>194,889</u>
Total current liabilities			
Net Position:			
Unrestricted	779,543	73,440	852,983
Investment in capital assets	510,331	27,905	538,236
	<u>1,289,874</u>	<u>101,345</u>	<u>1,391,219</u>
Total net position			
Total liabilities and net position	<u>\$ 1,484,651</u>	<u>\$ 101,457</u>	<u>\$ 1,586,108</u>

TOWN OF HAMMONTON SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Revenues, Expenses
and Changes in Net Position
For the Fiscal Year ended June 30, 2023

	Food Service	Latchkey	2023
OPERATING REVENUES:			
Local Sources:			
Daily sales- reimbursable programs			
School lunch, breakfast, snack, summer program	\$ 382,959	\$ -	\$ 382,959
Daily sales non- reimbursable programs	227,198	-	227,198
Miscellaneous	15,319	-	15,319
Special Functions	2,911	-	2,911
Total Operating Revenues	628,387	-	628,387
OPERATING EXPENSES:			
Cost of sales-Reimbursable programs	715,335	-	715,335
Cost of sales-Nonreimbursable programs	41,584	-	41,584
Salaries	646,127	-	646,127
Employee benefits	296,161	-	296,161
Supplies & Materials	117,612	-	117,612
Tuition	-	1,035	1,035
Other	28,046	-	28,046
Depreciation	36,828	7,441	44,269
Total operating expenses	1,881,693	8,476	1,890,169
Operating income (loss)	(1,253,306)	(8,476)	(1,261,782)
Nonoperating revenues:			
State sources			
State school lunch program	32,912	-	32,912
State school breakfast program	3,347	-	3,347
Federal sources			
National school lunch program	821,869	-	821,869
National school breakfast program	179,493	-	179,493
Supply chain assistance award	162,145	-	162,145
P-EBT Administrative Cost	3,256	-	3,256
Food Distribution Program	72,807	-	72,807
Interest revenue	7,316	621	7,937
Total nonoperating revenues	1,283,145	621	1,283,766
Net income/(loss) before transfers	29,839	(7,855)	21,984
Change in Net Position	29,839	(7,855)	21,984
Net Position, July 1	1,260,035	109,200	1,369,235
Net Position, June 30	\$ 1,289,874	\$ 101,345	\$ 1,391,219

TOWN OF HAMMONTON SCHOOL DISTRICT
Combining Schedule of Cash Flows
All Proprietary Fund Types and Similar Trust Funds
For the Fiscal Year ended June 30, 2023

	Food Service	Latchkey	2023
Cash flows from operating activities:			
Cash received from customers	\$ 623,481	\$ -	\$ 623,481
Cash payments to employees for services	(1,000,414)	-	(1,000,414)
Cash payments to suppliers for goods and services	(912,816)	(923)	(913,739)
Net cash provided/(used) by operating activities	<u>(1,289,749)</u>	<u>(923)</u>	<u>(1,290,672)</u>
Cash flows from noncapital financing activities:			
Cash received from state and federal reimbursements	1,096,478	-	1,096,478
Net cash provided by noncapital financing activities	<u>1,096,478</u>	<u>-</u>	<u>1,096,478</u>
Cash flows from capital and related financing activities:			
Purchases of capital assets	(17,502)	-	(17,502)
Net cash (used) by capital and related financing activities	<u>(17,502)</u>	<u>-</u>	<u>(17,502)</u>
Cash flows from investing activities:			
Interest on investments	7,316	621	7,937
Net cash provided by investing activities	<u>7,316</u>	<u>621</u>	<u>7,937</u>
Net increase (decrease) in cash and cash equivalents	(203,457)	(302)	(203,759)
Cash and cash equivalents, July 1	966,293	73,854	1,040,147
Cash and cash equivalents, June 30	<u>\$ 762,836</u>	<u>\$ 73,552</u>	<u>\$ 836,388</u>
Reconciliation of operating income/(loss) to net cash provided/(used) by operating activities:			
Operating income/(loss)	\$ (1,253,306)	\$ (8,476)	\$ (1,261,782)
Adjustments to reconcile operating income/(loss) to cash provided (used) by operating activities:			
Depreciation	36,828	7,441	44,269
Federal Commodities	72,807	-	72,807
Change in assets and liabilities:			
Decrease/(Increase) in accounts receivable	1,246	-	1,246
Decrease/(Increase) in inventory	(2,884)	-	(2,884)
(Decrease)/Increase in accounts payable	(80,162)	112	(80,050)
(Decrease)/Increase in interfund accounts payable	(63,187)	-	(63,187)
(Decrease)/Increase in unearned revenue	(6,152)	-	(6,152)
(Decrease)/Increase in compensated absence payable	5,061	-	5,061
Net cash provided/(used) by operating activities	<u>\$ (1,289,749)</u>	<u>\$ (923)</u>	<u>\$ (1,290,672)</u>

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H. Fiduciary Fund

Not Applicable

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I. Long-Term Debt

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TOWN OF HAMMONTON SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
June 30, 2023

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2022	Retired	Balance June 30, 2023
			Date	Amount				
Refunding School Bonds	5/11/16	\$ 7,050,000	8/1/23-24	\$ 35,000	2.000%	\$ 6,845,000	\$ 30,000	\$ 6,815,000
			8/1/25	535,000	3.000%			
			8/1/26	1,170,000	3.000%			
			8/1/27	1,205,000	3.000%			
			8/1/28	1,245,000	3.125%			
	8/1/29	1,285,000	3.250%					
	8/1/30	1,305,000	3.250%					
Refunding School Bonds	6/18/20	4,175,000	8/1/23	930,000	4.000%	3,310,000	895,000	2,415,000
			8/1/24	975,000	4.000%			
			8/1/25	510,000	4.000%			
Refunding School Bonds W.E.S. Elementary School	12/20/17	6,695,000	7/1/23-24	605,000	4.000%	6,090,000	605,000	5,485,000
			7/1/25-26	660,000	4.000%			
			7/1/27	710,000	4.000%			
			7/1/28	705,000	3.000%			
			7/1/29	750,000	3.000%			
	7/1/30	790,000	3.000%					
						\$ 16,245,000	\$ 1,530,000	\$ 14,715,000

TOWN OF HAMMONTON SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2023

	Original Budget	Final Budget	Actual
REVENUES:			
Local Sources:			
Local Tax Levy	\$ 1,662,175	\$ 1,662,175	\$ 1,662,175
	1,662,175	1,662,175	1,662,175
State Sources:			
Debt Service Aid Type II	277,582	277,582	277,582
Total - State Sources	277,582	277,582	277,582
Total Revenues	1,939,757	1,939,757	1,939,757
EXPENDITURES:			
Regular Debt Service:			
Interest	531,156	531,156	531,156
Redemption of Principal	1,530,000	1,530,000	1,530,000
Total Regular Debt Service	2,061,156	2,061,156	2,061,156
Total expenditures	2,061,156	2,061,156	2,061,156
Excess (Deficiency) of Revenues Over (Under) Expenditures	(121,399)	(121,399)	(121,399)
OTHER FINANCING SOURCES (USES)			
Transfers in	37,500	37,500	37,500
Total other financing sources (uses)	37,500	37,500	37,500
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(83,899)	(83,899)	(83,899)
Fund Balance, July 1	83,900	83,900	83,900
Fund Balance, June 30	1	1	1
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures			
Budgeted Fund Balance	\$ (83,899)	\$ (83,899)	\$ (83,899)

STATISTICAL SECTION (Unaudited)

Third Section

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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. The Exhibits are presented for the last ten fiscal years.

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 10,324,981	\$ 12,924,025	\$ 13,211,245	\$ 13,356,794	\$ 12,501,011	\$ 12,818,941	\$ 13,481,102	\$ 13,160,536	\$ 16,832,176	\$ 22,254,470
Restricted	8,301,948	8,202,910	8,566,519	7,846,385	7,998,797	7,972,155	8,503,743	6,566,051	6,718,782	10,688,599
Unrestricted (Deficit)	(4,433,909)	(17,770,393)	(18,940,740)	(19,419,775)	(19,306,209)	(18,711,735)	(18,705,504)	(13,424,464)	(13,051,967)	(13,004,758)
Total governmental activities net position	\$ 14,193,020	\$ 3,356,542	\$ 2,837,024	\$ 1,783,404	\$ 1,193,599	\$ 2,079,361	\$ 3,279,341	\$ 6,302,123	\$ 10,498,991	\$ 19,938,311
Business-type activities										
Net investment in capital assets	\$ 266,964	\$ 347,927	\$ 310,114	\$ 764,480	\$ 732,617	\$ 675,814	\$ 616,447	\$ 592,417	\$ 565,003	\$ 538,236
Restricted	140,000	50,000	-	-	-	-	-	-	-	-
Unrestricted	542,246	525,085	653,613	72,173	91,857	157,154	92,539	221,905	804,232	852,983
Total business-type activities net position	\$ 949,210	\$ 923,012	\$ 963,727	\$ 836,653	\$ 824,474	\$ 832,968	\$ 708,986	\$ 814,322	\$ 1,369,235	\$ 1,391,219
District-wide										
Net investment in capital assets	\$ 10,591,945	\$ 13,271,952	\$ 13,521,359	\$ 14,121,274	\$ 13,233,628	\$ 13,494,755	\$ 14,097,549	\$ 13,752,953	\$ 17,397,179	\$ 22,792,706
Restricted	8,441,948	8,252,910	8,566,519	7,846,385	7,998,797	7,972,155	8,503,743	6,566,051	6,718,782	10,688,599
Unrestricted (Deficit)	(3,891,663)	(17,245,308)	(18,287,127)	(19,347,602)	(19,214,352)	(18,554,581)	(18,612,965)	(13,202,559)	(12,247,735)	(12,151,775)
Total district net position	\$ 15,142,230	\$ 4,279,554	\$ 3,800,751	\$ 2,620,057	\$ 2,018,073	\$ 2,912,329	\$ 3,988,327	\$ 7,116,445	\$ 11,868,226	\$ 21,329,530

Source: ACFR Schedule A-1

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities										
Instruction										
Regular	\$ 23,211,784	\$ 23,340,075	\$ 23,616,748	\$ 25,253,408	\$ 35,850,496	\$ 34,674,171	\$ 32,972,030	\$ 38,657,264	\$ 36,323,876	\$ 36,510,468
Special education	4,118,687	4,044,510	3,930,847	4,594,059	6,634,800	5,910,504	5,789,476	6,554,666	6,056,303	5,115,465
Other instruction	1,544,098	1,742,035	1,859,616	1,989,960	2,365,023	2,371,418	2,864,594	2,697,225	3,399,287	3,900,247
Support Services:										
Tuition	1,809,423	1,972,518	2,240,798	3,228,284	2,318,045	2,737,676	2,964,167	2,927,972	3,177,949	3,419,702
Student & instruction related services	6,248,551	6,795,710	6,502,957	6,727,957	9,214,405	8,925,679	9,178,761	11,219,182	11,361,857	10,713,495
General administrative services	908,255	890,705	905,976	940,450	1,032,113	1,018,914	1,006,161	1,047,364	998,674	1,056,041
School administrative services	2,532,936	2,413,952	2,535,640	2,709,324	3,740,802	3,665,577	3,716,854	4,197,928	4,431,091	4,664,991
Business administrative services	1,020,546	970,690	1,428,241	1,216,390	1,962,460	1,525,487	1,599,977	1,676,735	1,778,051	1,716,013
Plant operations and maintenance	4,259,158	4,321,308	4,794,990	5,029,133	5,748,212	5,471,043	5,426,128	6,241,854	6,795,692	6,567,575
Pupil transportation	2,180,090	2,196,897	2,358,823	2,573,389	2,972,101	3,086,411	3,101,079	3,169,670	4,209,843	4,370,133
Interest on long-term debt	1,167,844	1,132,063	1,109,565	623,150	828,638	777,134	649,111	558,024	569,518	517,913
Total governmental activities expenses	49,001,372	49,820,463	51,284,201	54,885,504	72,667,095	70,164,014	69,268,338	78,947,884	79,102,141	78,552,043
Business-type activities:										
Food service	1,597,799	1,571,045	1,575,856	1,706,805	1,651,452	1,614,795	1,532,795	1,462,565	1,790,068	1,881,693
Child Care	93,032	112,572	78,190	8,630	10,066	9,066	7,441	7,441	26,779	8,476
Total business-type activities expense	1,690,831	1,683,617	1,654,046	1,715,435	1,661,518	1,623,861	1,540,236	1,470,006	1,816,847	1,890,169
Total district expenses	\$ 50,692,203	\$ 51,504,080	\$ 52,938,247	\$ 56,600,939	\$ 74,328,613	\$ 71,787,875	\$ 70,808,574	\$ 80,417,890	\$ 80,918,988	\$ 80,442,212
Program Revenues										
Governmental activities:										
Charges for services:										
Tuition	\$ 10,368,696	\$ 9,854,615	\$ 10,157,368	\$ 9,975,782	\$ 9,883,460	\$ 9,293,534	\$ 9,342,121	\$ 9,275,245	\$ 9,072,178	\$ 9,125,539
Transportation fees from other LEA's	89,274	72,947	94,371	108,371	84,489	92,510	39,545	1,256	47,458	115,214
Student & instruction related services								445,869		
Operating grants and contributions	6,204,617	6,115,780	5,604,529	2,722,657	19,056,324	14,532,501	12,078,916	19,340,981	16,035,884	16,024,929
Capital grants and contributions										
Total governmental activities program revenues	16,662,587	16,043,342	15,856,268	12,806,810	29,024,273	23,918,545	21,460,582	29,063,351	25,155,520	25,265,682
Business-type activities:										
Charges for services										
Food service	722,274	695,274	709,738	654,159	633,811	662,419	429,007	96,009	130,971	628,387
Child care	116,366	117,173	83,433	25	-	-	-	-	-	-
Operating grants and contributions	860,941	843,503	900,247	932,864	937,595	966,618	845,111	1,478,395	2,239,554	1,275,829
Capital grants and contributions										
Total business type activities program revenues	1,699,581	1,655,950	1,693,418	1,587,048	1,571,406	1,629,037	1,274,118	1,574,404	2,370,525	1,904,216
Total district program revenues	18,362,168	17,699,292	17,549,686	14,393,858	30,595,679	25,547,582	22,734,700	30,637,755	27,526,045	27,169,898
Net (Expense)/Revenue										
Governmental activities	(32,338,785)	(33,777,121)	(35,427,933)	(42,078,694)	(43,642,822)	(46,245,469)	(47,807,756)	(49,884,533)	(53,946,621)	(53,286,361)
Business-type activities	8,750	(27,667)	39,372	(128,387)	(90,112)	5,176	(266,118)	104,398	553,678	14,047
Total district-wide net expense	\$ (32,330,035)	\$ (33,804,788)	\$ (35,388,561)	\$ (42,207,081)	\$ (43,732,934)	\$ (46,240,293)	\$ (48,073,874)	\$ (49,780,135)	\$ (53,392,943)	\$ (53,272,314)

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 16,212,385	\$ 16,506,429	\$ 16,506,429	\$ 17,224,826	\$ 17,665,378	\$ 18,018,685	\$ 18,018,685	\$ 18,086,685	\$ 18,198,582	\$ 18,320,722
Taxes levied for debt service	1,498,206	1,673,376	2,083,577	1,831,416	1,735,360	1,631,010	1,631,010	1,631,010	1,644,835	1,662,175
Unrestricted grants and contributions	16,376,166	16,882,546	15,918,801	21,731,505	23,450,750	27,271,317	29,251,174	31,966,533	37,832,033	42,113,186
Capital lease	-	-	-	-	-	-	-	75,000	77,250	79,568
Investment earnings	13,302	17,799	17,502	16,964	17,244	84,757	120,415	50,094	25,499	137,278
Miscellaneous income	156,984	190,592	323,399	187,796	152,787	45,200	54,235	108,460	102,411	55,489
Canceled accounts payable prior year	-	1,763	-	-	-	-	34,475	37	2,008	17,465
Prior year adjustment	-	-	58,707	32,567	108,596	-	-	-	14,686	-
Transfer to cover deficit	-	-	-	-	(77,098)	-	(138,906)	-	-	-
Refund prior year expenditures	-	-	-	-	-	80,262	36,648	258,640	246,185	339,798
Total governmental activities	34,257,043	35,272,505	34,908,415	41,025,074	43,053,017	47,131,231	49,007,736	52,176,459	58,143,489	62,725,681
Business-type activities:										
Investment earnings	1,214	1,469	1,343	1,313	835	3,318	3,230	938	1,235	7,937
Transfer to cover deficit	-	-	-	-	77,098	-	138,906	-	-	-
Total business-type activities	1,214	1,469	1,343	1,313	77,933	3,318	142,136	938	1,235	7,937
Total district-wide	\$ 34,258,257	\$ 35,273,974	\$ 34,909,758	\$ 41,026,387	\$ 43,130,950	\$ 47,134,549	\$ 49,149,872	\$ 52,177,397	\$ 58,144,724	\$ 62,733,618
Change in Net Position										
Governmental activities	\$ 1,918,258	\$ 1,495,384	\$ (519,518)	\$ (1,053,620)	\$ (589,805)	\$ 885,762	\$ 1,199,980	\$ 2,291,926	\$ 4,196,868	\$ 9,439,320
Business-type activities	9,964	(26,198)	40,715	(127,074)	(12,179)	8,494	(123,982)	105,336	554,913	21,984
Total district	\$ 1,928,222	\$ 1,469,186	\$ (478,803)	\$ (1,180,694)	\$ (601,984)	\$ 894,256	\$ 1,075,998	\$ 2,397,262	\$ 4,751,781	\$ 9,461,304

Source: ACFR Schedule A-2

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Restricted	\$ 8,029,844	\$ 7,951,568	\$ 8,278,946	\$ 5,911,737	\$ 5,649,881	\$ 4,652,080	\$ 1,284,973	\$ 6,134,319	\$ 6,267,202	\$ 9,336,919
Assigned	316,838	300,000	332,306	1,892,463	2,236,991	3,295,852	7,218,768	3,504,133	2,191,369	2,586,972
Committed	82,644	85,195	86,444	31,018	-	-	-	-	-	-
Unassigned (Deficit)	(791,592)	(460,749)	(840,528)	(718,405)	(1,154,738)	(881,932)	(813,335)	56,793	(210,195)	(1,191,770)
Total general fund	\$ 7,637,734	\$ 7,876,014	\$ 7,857,168	\$ 7,116,813	\$ 6,732,134	\$ 7,066,000	\$ 7,690,406	\$ 9,695,245	\$ 8,248,376	\$ 10,732,121
All Other Governmental Funds										
Restricted (Deficit)	\$ (44,734)	\$ (48,658)	\$ (44,733)	\$ (45,518)	\$ -	\$ -	\$ -	\$ 431,732	\$ 451,580	\$ 530,936
Assigned	789,814	236,323	346,263	87,703	111,925	24,223	2	83,901	83,900	1
Unassigned (Deficit)	-	-	-	-	(44,734)	(39,038)	(51,731)	(50,142)	(139,041)	(153,843)
Total all other governmental funds	\$ 745,080	\$ 187,665	\$ 301,530	\$ 42,185	\$ 67,191	\$ (14,815)	\$ (51,729)	\$ 465,491	\$ 396,439	\$ 377,094

Source: ACFR Schedule B-1

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax levy	\$ 17,710,591	\$ 18,179,805	\$ 18,590,006	\$ 19,056,242	\$ 19,400,738	\$ 19,649,695	\$ 19,649,695	\$ 19,717,695	\$ 19,843,417	\$ 19,982,897
Tuition charges	10,368,696	9,854,615	10,157,368	9,972,782	9,882,710	9,293,534	9,342,121	9,275,245	9,072,178	9,125,539
Tuition from individuals	-	-	-	3,000	750	-	-	-	-	-
Transportation fees from other LEA's	-	-	-	-	-	-	-	-	-	-
Interest earnings	89,274	72,947	94,371	108,371	84,489	92,510	39,545	1,256	47,458	115,214
Miscellaneous	13,302	17,799	17,502	16,964	17,244	84,757	120,415	50,094	25,499	137,278
Local sources	156,984	190,592	323,399	187,796	152,787	45,200	54,235	108,460	102,411	55,489
State sources	20,690,437	21,777,444	21,629,304	22,503,418	24,155,112	27,891,581	29,865,575	32,396,043	38,643,024	43,540,530
Federal sources	1,851,806	2,228,162	1,927,222	1,921,362	1,989,899	1,978,283	1,922,689	3,435,716	4,683,565	7,107,828
Total revenue	50,919,631	52,365,786	52,775,733	53,799,317	55,717,131	59,059,646	61,016,339	65,559,940	73,146,939	80,997,865
Expenditures										
Instruction										
Regular instruction	16,429,630	17,030,103	17,292,906	17,475,579	17,313,000	18,480,473	18,085,276	19,239,686	19,679,647	20,552,994
Special education instruction	2,996,318	2,833,375	2,820,809	3,126,747	3,230,194	3,195,304	3,223,279	3,239,855	3,304,337	2,960,093
Other instruction	1,102,996	1,311,181	1,396,175	1,412,019	1,422,249	1,512,463	1,894,293	1,562,909	1,966,068	2,382,572
Support Services:										
Tuition	1,216,548	1,375,645	1,581,196	2,146,504	2,318,045	2,737,676	2,964,167	2,927,972	3,167,488	3,405,042
Student & instruction related services	4,972,797	5,025,883	4,876,964	4,738,094	4,785,537	4,983,067	5,237,467	6,022,524	6,578,245	7,102,722
General administrative services	775,753	771,690	789,706	797,759	737,601	765,636	769,589	737,749	719,442	821,313
School Administrative services	1,744,611	1,729,060	1,832,249	1,838,160	1,859,910	2,014,435	2,136,515	2,117,276	2,403,064	2,706,548
Plant operations and maintenance	3,450,414	3,577,016	4,043,281	4,127,997	4,331,123	4,083,227	4,148,913	4,527,952	4,879,829	4,933,995
Pupil transportation	1,772,024	1,715,234	1,765,000	1,898,312	1,925,262	2,118,636	2,208,215	2,086,481	2,875,024	3,164,334
Business administrative services	740,424	725,770	840,089	903,574	918,505	942,902	974,390	984,403	1,138,144	1,181,424
Unallocated employee benefits	11,233,264	11,214,715	12,229,786	13,624,521	14,423,298	15,152,218	15,793,355	18,015,349	22,212,006	21,770,185
Transfer to charter school	-	-	-	-	-	-	-	-	10,461	14,660
Capital outlay	1,970,512	2,896,801	803,399	332,353	472,033	545,150	583,770	394,323	3,743,376	5,913,258
Debt service:										
Principal	1,310,000	1,330,000	1,365,000	1,515,000	1,505,000	1,550,000	1,600,000	1,655,000	1,724,000	1,530,000
Interest and other charges	1,186,942	1,150,211	1,102,861	894,965	866,545	806,861	741,835	590,933	587,172	531,156
Total expenditures	50,902,233	52,686,684	52,739,421	54,831,584	56,108,302	58,888,048	60,361,064	64,102,412	74,988,303	78,970,296
Excess (Deficiency) of revenues over (under) expenditures	17,398	(320,898)	36,312	(1,032,267)	(391,171)	171,598	655,275	1,457,528	(1,841,364)	2,027,569
Other Financing sources (uses)										
Refund prior year expenditures	-	-	-	-	-	80,262	36,648	258,640	246,185	339,798
Prior year adjustment	-	-	58,707	32,567	108,596	-	-	37	2,008	-
Canceled accounts payable prior year	-	1,763	-	-	-	-	34,475	-	-	17,465
Capital lease income (non-budgeted)	-	-	-	-	-	-	-	75,000	77,250	79,568
Transfers in	1,953,850	1,167,967	-	626,524	272,000	433,537	388,901	491,677	565,367	91,480
Transfers out	(1,953,850)	(1,167,967)	-	(626,524)	(349,098)	(433,537)	(527,807)	(491,677)	(565,367)	(91,480)
Total other financing sources (uses)	-	1,763	58,707	32,567	31,498	80,262	(67,783)	333,677	325,443	436,831
Net change in fund balances	\$ 17,398	\$ (319,135)	\$ 95,019	\$ (999,700)	\$ (359,673)	\$ 251,860	\$ 587,492	\$ 1,791,205	\$ (1,515,921)	\$ 2,464,400
Debt service as a percentage of noncapital expenditures	5.10%	4.98%	4.75%	4.42%	4.26%	4.04%	3.92%	3.53%	3.24%	2.82%

Source: ACFR Schedule B-2

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

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Transportation Fees from other LEA's	Misc.	Total
2014	\$ 13,302	\$ 10,368,696	\$ 89,274	\$ 156,984	\$ 10,628,256
2015	17,799	9,854,615	72,947	190,592	10,135,953
2016	17,502	10,157,368	94,371	323,399	10,592,640
2017	16,921	9,975,782	108,371	187,796	10,288,870
2018	17,244	9,883,460	84,489	152,787	10,137,980
2019	84,757	9,293,534	92,510	45,200	9,516,001
2020	120,415	9,342,121	39,545	54,235	9,556,316
2021	50,094	9,275,245	1,256	108,460	9,435,055
2022	25,499	9,072,178	47,458	102,411	9,247,546
2023	137,278	9,125,539	115,214	55,489	9,433,520

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

Fiscal Year Ended June 30,	Total Assessed Value										Less: Exempt Property	Tax-Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value		Public Utilities ^a						
2014	\$ 17,158,800	\$ 629,107,800	\$ 23,171,000	\$ 5,646,100	\$ 175,014,400	\$ 13,320,200	\$ 7,608,200	\$ 871,026,500	\$ 222,000	\$ 2,550,308	\$ 873,354,808	2.082	\$ 1,324,214,087			
2015	29,576,100	975,867,900	40,985,200	6,629,100	265,759,500	23,079,100	13,575,100	1,355,472,000	222,000	3,977,331	1,359,227,331	1.367	1,349,929,444			
2016	29,106,200	979,218,400	40,698,900	6,634,500	265,007,500	18,006,800	18,459,400	1,357,131,700	-	-	1,357,131,700	1.404	1,345,322,069			
2017	28,768,600	982,882,600	39,759,200	6,642,400	273,798,800	17,815,100	13,916,400	1,363,583,100	15,000	-	1,363,568,100	1.423	1,366,061,706			
2018	27,671,800	985,192,700	39,471,000	6,699,500	272,919,900	17,828,900	13,670,200	1,363,454,000	47,500	-	1,363,406,500	1.442	1,371,361,775			
2019	28,067,700	988,533,000	39,683,600	6,836,200	269,342,700	18,024,300	13,670,200	1,364,157,700	-	-	1,364,157,700	1.440	1,444,618,526			
2020	28,070,400	994,522,100	38,536,500	6,726,000	270,282,300	17,852,700	13,286,200	1,369,276,200	-	-	1,369,276,200	1.440	1,466,053,960			
2021	26,660,100	1,003,267,400	40,067,300	6,674,800	270,787,000	17,852,700	15,929,700	1,381,239,000	-	-	1,381,239,000	1.436	1,507,625,162			
2022	26,418,400	1,014,790,000	40,346,200	6,615,300	271,307,000	17,852,700	18,441,500	1,395,771,100	-	-	1,395,771,100	1.432	1,538,139,613			
2023	26,489,600	1,037,532,800	42,040,600	6,719,000	280,290,500	17,852,700	18,214,700	1,429,139,900	-	-	1,429,139,900	1.431	1,634,720,644			

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

^a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

^b Tax rates are per \$100

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

Fiscal Year Ended June 30,	Town of Hammon-ton Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General		Town of Hammon- ton	Atlantic County	
		Obligation Debt Service ^b	Total Direct			
2014	1.890	0.192	2.082	0.905	0.722	3.709
2015	1.214	0.153	1.367	0.624	0.495	2.486
2016	1.269	0.135	1.404	0.653	0.504	2.561
2017	1.296	0.127	1.423	0.677	0.558	2.658
2018	1.322	0.120	1.442	0.698	0.556	2.696
2019	1.320	0.120	1.440	0.697	0.572	2.709
2020	1.320	0.120	1.440	0.707	0.572	2.719
2021	1.320	0.116	1.436	0.706	0.591	2.733
2022	1.320	0.112	1.432	0.716	0.575	2.723
2023	1.320	0.111	1.431	0.741	0.575	2.747

Source: District Records and Municipal Tax Collector

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

- a** The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.
- b** Rates for debt service are based on each year's requirements.

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

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
NJ Manufacturers Ins. Comp	\$ 27,068,400	1	1.89%			
Kramer Beverage Real Estate LLC	9,147,800	2	0.64%			
Rt 206 Inc.	9,138,200	3	0.64%			
CT07-75 SWH LLC & DT07-75 SWH LLC	8,488,900	4	0.59%			
Wal-Mart RE Business Trust	8,400,000	5	0.59%			
Atlantic Health Land Holding LLC	8,358,900	6	0.58%			
Peachtree LLC	6,450,000	7	0.45%			
Pyramid Healthcare	5,963,500	8	0.42%			
House of Chesed	5,500,000	9	0.38%			
Atlanticare Regional Medical Center	4,988,700	10	0.35%			
<hr/>						
Total	\$ 93,504,400		6.54%	\$ 61,966,608		7.10%
<hr/>						
NJ Manufacturers Ins. Comp	\$ 15,500,000	1	1.77%			
Kramer Beverage Real Estate LLC	6,500,000	2	0.74%			
999 Grand St. LLC	6,500,000	3	0.74%			
Atlantic Health Land Holding LLC	6,200,000	4	0.71%			
Rt 206 Inc.	6,065,300	5	0.69%			
Copper Atlantic Commerce Holdings	5,259,600	6	0.60%			
Hammonton Realty Associates LLC	5,186,100	7	0.59%			
Wal-Mart RE Business Trust	4,764,700	8	0.55%			
Peachtree LLC	3,440,600	9	0.39%			
Bell Atlantic Property Tax Dept.	2,550,308	10	0.29%			
<hr/>						
Total	\$ 61,966,608		7.10%			

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

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	\$ 17,710,591	\$ 17,710,591	100%	
2015	18,179,805	18,179,805	100%	
2016	18,590,006	18,590,006	100%	
2017	19,056,242	19,056,242	100%	
2018	19,400,738	19,400,738	100%	
2019	19,649,695	19,649,695	100%	
2020	19,649,695	19,649,695	100%	
2021	19,717,695	19,717,695	100%	
2022	19,843,417	19,843,417	100%	
2023	19,982,897	19,982,897	100%	

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

Note: School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, which is the amount voted upon or certified prior to the end of the school year.

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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Capital Leases			
2014	\$ 28,794,000	\$ 50,317	\$ 28,844,317	0.147%	41,927
2015	27,464,000	-	27,464,000	0.152%	41,659
2016	26,099,000	-	26,099,000	0.166%	43,336
2017	24,409,000	-	24,409,000	0.179%	43,695
2018	22,949,000	-	22,949,000	0.193%	44,254
2019	21,399,000	-	21,399,000	0.218%	46,557
2020	19,624,000	-	19,624,000	0.248%	48,668
2021	17,969,000	-	17,969,000	0.282%	50,631
2022	16,245,000	-	16,245,000	0.344%	55,802
2023	14,715,000	-	14,715,000	0.396%	58,310

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

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

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

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

Fiscal Year Ended June 30,	<u>General Bonded Debt Outstanding</u>			
	General Obligation Bonds	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
2014	\$ 28,794,000	\$ 28,794,000	3.30%	1,950
2015	27,464,000	27,464,000	2.02%	1,867
2016	26,099,000	26,099,000	1.92%	1,785
2017	24,409,000	24,409,000	1.79%	1,692
2018	22,949,000	22,949,000	1.68%	1,597
2019	21,399,000	21,399,000	1.57%	1,519
2020	19,624,000	19,624,000	1.43%	1,408
2021	17,969,000	17,969,000	1.31%	1,293
2022	16,245,000	16,245,000	1.19%	1,099
2023	14,715,000	14,715,000	1.07%	992

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

- a** See Exhibit J-6 for property tax data.
- b** Population data can be found in Exhibit J-14.

TOWN OF HAMMONTON
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2023
Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Town of Hammonon	\$ 15,450,406	100.00%	\$ 15,450,406
Other debt			
Atlantic County	215,921,221	4.56%	<u>9,846,008</u>
Subtotal, overlapping debt			25,296,414
Town of Hammonon School District Direct Debt		100.00%	<u>14,715,000</u>
Total direct and overlapping debt			<u><u>\$ 40,011,414</u></u>

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2023

Equalized valuation basis	
2022	\$ 1,612,862,376
2021	1,514,350,400
2020	1,486,889,130
[A]	<u>\$ 4,614,101,906</u>
Average equalized valuation of taxable property	[A/3] \$ 1,538,033,969
	[B] 61,521,359
	[C] 14,715,000
	<u>[B-C] \$ 46,806,359</u>

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 54,542,599	\$ 53,257,474	\$ 52,838,736	\$ 53,367,430	\$ 54,019,400	\$ 55,314,536	\$ 56,663,963	\$ 58,300,969	\$ 59,388,952	\$ 61,521,359
Total net debt applicable to limit	<u>28,794,000</u>	<u>27,464,000</u>	<u>26,099,000</u>	<u>24,409,000</u>	<u>22,949,000</u>	<u>21,399,000</u>	<u>19,624,000</u>	<u>17,969,000</u>	<u>16,245,000</u>	<u>14,715,000</u>
Legal debt margin	<u>\$ 25,748,599</u>	<u>\$ 25,793,474</u>	<u>\$ 26,739,736</u>	<u>\$ 28,958,430</u>	<u>\$ 31,070,400</u>	<u>\$ 33,915,536</u>	<u>\$ 37,039,963</u>	<u>\$ 40,331,969</u>	<u>\$ 43,143,952</u>	<u>\$ 46,806,359</u>
Total net debt applicable to the limit as a percentage of debt limit	52.79%	51.57%	49.39%	45.74%	42.48%	38.69%	34.63%	30.82%	27.35%	23.92%

Source: Abstract of Rates and District Records ACFR Schedule J-7

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

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2014	14,766	\$ 628,442	41,927	8.40%
2015	14,713	626,405	41,659	8.30%
2016	14,618	633,486	43,336	8.10%
2017	14,428	630,431	43,695	6.90%
2018	14,369	635,886	44,254	6.50%
2019	14,085	655,755	46,557	5.90%
2020	13,934	678,140	48,668	5.10%
2021	13,902	703,872	50,631	11.70%
2022	14,781	824,809	55,802	8.30%
2023	14,833	864,912	58,310	5.40%

Source:

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

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

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

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

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

<u>Function/Program</u>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Instruction	199.5	199.5	199.5	199.5	200.0	200.0	210.0	210.0	230.0	230.0
Regular	60.0	60.0	60.0	60.0	63.0	63.0	58.0	58.0	63.0	63.0
Special education	8.0	8.0	8.0	8.0	9.0	9.0	15.0	15.0	17.0	17.0
Other special education	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Vocational										
Support Services:										
Student & instruction related services	82.0	82.0	82.0	82.0	74.0	74.0	73.0	82.0	90.0	90.0
General administrative services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
School administrative services	24.5	24.5	24.5	24.5	25.8	25.8	26.0	25.0	25.0	25.0
Business administrative services	9.5	9.5	9.5	9.8	9.9	9.9	10.0	10.0	10.0	10.0
Plant operations and maintenance	44.3	44.3	44.3	44.5	44.5	54.5	58.0	60.0	70.0	70.0
Pupil transportation	42.0	42.0	42.0	52.0	52.0	52.0	50.0	51.0	47.0	47.0
Food Service	21.0	21.0	21.0	20.0	20.0	20.0	20.0	23.0	24.0	24.0
Child Care	3.0	3.0	-	-	-	-	-	-	-	-
Total	498.8	498.8	495.8	505.3	503.2	513.2	525.0	539.0	581.0	581.0

Source: District Personnel Records

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

Pupil/Teacher Ratio

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil	Percentage Change	Teaching Staff ^c	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^d	Average Daily Attendance (ADA) ^d	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2014	3,629	\$ 47,833,528	\$ 13,181	-0.45%	270	1:15	1:12	1:14	3,623	3,419	0.78%	94.37%
2015	3,601	48,688,400	13,521	2.58%	270	1:15	1:12	1:14	3,585	3,386	-1.05%	94.45%
2016	3,630	50,174,636	13,822	2.23%	270	1:15	1:12	1:14	3,627	3,416	1.17%	94.18%
2017	3,587	54,262,354	15,128	9.45%	270	1:15	1:12	1:14	3,581	3,360	-1.27%	93.83%
2018	3,495	71,838,457	20,555	35.88%	274	1:15	1:12	1:14	3,495	3,286	-2.40%	94.02%
2019	3,504	69,386,880	19,802	30.90%	274	1:15	1:12	1:14	3,515	3,303	-3.09%	93.97%
2020	3,494	68,619,227	19,639	29.82%	274	1:15	1:12	1:14	3,478	3,337	-2.88%	95.95%
2021	3,384	78,389,860	23,165	17.95%	274	1:15	1:12	1:14	3,373	3,086	-3.02%	91.49%
2022	3,322	78,508,873	23,633	2.02%	274	1:15	1:12	1:14	3,373	3,086	0.00%	91.49%
2023	3,341	78,458,868	23,484	1.38%	274	1:15	1:12	1:14	3,334	3,063	-1.16%	91.87%

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

Note: Enrollment based on annual October district count.

a Enrollment is based on the annual October district count.

b Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-2

c Teaching staff includes only full-time equivalents of certificated staff.

d Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
District Building										
Early Childhood Learning Center										
(2001)										
Square Feet	35,365	35,365	35,365	35,365	35,365	35,365	35,365	35,365	35,365	35,365
Capacity (students)	500	500	500	500	500	500	500	500	500	500
Enrollment	383	384	372	367	357	359	368	386	360	351
Elementary										
(1973)										
Square Feet	97,240	97,240	97,240	97,240	97,240	97,240	97,240	97,240	97,240	97,240
Capacity (students)	1,464	1,464	1,464	1,464	1,464	1,464	1,464	1,464	1,464	1,464
Enrollment	979	962	923	920	886	879	855	751	785	787
Middle School										
(1965)										
Square Feet	109,950	109,950	109,950	109,950	109,950	109,950	109,950	109,950	109,950	109,950
Capacity (students)	1,604	1,604	1,604	1,604	1,604	1,604	1,604	1,604	1,604	1,604
Enrollment	817	868	926	922	873	884	872	868	839	840
High School										
(2002)										
Square Feet	190,641	190,641	190,641	190,641	190,641	190,641	190,641	190,641	190,641	190,641
Capacity (students)	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850
Enrollment	1,450	1,387	1,409	1,378	1,379	1,393	1,399	1,379	1,338	1,363
Other										
Transportation										
Square Feet	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000

Number of Schools at June 30, 2023

Early Learning Center = 1
Elementary = 1
Middle School = 1
High School = 1

Source: District records, ASSA

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

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

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

School Facilities	Project # (s)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
High School	SP99341L	\$ 262,752	\$ 426,596	\$ 297,036	\$ 286,839	\$ 741,117	\$ 270,203	\$ 266,589	\$ 245,168	\$ 297,662	\$ 400,467
Middle School	N/A	101,463	76,895	275,677	458,967	185,744	142,384	212,294	173,557	156,219	205,924
Elementary School	N/A	82,776	82,863	107,882	178,236	110,030	108,651	127,877	145,423	129,963	125,512
Early Childhood Center	SP99343	72,212	49,524	48,227	45,154	44,450	56,543	38,633	124,028	92,345	59,611
Total School Facilities		519,203	635,878	728,822	969,196	1,081,341	577,781	645,393	688,176	676,189	791,514
Other Facilities		-	-	-	-	-	-	-	-	-	-
Grand Total		\$ 519,203	\$ 635,878	\$ 728,822	\$ 969,196	\$ 1,081,341	\$ 577,781	\$ 645,393	\$ 688,176	\$ 676,189	\$ 791,514

TOWN OF HAMMONTON SCHOOL DISTRICT

Insurance Schedule
June 30, 2023
Unaudited

	Coverage	Deductible
Atlantic & Cape May Counties Association of School Business Officials Joint Insurance Fund		
Property, Inland Marine and Automobile Physical Damages	\$ 175,000,000	
ACCASBO JIF Self Insured Retention - Per Occurrence	250,000	\$ 500
Perils Included	All Risk	
Property Valuation		
Buildings and Contents	Replacement Cost	
Contractors Equipment	Actual Cash Value	
Automobiles	Replacement Cost	
Boiler & Machinery		
Limit of Liability	125,000,000	1,000
ACCASBO JIF Self Insured Retention	None	
Crime		
Limit of Liability	500,000	500
ACCASBO JIF Self Insured Retention	250,000	
General and Automobile Liability		
Limit of Liability	20,000,000	None
ACCASBO JIF Self Insured Retention	250,000	
Workers' Compensation (Statutory)		
Limit of Liability	10,000,000	None
ACCASBO JIF Self Insured Retention	250,000	
Educator's Legal Liability		
Limit of Liability	20,000,000	None
ACCASBO JIF Self Insured Retention	250,000	
Pollution Legal Liability		
Limit of Liability	3,000,000	
Pollution/Mold Incident		25,000-250,000
ACCASBO JIF Self Insured Retention	None	
Cyber Liability		
Limit of Liability	2,000,000	50,000-100,000
ACCASBO JIF Self Insured Retention	None	
Crisis Protection & Disaster Management Services		
Limit of Liability	1,000,000	10,000
ACCASBO JIF Self Insured Retention	None	
RLI Insurance Company		
Surety Bond		
Business Administrator - Barbara S. Prettyman	25,000	None

Source: District Records.

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SINGLE AUDIT SECTION

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Certified Public Accountants + Advisors

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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
Town of Hammonton School District
County of Atlantic
Hammonton, NJ

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, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Hammonton 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 29, 2024.

Report On Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Hammonton 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 Town of Hammonton 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 deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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,

HOLMAN FRENIA ALLISON, P.C.

Jerry W. Conaty
Certified Public Accountant
Public School Accountant, No. 2470

Lakewood, New Jersey
January 29, 2024



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
Town of Hammonton School District
County of Atlantic
Hammonton, NJ

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Town of Hammonton School District's compliance with types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2023. The Town of Hammonton 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 Town of Hammonton 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* 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, the Uniform Guidance and New Jersey's OMB Circular 15-08 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 Town of Hammonton School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts of grant agreements applicable to the Town of Hammonton 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 Town of Hammonton 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 generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, New Jersey OMB's Circular 15-08 and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in aggregate, it would influence the judgment 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 auditing standards, *Government Auditing Standards*, the Uniform Guidance and New Jersey OMB's Circular 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School District's compliance with compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the 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 Uniform Guidance and New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Jerry W. Conaty
Certified Public Accountant
Public School Accountant, No. 2470

Lakewood, New Jersey
January 29, 2024

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TOWN OF HAMMONTON SCHOOL DISTRICT
Statement of Financial Activities
for the Fiscal Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period	Balance 6/30/22	Cash Received	Budgetary Expenditures (A)	Unearned Revenue 6/30/23	(Accounts Receivable) 6/30/23
U.S. Department of Health and Human Services										
Pass-Through New Jersey Department of Human Services:										
Medical Assistance Program	93.778	210SN5MAP	N/A	\$ 163,644	07/01/22-06/30/23	\$ -	\$ 163,644	\$ (163,644)	\$ -	\$ -
FFCRA/SEMI	93.778	210SN5MAP	N/A	15,402	01/01/21-12/31/21	-	15,402	(15,402)	-	-
Total Medicaid Cluster							179,046	(179,046)	-	-
Total U.S. Department of Health and Human Services							179,046	(179,046)	-	-
U.S. Department of Treasury										
Pass-Through New Jersey Department of Treasury:										
Add'l or Compensatory Special Ed. & Related Svcs	21.027	SLFRPDEI/EISES	N/A	101,376	07/01/22-06/30/23	-	50,688	(101,376)	-	(50,688)
Add'l or Compensatory Special Ed. & Related Svcs	21.027	SLFRPDEI/EISES	N/A	121,031	07/01/21-06/30/22	(121,031)	121,031	-	-	-
Total U.S. Department of Treasury						(121,031)	171,719	(101,376)	-	(50,688)
U.S. Department of Agriculture										
Pass-Through New Jersey Department of Agriculture:										
Child Nutrition Cluster:										
National School Lunch Program (Non-Cash Assistance)	10.655	221N3R48N1099	N/A	71,279	07/01/22-06/30/23	1,913	71,279	(73,807)	385	(155,668)
National School Lunch Program	10.555	211N3R48N1099	N/A	821,869	07/01/22-06/30/23	666,201	666,201	(821,869)	-	-
National School Lunch Program	10.555	211N3R48N1099	N/A	1,749,220	07/01/21-06/30/22	(76,276)	76,276	-	-	-
School Breakfast Program	10.555	221N3R48N1099	N/A	179,493	07/01/22-06/30/23	(18,662)	142,174	(179,493)	-	(37,319)
School Breakfast Program	10.555	211N3R48N1099	N/A	383,628	07/01/21-06/30/22	-	18,662	-	-	-
P-EBT Administrative Cost	10.649	231N3R48N903	N/A	3,256	07/01/22-06/30/23	-	3,256	(3,256)	-	(3,256)
Supply Chain Assistance Funding	10.555	221N3R48N903	N/A	162,145	07/01/22-06/30/23	-	162,145	(162,145)	-	-
Total Child Nutrition Cluster						(93,025)	1,136,737	(1,239,570)	385	(196,243)
Total U.S. Department of Agriculture						(93,025)	1,136,737	(1,239,570)	385	(196,243)
U.S. Department of Education										
Pass-Through New Jersey Department of Education:										
Elementary and Secondary Education Act (E.S.E.A.)										
Title I	84.010	S010A210030	ESEA-1960-23	685,861	07/01/22-09/30/23	-	306,541	(581,581)	-	(275,040)
Title I, Carryover	84.010	S010A200030	ESEA-1960-22	678,073	07/01/21-09/30/22	(236,698)	271,428	(44,044)	-	(9,314)
Title I, Carryover	84.010	S010A190030	ESEA-1960-21	889,552	07/01/20-09/30/21	(261,886)	24,788	(625,625)	-	(284,354)
Title II, Part A	84.365A	S365A210029	ESEA-1960-23	34,628	07/01/22-09/30/23	(14,742)	18,609	(24,240)	-	(5,631)
Title II, Part A, Carryover	84.365A	S365A200029	ESEA-1960-22	42,512	07/01/21-09/30/22	(311)	18,685	(4,651)	-	(78)
Title II, Part A, Carryover	84.365A	S365A190029	ESEA-1960-21	26,208	07/01/20-09/30/21	(115,053)	37,605	(28,891)	-	(6,339)
Title III, English Language Enhancement	84.365	S365A210030	ESEA-1960-23	51,149	07/01/22-09/30/23	-	38,088	(50,365)	-	(12,277)
Title III, English Language Enhancement, Carryover	84.365	S365A200030	ESEA-1960-22	56,753	07/01/21-09/30/22	(21,567)	21,567	(837)	-	(837)
Title III, English Language Enhancement, Carryover	84.365	S365A190030	ESEA-1960-21	49,228	07/01/20-09/30/21	(1,664)	1,664	-	-	-
Title III, Immigrant, Carryover	84.365	S365A200030	ESEA-1960-21	7,634	07/01/20-09/30/21	(533)	533	-	-	-
Title IV, Part A	84.388B	S438A210031	ESEA-1960-23	56,285	07/01/22-09/30/23	(23,941)	61,852	(51,202)	-	(13,114)
Title IV, Part A, Carryover	84.388B	S438A200031	ESEA-1960-22	70,564	07/01/21-09/30/22	(54,862)	25,295	(51,021)	-	(25,726)
Title IV, Part A, Carryover	84.388B	S438A190031	ESEA-1960-21	8,725	07/01/20-09/30/21	(41,288)	35,687	(3,430)	-	(2,465)
IDEA Cluster:										
IDEA Part B, Basic Regular	84.027	H027A210100	IDEA-1960-23	781,634	07/01/22-09/30/23	-	771,315	(780,862)	-	(9,547)
IDEA Part B, Basic Reg. Carryover	84.027	H027A201000	IDEA-1960-22	769,209	07/01/21-09/30/22	(86,253)	94,989	(6,696)	-	-
IDEA Part B, Basic Regular	84.173	H173A210114	IDEA-1960-23	28,807	07/01/22-09/30/23	(2,499)	28,507	(28,507)	-	-
IDEA Part B, Preschool, Carryover	84.173	H173A201014	IDEA-1960-22	24,984	07/01/21-09/30/22	(2,499)	31,006	(28,507)	-	-
Total Special Education Cluster						(88,752)	897,270	(818,065)	-	(9,847)
Education Stabilization Fund										
Coronavirus Response and Supplement Act										
CRRSA-ESSER II	84.425D	S425D200027	N/A	2,620,797	03/13/20-09/30/23	(1,689,101)	1,786,234	(99,133)	-	-
Elementary and Secondary Education Act (E.S.E.A.)	84.425D	S425D200027	N/A	18,400	03/13/20-09/30/23	(19,333)	19,480	(147)	-	-
IDEA/American Rescue Plan Act of 2021:										
ARP IDEA Part B, Basic Regular	84.027X	H027X210100	N/A	176,086	07/01/21-09/30/23	(29,097)	29,097	-	-	-
ARP IDEA Part B, Preschool	84.173X	H173X210114	N/A	14,973	07/01/21-09/30/23	(1,498)	1,498	-	-	-
American Rescue Plan Act of 2021										
ARP ESSER III	84.425U	S425U210027	N/A	5,990,072	03/13/20-09/30/24	(70,951)	584,489	(4,955,055)	-	(4,441,517)
Accelerated Learning Coach & Educator Support	84.425U	S425U210027	N/A	261,286	03/13/20-09/30/24	(605)	43,974	(52,103)	-	(8,732)
Evidence Based Summer Learning & Enrichment	84.425U	S425U210027	N/A	40,000	03/13/20-09/30/24	(15,375)	16,650	(14,317)	-	(13,160)
Evidence Based Extended Day Learning & Enrichment	84.425U	S425U210027	N/A	84,400	03/13/20-09/30/24	(16,650)	16,650	-	-	-
NJTES Mental Health	84.425U	S425U210027	N/A	88,581	03/13/20-09/30/24	-	30,710	(58,780)	-	(28,070)
Total U.S. Department of Education						(2,271,898)	4,256,849	(6,830,414)	-	(4,845,463)
Total Federal Financial Award						\$ (2,485,954)	\$ 5,744,351	\$ (8,350,406)	\$ 385	\$ (5,092,394)

TOWNSHIP OF HAMMONTON SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year Ended June 30, 2023

State Grantor/Program Title	Grant or State Project Number	Program or Amount	Grant Period	Balance 6/30/22	Carryover (Net) Amount	Cash Received	Budgetary Expenditures	Department of Education (Accounts Receivable)		Due to Grantor	Budgetary Receivable	MEMO
								Balance at June 30, 2023	Liabilities Revenue			
New Jersey Department of Education												
General Fund												
State Aid Public	23-495-034-5120-078	\$	07/01/22-06/30/23	-	-	23,988,881	(22,988,881)	\$	-	\$	2,203,854	\$ 22,988,881
Special Education Aid	23-495-034-5120-089		07/01/22-06/30/23	-	-	2,297,445	(2,297,445)		-		230,247	2,297,445
Special Education Aid	23-495-034-5120-068		07/01/22-06/30/23	-	-	1,850,797	(1,850,797)		-		177,429	1,850,797
School Choice Aid	23-495-034-5120-084		07/01/22-06/30/23	-	-	773,246	(773,246)		-		74,128	847,374
Security Aid	23-495-034-5120-084		07/01/22-06/30/23	-	-	27,910,369	(27,910,369)		-		2,675,658	27,910,369
Total State Aid Public												
Special Education Extraordinary Aid	23-100-034-5120-044	587,735	07/01/22-06/30/23	(456,099)	-	456,099	(587,735)		-		-	587,735
Special Education Extraordinary Aid	23-100-034-5120-044	456,099	07/01/22-06/30/23	(456,099)	-	456,099	(587,735)		-		-	587,735
Nonpublic Transportation Aid	23-495-034-5120-014	19,032	07/01/22-06/30/23	(19,032)	-	-	-		-		-	19,032
Nonpublic Transportation Aid	23-495-034-5120-014	19,032	07/01/22-06/30/23	(19,032)	-	-	-		-		-	19,032
Transportation Aid	23-495-034-5120-014	19,032	07/01/22-06/30/23	(19,032)	-	19,032	(787,886)		-		72,656	787,886
Transportation Aid	23-495-034-5120-014	19,032	07/01/22-06/30/23	(19,032)	-	19,032	(93,589)		-		-	93,589
Homeless Tuition Reimbursement	23-495-034-5120-014	191,506	07/01/22-06/30/23	-	-	114,942	(78,567)		-		-	191,506
Homeless Tuition Reimbursement	23-495-034-5120-014	191,506	07/01/22-06/30/23	-	-	114,942	(78,567)		-		-	191,506
Not Available	23-495-034-5120-014	29,036	07/01/22-06/30/23	-	-	-	(29,036)		-		-	29,036
TPAF Non-Contributory (On-Behalf - Non-Budgeted)	23-495-034-5094-002	8,447,308	07/01/22-06/30/23	-	-	8,447,308	(8,447,308)		-		-	8,447,308
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)	23-495-034-5094-004	2,509	07/01/22-06/30/23	-	-	2,509	(2,509)		-		-	2,509
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)	23-495-034-5094-001	2,219,088	07/01/22-06/30/23	-	-	2,219,088	(2,219,088)		-		-	2,219,088
Reimbursed TPAF	23-495-034-5094-003	1,847,700	07/01/22-06/30/23	(88,265)	-	1,759,435	(1,847,700)		-		-	1,847,700
Social Security Contributions	23-495-034-5094-003	89,265	07/01/22-06/30/23	(88,265)	-	89,265	(1,847,700)		-		-	1,847,700
Social Security Contributions	23-495-034-5094-003	89,265	07/01/22-06/30/23	(88,265)	-	89,265	(1,847,700)		-		-	1,847,700
Total General Fund												
Special Revenue Fund	23-495-034-5120-086	83,433	07/01/22-06/30/23	(565,084)	-	41,771,712	(42,014,172)		-		2,748,314	42,014,172
Preschool Education Aid	EG-0014-D01	83,433	07/01/22-06/30/23	(565,084)	-	41,771,712	(42,014,172)		-		2,748,314	42,014,172
Preschool Education Aid	23-495-034-5120-086	1,538,430	07/01/22-06/30/23	-	36,938	1,538,430	(1,411,395)		-	163,973	153,843	1,411,395
Preschool Education Aid	23-495-034-5120-086	1,390,410	07/01/22-06/30/23	514,770	(36,938)	1,538,430	(1,411,395)		-	514,770	-	-
Preschool Education Aid	21-495-034-5120-086	801,420	07/01/20-06/30/21	36,938	-	-	-		-	-	-	-
Non-Public Aid	23-100-034-5120-064	9,636	07/01/22-06/30/23	-	-	9,636	(9,636)		-	54	-	9,582
Textbook Aid	22-100-034-5120-064	8,533	07/01/22-06/30/22	1,602	-	6,132	(6,034)		-	98	-	6,034
Textbook Aid	22-100-034-5120-064	8,533	07/01/22-06/30/22	1,602	-	6,132	(6,034)		-	98	-	6,034
Technology Aid	22-100-034-5120-073	5,964	07/01/22-06/30/22	8	-	-	(8)		-	-	-	8
Technology Aid	22-100-034-5120-073	5,964	07/01/22-06/30/22	8	-	-	(8)		-	-	-	8
Nursing Aid	23-100-034-5120-070	16,464	07/01/22-06/30/23	-	-	16,464	(14,804)		-	1,660	-	14,804
Nursing Aid	23-100-034-5120-070	15,984	07/01/22-06/30/22	2,500	-	-	(2,500)		-	-	-	2,500
Security Aid	23-100-034-5120-509	30,135	07/01/22-06/30/23	799	-	30,135	(30,134)		-	1	-	30,134
Security Aid	23-100-034-5120-509	24,850	07/01/22-06/30/22	-	-	-	(799)		-	-	-	799
Auxiliary Services (Chapter 192)	23-100-034-5120-067	23,719	07/01/22-06/30/23	31,980	-	23,719	(494)		-	23,225	-	494
Compensation Indicator	22-100-034-5120-067	42,103	07/01/22-06/30/22	31,980	-	-	(31,980)		-	-	-	31,980
Compensation Indicator	22-100-034-5120-067	42,103	07/01/22-06/30/22	31,980	-	-	(31,980)		-	-	-	31,980
Home Instruction	23-100-034-5120-067	770	07/01/22-06/30/23	-	-	-	(770)		-	-	-	770
Home Instruction	23-100-034-5120-067	770	07/01/22-06/30/23	-	-	-	(770)		-	-	-	770
English as a Second Language	23-100-034-5120-066	27,306	07/01/22-06/30/23	-	-	27,306	(13,471)		-	13,835	-	13,471
Handicapped Services (Chapter 193)	23-100-034-5120-066	26,546	07/01/22-06/30/22	5,878	-	-	(5,878)		-	-	-	5,878
Examination & Classification	23-100-034-5120-066	2,300	07/01/22-06/30/23	2,332	-	3,348	(1,488)		-	1,860	-	1,488
Concursive Speech	23-100-034-5120-066	19,824	07/01/22-06/30/23	-	-	19,824	(15,529)		-	4,295	-	15,529
Supplemental Instruction	23-100-034-5120-066	12,886	07/01/22-06/30/22	-	-	-	(12,886)		-	-	-	12,886
Supplemental Instruction	23-100-034-5120-066	12,886	07/01/22-06/30/22	-	-	-	(12,886)		-	-	-	12,886
Total Special Revenue Fund												
Debt Service Fund	23-495-034-5120-075	277,582	07/01/22-06/30/23	-	-	277,582	(277,582)		-	-	-	277,582
Debt Service Fund	23-495-034-5120-075	277,582	07/01/22-06/30/23	-	-	277,582	(277,582)		-	-	-	277,582
Total Debt Service Fund												
New Jersey Department of Agriculture												
Enterprise Fund	23-100-010-3350-023	3,347	07/01/22-06/30/23	-	-	2,643	(3,347)		-	(704)	-	3,347
State Breakfast Program	23-100-010-3350-023	3,347	07/01/22-06/30/23	-	-	2,643	(3,347)		-	(704)	-	3,347
State School Lunch Program	23-100-010-3350-023	32,912	07/01/22-06/30/23	(1,755)	-	26,622	(32,912)		-	(6,290)	-	32,912
State School Lunch Program	23-100-010-3350-023	41,196	07/01/22-06/30/22	(1,755)	-	1,755	-		-	-	-	1,755
Total Enterprise Fund	23-100-010-3350-023	41,196	07/01/22-06/30/22	(1,755)	-	1,755	-		-	-	-	1,755
Total State Financial Assistance												
		\$		\$		\$		\$		\$		\$
		42,754		43,838,741		43,915,147	(57,885)		(81,530)	678,743	45,028	43,915,147
		\$		\$		\$		\$		\$		\$
		42,754		43,838,741		43,915,147	(57,885)		(81,530)	678,743	45,028	43,915,147

Less: On-Behalf Pension Contributions:
TPAF Non-Contributory (On-Behalf - Non-Budgeted)
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)
Total for State Financial Assistance-Major Program Determination

\$ 8,447,308
2,509
2,219,088
\$ (33,246,242)

Town of Hammonton School District
Notes to the Schedules of Financial Assistance
June 30, 2023

NEW FA NOTE

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and New Jersey Treasury Circular OMB 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to P.L. 2003, c.97 (A3521). For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

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

Town of Hammonton School District
Notes to the Schedules of Financial Assistance
June 30, 2023

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Food Service Fund</u>	<u>Total</u>
State Assistance:					
Actual amounts (budgetary) “revenues” from the Schedule of Expenditures of State Financial Assistance	\$42,014,172	1,587,134	277,582	36,259	43,915,147
Difference – budget to “GAAP”					
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		34,058			34,058
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).	(357,614)	(14,802)			(372,416)
Total State revenue as reported on the statement of revenues, expenditures and changes in fund balances	<u>\$41,656,558</u>	<u>1,606,390</u>	<u>277,582</u>	<u>36,259</u>	<u>43,454,579</u>

Town of Hammonton School District
Notes to the Schedules of Financial Assistance
June 30, 2023

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service Fund</u>	<u>Total</u>
Federal Assistance:				
Actual amounts (budgetary) “revenues” from the Schedule of Expenditures of Federal Awards	\$179,046	6,931,790	1,239,570	8,350,406
Difference – budget to “GAAP” Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(3,008)		(3,008)
Total Federal revenue as reported on the statement of revenue, expenditures, and changes in fund balances	\$179,046	6,928,782	1,239,570	8,347,398

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. The amounts reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the district for the year ended June 30, 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 6. SCHOOLWIDE PROGRAM FUNDS

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

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**TOWN OF HAMMONTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

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

State Financial Assistance

Dollar threshold used to determine Type A programs	\$	994,592
Auditee qualified as low-risk auditee?	<u> X </u> yes	<u> </u> no
Internal control over major programs:		
1) Material weakness(es) identified?	<u> </u> yes	<u> X </u> no
2) Significant deficiency(ies) identified?	<u> </u> yes	<u> X </u> 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 New Jersey OMB Circular 15-08?	<u> </u> yes	<u> X </u> no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
495-034-5120-078	State Aid Public: Equalization Aid
495-034-5120-089	Special Education Aid
495-034-5120-068	School Choice Aid
495-034-5120-084	Security Aid
495-034-5094-003	Reimbursed TPAF Social Security Contributions

**TOWN OF HAMMONTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
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.

**TOWN OF HAMMONTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
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 Principals, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB's Circular 15-08.

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE

None.

**TOWN OF HAMMONTON SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
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 Principals, and Audit Requirements for Federal Awards (Uniform Guidance), and New Jersey OMB's Circular 15-08.

Financial Statement Findings

No Prior Year Findings.

Federal Awards

No Prior Year Findings.

State Financial Assistance

No Prior Year Findings.