

**HAMPTON TOWNSHIP
SCHOOL DISTRICT**

**Hampton Township School District
Board of Education
Hampton, Sussex County
New Jersey**

**Annual Comprehensive Financial Report
For The Fiscal Year Ended June 30, 2023**

Annual Comprehensive

Financial Report

of the

Hampton Township School District

Board of Education

Hampton, New Jersey

For the Fiscal Year Ending June 30, 2023

Prepared by

Hampton Township School District

Board of Education

Finance Department

OUTLINE OF ACFR

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Introductory Section



Hampton Township School District

Marian Emmons McKeown Elementary School

One School Road

Newton, New Jersey 07860-6733

(973) 383-5300 * Fax (973) 383-3835

Dr. Craig M. Hutcheson
Superintendent

Dr. Janet Goodwin
Principal

Joseph Coladarci
Assistant Principal/
Supervisor of Special Services

Kate Fedge
Business Administrator/
Board Secretary

October 2023

The Honorable President and Members
of the Board of Education
Hampton Township School District

Dear Honorable President and Board Members:

The Annual Comprehensive Financial Report of the Hampton Township School District (the "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 Hampton Township Board of Education (the "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 basic financial statements and results of operations 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 Independent Auditor's Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected economic and demographic information, financial trends and the fiscal capacity of the District, 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 Amendments of 1996 and the U.S. Office of Management and Budget "Uniform Guidance" Audits of States, Local Governments and Nonprofit Organizations, and New Jersey's OMB Circular NJOMB 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Information related to this single audit, including the auditors' report on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

Hampton Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The Hampton Township Board of Education and the McKeown Elementary School constitute the District's reporting entity. The District is an elementary school district housing students from preschool through grade six. The Hampton Township School District provides a full array of services for students in the regular education classes as well as a special education population. The School District average daily enrollment for the 2022-2023 year was 315 students which represents a 5% increase of enrolled students from the prior year. This increase is attributed to an increase in open housing in the area and the typical influx of new students to our school. There seems to be more transient traffic in our area and this could contribute to more enrolled renters to the district.

The following details the changes in the student enrollment of the District over the last five years:

<u>Fiscal Year</u>	<u>Average Daily Student Enrollment</u>	<u>Change</u>
2022-2023	315	5.00%
2021-2022	300	-3.80%
2020-2021	312	-2.80%
2019-2020	321	15.48%
2018-2019	278	-2.80%

The students attending McKeown Elementary School continue to enjoy the benefits derived from a mix of Federal, State, and Local funds. Local taxpayers continue to financially support their neighborhood elementary school to a much larger degree than the return seen from state and federal revenues. Students between the ages of 3 to 12 enjoy a variety of educational opportunities ranging from classroom instruction in reading, writing, spelling, mathematics, science, social studies, art, vocal music, instrumental music, library science classes, physical education, health, enrichment, and STEM/applied technology. In recent years, the groundwork and curriculum was revised to introduce a new enrichment/gifted & talented program which was a Region wide effort to collaborate and articulate the program with other regional school districts. Students who are educationally challenged, or are determined to be at-risk, are provided individual or small group instruction in all subject areas, including an emphasis on programs through resource rooms and inclusion. We have implemented classroom push-in of basic skills and each teacher and unit has had the opportunity to dialogue about the process and classroom instruction for this program adjustment. We have many staff members trained in reading intervention and Orton Gillingham teaching practices. We are discipline specific and departmentalized from grade three through six. Some of our students are provided instruction through our developed autism program, our on-going speech training, physical and occupational therapy as well as opportunities in full inclusion programs. This year we will once again start the year with 2 kindergarten sections and new this year is an added preschool section so that we can meet the desired outcome of 50% I.E.P/general education student makeup in the preschool sections. We have had a decrease in general education enrollment in this program and will need to market the preschool opportunity to our community and surrounding areas.

Our instructional and support staff under the support and encouragement of the Hampton Township Board of Education, offer students a host of after school clubs, and activities designed to improve and nurture the growing mind. In most years, COVID-19 years excluded, students may select from the Friendship club, the Yearbook club, the Ski club, Project Seek, Sign Language club, Robotics, Drama club, School Newspaper club as well as after-school tutoring classes.

2. ECONOMIC CONDITION AND OUTLOOK:

The Township of Hampton continues to be one of the finest managed communities in Sussex County. Although fiscally challenged like so many other communities in Sussex County, the Township Committee and Township Administrator have set forth a plan that allows for controlled growth in both the residential and commercial sectors. While the residential area lies behind and separate from the commercial component, the two are within easy traveling distance. Much of the commercial growth for the foreseeable future is still at a slow down, but is making positive progress and we experience an upshift in the economic times. It continues to be our hope that the economy will continue to grow in a positive and controlled manner and we will be able to experience increasing our commercial ratables in the near future.

As in the past, large tracts of undeveloped land have been examined for the most effective use of open space. Several parcels have been added to the list of Farmland Preservation Lands with the use of state funding. These large tracts will assist in controlling the community growth. Further growth of the township will be carefully monitored. Over the last few years, the Hampton Township School District has had a steady or slowly declining student enrollment. The average class size for the 2023-2024 school year is currently approximately 17-18 students per section with grade 5 and grade 4 with lower average numbers due to having an additional section of students. The overall student enrollment for the current school year is 315 students. The Administration of the Hampton Township School District and the Hampton Board of Education continues to monitor the student population numbers as well as the number of special needs students in order to address any staffing recommendations arising from these changes.

3. MAJOR INITIATIVES:

The Hampton Township School District is a "High Performing" school district with a district wide mission that emphasizes student growth and development on an individual level. Effective January 15, 2014 the Hampton Township Board of Education and Kittatinny Regional High School entered into an interlocal agreement sharing the services of the Superintendent. This Agreement continues to provide cost savings opportunities to the district and to develop a more comprehensive Kindergarten to 12th grade education program for the students.

During the 2022-2023 school year, the Hampton Township School District personnel and curriculum consultants continued to work in conjunction with the other Kittatinny Regional sending districts, to complete a revision to the New Jersey Student Learning Standards, inclusive of the Next Generation Science Standards for grades Pre K- 12 and revised New Jersey Student Learning Standards and curriculum in Performing Arts and Visual Arts along with standard updates in the areas of Language Arts and Math and all other curricular areas in grades Pre-K through 8th. We have also worked collaboratively on the new equity standards in our school curriculum from grades K-6 years. This included a complete review of supplemental materials, possible supporting textbooks and sample materials and supplemental materials for lessons. The curricular areas included a professional development program for all teachers to familiarize them with the new curriculum and materials. Representatives from the four elementary schools and from the seventh and eighth grades of KRHS came together to develop the new curricula. Each new curriculum contains a common lesson plan model and for the second time we have employed a complete professional development model for teachers so that they are well versed in the new curricular materials. Each unit uses UBD design and includes an "Essential Question" format for each lesson. We have developed a new format for curriculum revision and development by organizing each employee into a regional curriculum teams. Each team meets a number of times each year to review any curriculum changes from the NJ DOE and if changes are needed, teams will make the adjustments to the grade level curriculum guides. We will also have these teams completely revamp curriculum during major revisions. Curriculum development and revision will shift from a 5 year plan to an annual updated and revised plan with our new process and procedures. During the 2022-2023 school year, the district continued to develop "best strategies" for our institution.

Major initiatives for the 2023-2024 school year will include a further incorporating the STEM and equity curriculum into the everyday aspects of all discipline areas. We will further advance our remote and virtual learning options for students due to the current pandemic and requirement for virtual learning platforms for families. We have opened up a number of new software platforms to assist our teachers to accommodate both in-person and remote learners. We will currently suspend our "pull-out" STEM initiative which allows students an expanded experience of 21st Century Technology Skills in a real life setting until we can resume our normal daily procedures for school. We continue to complete the transition to the new educational support platform in the use of Google Application for Classrooms and Educators. We will continue to offer Professional Development in the areas of Google classroom. We will also increase our use of Realtime as the Student SIS for our school as we transition our conference scheduling to this platform along with sampling its reverse 911 calling system. We have launched a 1 to 1 technology initiative for all grade levels to accommodate virtual learning and now the technology based academic program. 3-6. Each child has been assigned an individual Chromebook for use in every class they attend each day. We are focusing on greening our campus by utilizing a digital report card accessible to parents through our Realtime SIS software There will be a limited need for paper copies of the report card as we move forward. We are looking forward to strengthening our already strong math scores in the state testing program along with assessing our new initiatives throughout the school year. We are utilizing many different online software resources for our teachers ranging from Raz Kids to Literably and NWEA Maps to help us assess student strengths based on the NJ SLS standards. MAPS has replaced Renaissance Learning to help us benchmark student progress multiple times throughout the school year and new for this year is the use of this program to track and follow the successes of our after school tutoring program. We will continue to focus on our STEM initiative, our Gifted and Talented and IEP programs throughout the year. We are encouraged by our progress in technology, but will need to continue to invest in our infrastructure to support our 21st Century technology based learners.

4. INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse, and to ensure that adequate accounting

data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system 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 awards, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulation related to those programs. The internal control system is also subject to evaluation by the District's management. In the 2022-2023 year, we continue to have a three-person screening procedure for all expenditures, as per the directive from the superintendent. Each administrator will review the expenditure and will sign off for final approval by the business administrator. This review process allows the district to account for all district expenditures with the proper checks and balances.

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

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 and the special revenue 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 fund balance restrictions, commitments and assignments as of 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. These funds are explained in "Notes to the Basic Financial Statements" Note 1.

7. DEBT ADMINISTRATION:

As of June 30, 2023, the District has no outstanding debt.

8. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which 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 Board carries various forms of insurance, including but not limited to general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property, contents, and fidelity bonds. The Board oversees Risk Management for the District. A schedule of insurance coverage is found in J-20.

10. OTHER INFORMATION:

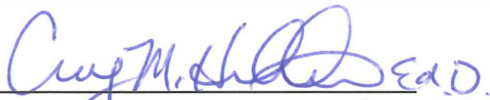
Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ardito and Company, LLC, CPAs was selected by the Board's audit committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related OMB "Uniform Guidance", Audits of States, Local Governments and Nonprofit Organizations, and New Jersey's OMB Circular NJOMB 15-08, Single Audit

Policy for Recipients of Federal Grants, State Grants and State Aid. The auditors' report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' report related specifically to the single audit are included in the single audit section of this report.

11. ACKNOWLEDGEMENTS:

We would like to express our appreciation to the members of the Hampton Township 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.

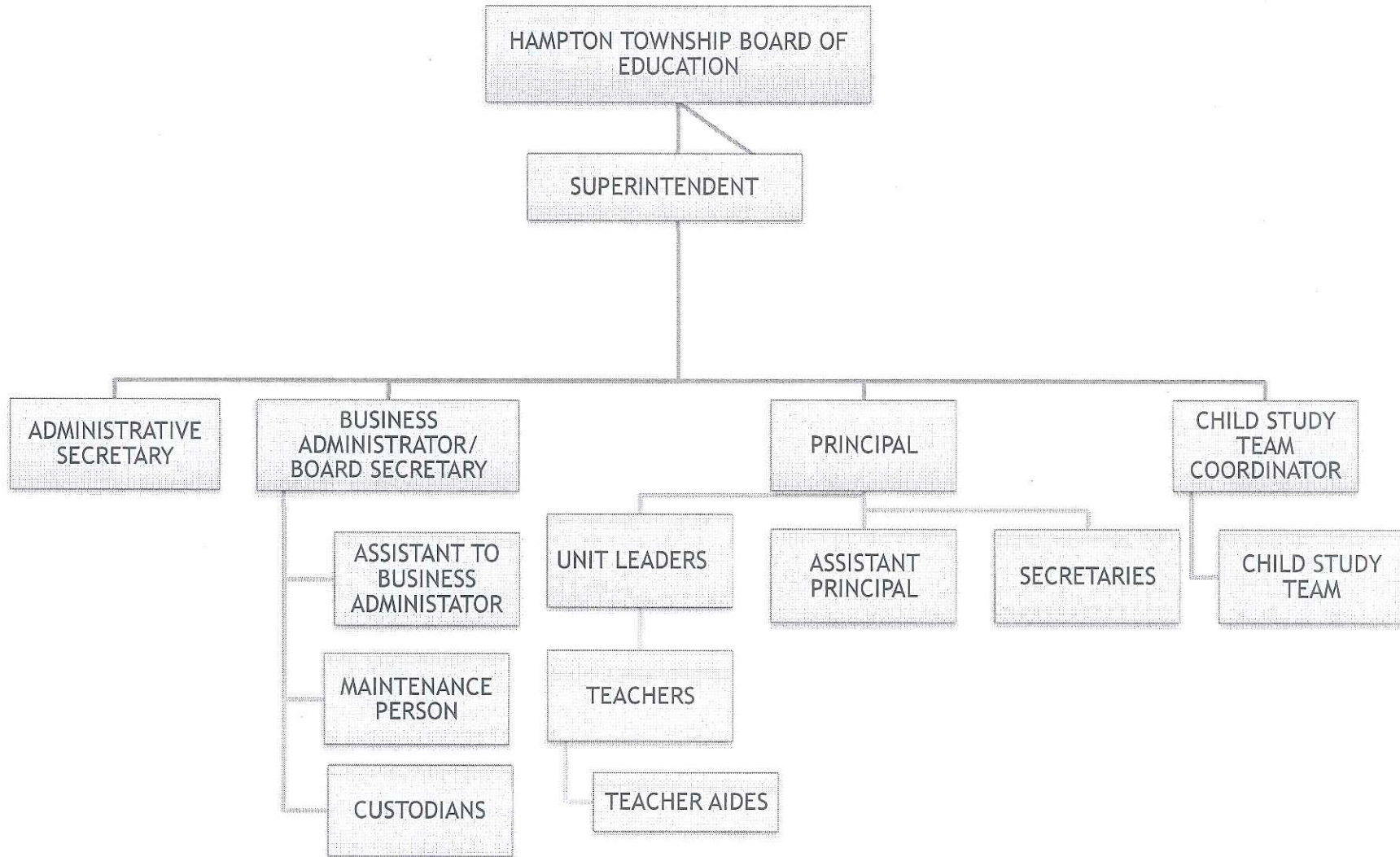
Respectfully Submitted,



Dr. Craig Hutcheson
Superintendent



Mrs. Kate Fedge
School Business Administrator/
Board Secretary



**Hampton Township School District
BOARD OF EDUCATION**

ROSTER OF OFFICIALS

June 30, 2023

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Joseph Santora, President	2023
Jeffrey W. Orosz, Vice President	2025
Joyce Anderson	2024
Susan Knoll	2023
Andrea Chletsos	2024
Ellyn DeCaro	2023
Anna Hackelberg	2023
Allison Holdt	2025
John Nelson	2025

Other Officials

Craig Hutcheson, Superintendent

Kate Fedge, Board Secretary/School Business Administrator

René Metzgar, Treasurer

Cherie Adams, Attorney

**Hampton Township School District
BOARD OF EDUCATION**

CONSULTANTS AND ADVISORS

ATTORNEY

Adams, Gutierrez, & Lattibouiderre, LLC
1037 Raymond Boulevard, Suite 900
Newark, New Jersey 07102

AUDIT FIRM

Ardito & Company LLC
1110 Harrison Street, Suite C
Frenchtown, New Jersey 08825

OFFICIAL DEPOSITORIES

Lakeland Bank
11 Hampton House Road
Newton, New Jersey 07860

Financial Section

Independent Auditor's Report



ARDITO & COMPANY LLC

1110 Harrison Street, Suite C
Frenchtown, New Jersey 08825-1192
908-996-4711 Fax: 908-996-4688
e-mail: anthony@arditoandcompany.com

Anthony Ardito, CPA, RMA, CMFO, PSA

Independent Auditor's Report

The Honorable President and
Members of the Board of Education
Hampton Township School District
County of Sussex
Newton, New Jersey 07860

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Hampton Township School District Board of Education, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 Hampton Township School District Board of Education, 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. 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 Hampton Township School District Board of Education, 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

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Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and ***Government Auditing Standards***, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 pension and post-employment benefit trend information as noted in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hampton Township School District Board of Education's basic financial statements. The combining and individual non-

-Continued-

major fund financial statements, and the schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey OMB's Circulars 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 combining and individual non-major fund financial statements, and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the 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 October 26, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* the District's internal control over financial reporting and compliance.

Ardito & Company LLC

ARDITO & COMPANY LLC

Frenchtown, New Jersey

October 26, 2023

Anthony Ardito

Anthony Ardito

Certified Public Accountant

Licensed Public School Accountant No. 2369

ARDITO & COMPANY LLC

Frenchtown, New Jersey

October 26, 2023

Required Supplementary Information - Part I

Management's Discussion and Analysis

HAMPTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED

The discussion and analysis of Hampton Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2023 are as follows:

- ◆ In total, Net Position decreased \$48,820 which represents a 0.8% decrease from 2022.
- ◆ General revenues accounted for \$5,917,315 in revenue or 73.4% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$2,146,112 or 26.6% of total revenues of \$8,063,427.
- ◆ Total assets of governmental activities decreased by \$144,510, as cash and cash equivalents decreased by \$504,618, receivables decreased by \$312,862, and capital assets increased by \$670,517.
- ◆ The School District had \$8,112,247 in expenses; only \$2,146,112 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$5,917,315 were available to provide for these programs.
- ◆ Among major funds, the General Fund had \$8,229,657 in revenues and \$9,131,672 in expenditures. The General Fund's surplus balance decreased \$902,015 over 2022, which compares favorably to the budgeted decrease of \$1,014,560.

Using this Generally Accepted Accounting Principals Report (GAAP)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Hampton Township School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities. The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail.

For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Hampton Township School District, the General Fund is by far the most significant fund.

HAMPTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, “How did we do financially during 2023?” The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year’s revenues and expenses regardless of when cash is received or paid.

These two statements report the School District’s Net Position and changes in those assets. This change in Net Position is important because it tells the reader that, for the School District as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Nonfinancial factors include the School District’s property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- Governmental activities--All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

- Business-type Activity--This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School District’s Most Significant Funds

Fund Financial Statements

The analysis of the School District’s major funds begins on page 24. Fund financial reports provide detailed information about the School District’s major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District’s most significant funds. The School District’s major governmental funds are the General Fund, Special Revenue Fund, and Capital Projects Fund.

HAMPTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED

Governmental Funds

The School District’s activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District’s general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

The School District as a Whole

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

Table 1 provides a summary of the School District’s Net Position for 2023 compared to 2022.

	<u>2023</u>	<u>2022</u>
Table 1		
Net Position		
Assets		
Current and Other Assets	\$ 3,563,318	\$ 4,378,345
Capital Assets	<u>4,094,481</u>	<u>3,423,964</u>
Total Assets	<u>7,657,799</u>	<u>7,802,309</u>
 Deferred Outflows of Resources	 <u>188,832</u>	 <u>153,816</u>
 Liabilities		
Long-Term Liabilities	980,819	786,798
Other Liabilities	<u>342,749</u>	<u>283,115</u>
Total Liabilities	<u>1,323,568</u>	<u>1,069,913</u>
 Deferred Inflows of Resources	 <u>181,760</u>	 <u>496,089</u>
 Net Position		
Invested in Capital Assets, Net of Debt	4,094,481	3,423,964
Restricted	2,639,163	3,023,309
Unrestricted	<u>(392,341)</u>	<u>(57,150)</u>
Total Net Position	<u>\$ 6,341,303</u>	<u>\$ 6,390,123</u>

HAMPTON TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED

Total assets of governmental activities decreased by \$144,510, as cash and cash equivalents decreased by \$504,618, receivables decreased by \$312,862, and capital assets increased by \$670,517.

The cash decrease and capital asset increase was due to budgeted spending on the boiler, bathroom, and HVAC projects. Receivables decreased due to prior year spending on federal grants reimbursed in the current year.

Table 2 shows the changes in Net Position from fiscal year 2022.

Table 2
Changes in Net Position

	<u>2023</u>	<u>2022</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 169,524	\$ 169,789
Operating Grants and Contributions	1,976,588	2,936,367
General Revenues:		
Property Taxes	5,874,065	5,758,887
Federal & State Aid on Capital Asset Projects	-	-
Investment Earnings	14,492	6317
Other	<u>28,758</u>	<u>13,980</u>
Total Revenues	<u>8,063,427</u>	<u>8,885,340</u>
Program Expenses		
Instruction	4,510,306	4,538,599
Support Services:		
Tuition	62,327	25,641
Pupils and Instructional Staff	1,410,178	1,284,190
General Administration, School Administration, Business	789,760	839,499
Operations and Maintenance of Facilities	792,327	813,534
Pupil Transportation	432,899	381,384
Business-Type Activities	<u>114,450</u>	<u>132,004</u>
Total Expenses	<u>8,112,247</u>	<u>8,014,851</u>
Increase in Net Position	<u>\$ (48,820)</u>	<u>\$ 870,489</u>

HAMPTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 72.8% percent of revenues for governmental activities for the HamptonTownship School District for the fiscal year 2023.

Instruction comprises 55.6% of district expenses. Support services expenses make up 43.0% of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services compared to 2022. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3

	<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	\$ 4,510,306	\$ 3,350,956	\$ 4,538,599	\$ 2,709,144
Support Services:				
Tuition	62,327	50,856	25,641	18,802
Pupils and Instructional Staff	1,410,178	947,096	1,284,190	723,500
General Admin., School Admin., Business	789,760	644,402	839,499	615,590
Operation and Maintenance of Facilities	792,327	646,496	813,534	596,551
Pupil Transportation	432,899	353,222	381,384	279,663
Business-Type Activities	<u>114,450</u>	<u>(26,893)</u>	<u>132,004</u>	<u>(34,555)</u>
Total Expenses	<u>\$ 8,112,247</u>	<u>\$ 5,966,135</u>	<u>\$ 8,014,851</u>	<u>\$ 4,908,695</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students.

General administration, school administration and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

HAMPTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED

Business-type activities includes expenses related to activities provided by the School District which are designed to provide for students to participate in food service.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District and unallocated depreciation.

The dependence upon tax revenues is apparent. Over 74.3% of instruction activities are supported through taxes and other general revenues; for all activities general revenue support is 75.8%. The community, as a whole, is the primary support for the Hampton Township School District.

The School District's Funds

Information about the School District's major funds starts on page 24. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other sources of \$8,686,180 and expenditures of \$9,588,082. The General Fund's surplus balance decreased \$902,015 over 2022, which compares favorably to the budgeted decrease of \$1,014,560.

General Fund Budgeting Highlights

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During the course of the fiscal 2023 year, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

For the General Fund, budget basis revenue and other financing sources, excluding on-behalf payments, was \$6,741,527, \$177,358 over original budgeted estimates of \$6,564,169. This difference was due primarily to an increases in miscellaneous revenues, stabilization aid, and extraordinary aid.

General fund revenues fell short of expenditures by \$919,307. Again this deficit compares to a budgeted deficit of \$1,014,560, which was due to the budgeted use of surplus needed to balance the 2022-2023 budget. The budgeted deficit was reduced due to revenue increases and cost savings in the areas of instruction, plant operations, benefits, and maintenance.

Overall general fund balance (budget basis) was \$3,148,513, and amounts ear-marked and reserved for future purposes were \$2,774,880, creating a surplus in unreserved statutory fund balance of \$373,633. Management believes unreserved fund balance at statutory levels will provide adequate working capital for the district.

HAMPTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED

Capital Assets

At the end of the fiscal year 2023, the School District had \$4,072,398 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2023 balances compared to 2022.

**Table 4
Capital Assets (Net of Depreciation) at June 30,**

	<u>2023</u>	<u>2022</u>
Land	\$ 1,558,800	\$ 1,558,800
Land Improvements	-	-
Buildings and Improvements	2,379,205	1,736,506
Machinery and Equipment	<u>134,393</u>	<u>105,906</u>
 Totals	 <u>\$ 4,072,398</u>	 <u>\$ 3,401,212</u>

Overall capital assets increased \$671,186 from fiscal year 2022 to fiscal year 2023. The increase in capital assets was due to capital additions, net of depreciation expense for the year.

Capital improvements of \$1,021,265 were purchased during fiscal year 2023 and are mainly costs associated with boiler, bathroom, and HVAC improvements.

Debt Administration

At June 30, 2023, the School District had \$94,064 as outstanding long term debt. Of this amount, \$94,064 is for compensated absences.

At June 30, 2023, the School District's overall legal debt margin was \$18,392,079 and the unvoted debt margin was the same.

HAMPTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED

For the Future

The Hampton Township School District is in very good financial condition presently. A major concern is the increased reliance on local property taxes with future possible decreases in state funding.

In conclusion, the Hampton Township School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact the School Business Administrator/Board Secretary at Hampton Township School District, 1 School Road, Newton, NJ 07860.

Basic Financial Statements

DISTRICT-WIDE FINANCIAL STATEMENTS

The statement of net assets and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

HAMPTON TOWNSHIP SCHOOL DISTRICT

Exhibit A-1

STATEMENT OF NET POSITION

June 30, 2023

	GOVERNMENTAL BUSINESS-TYPE		TOTAL
	<u>ACTIVITIES</u>	<u>ACTIVITIES</u>	
ASSETS			
Cash and Cash Equivalents	\$ 1,436,369	\$ 80,589	\$ 1,516,958
Receivables, Net	197,717	1,581	199,298
Inventory		5,462	5,462
Restricted Assets:			
Capital Reserve Account - Cash	1,590,326		1,590,326
Maintenance Reserve Account - Cash	251,274		251,274
Capital Assets, Net (Note 5):	4,094,481		4,094,481
Total Assets	<u>7,570,167</u>	<u>87,632</u>	<u>7,657,799</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Deferred Outflows	<u>188,832</u>		<u>188,832</u>
LIABILITIES			
Accounts Payable	26,624		26,624
Payroll Deductions and Withholdings Payable	14,092		14,092
Unemployment Compensation Claims Payable	23,622		23,622
Payable to State Government	191,458		191,458
Unearned Revenue	83,546	3,407	86,953
Net Pension Liability (Note 7)	901,200		901,200
Noncurrent Liabilities (Note 6):			
Due Beyond One Year	79,619		79,619
Total Liabilities	<u>1,320,161</u>	<u>3,407</u>	<u>1,323,568</u>
DEFERRED INFLOWS OF RESOURCES			
Pension Deferred Inflows	<u>181,760</u>		<u>181,760</u>
NET POSITION			
Invested in Capital Assets, Net of Related Debt	4,094,481		4,094,481
Restricted for:			
Capital Reserve Account	1,590,326		1,590,326
Maintenance Reserve Account	251,274		251,274
Other Purposes	797,563		797,563
Unrestricted	(476,566)	84,225	(392,341)
Total Net Position	<u>\$ 6,257,078</u>	<u>\$ 84,225</u>	<u>\$ 6,341,303</u>

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

HAMPTON TOWNSHIP SCHOOL DISTRICT

Exhibit A-2

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	PROGRAM REVENUES			NET(EXPENSE) REVENUE AND CHANGES IN NET POSITION			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:							
Instruction:							
Regular	\$ 3,416,508	\$ 82,193	\$ 875,840		\$ (2,458,475)		\$ (2,458,475)
Special Education	1,076,517		198,136		(878,381)		(878,381)
Other Special Instruction	17,281		3,181		(14,100)		(14,100)
Support Services:							
Tuition	62,327		11,471		(50,856)		(50,856)
Student & Instruction Related Services	1,410,178	20,172	442,910		(947,096)		(947,096)
School Administrative Services	301,345		55,464		(245,881)		(245,881)
General and Business Admin. Services	488,415		89,894		(398,521)		(398,521)
Plant Operations and Maintenance	792,327		145,831		(646,496)		(646,496)
Pupil Transportation	432,899		79,677		(353,222)		(353,222)
Total Governmental Activities	7,997,797	102,365	1,902,404		(5,993,028)		(5,993,028)
Business-Type Activities:							
Food Service	114,450	\$ 67,159	74,184			\$ 26,893	26,893
Total Business-Type Activities	114,450	67,159	74,184	-	-	26,893	26,893
Total Primary Government	\$ 8,112,247	\$ 169,524	\$ 1,976,588		\$ (5,993,028)	\$ 26,893	\$ (5,966,135)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					\$ 5,874,065		\$ 5,874,065
Investment Earnings					14,144	348	14,492
Miscellaneous Income					28,758		28,758
Transfers					-	-	-
Total General Revenues, Special Items, Extraordinary Items and Transfers					5,916,967	348	5,917,315
Change in Net Position					(76,061)	27,241	(48,820)
Net Position—Beginning					6,333,139	56,984	6,390,123
Prior Period Adjustment							-
Net Position—Beginning (As Restated)					6,333,139	56,984	6,390,123
Net Position—Ending					\$ 6,257,078	\$ 84,225	\$ 6,341,303

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

FUND FINANCIAL STATEMENTS

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

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	GENERAL FUND	SPECIAL REVENUE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS			
Cash and Cash Equivalents	\$ 2,967,401	\$ 310,568	\$ 3,277,969
Interfund Receivables	50,667		50,667
Other Accounts Receivable	7,784		7,784
Receivables from Other Governments	113,829	76,104	189,933
TOTAL ASSETS	\$ 3,139,681	\$ 386,672	\$ 3,526,353
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 15,925	\$ 10,699	\$ 26,624
Payroll Deductions and Withholdings Payable	14,092		14,092
Unemployment Compensation Claims Payable	23,622		23,622
Payable to State Government		191,458	191,458
Interfund Payable		50,667	50,667
Deferred Revenue		83,546	83,546
Total Liabilities	53,639	336,370	390,009
Fund Balances:			
<u>Restricted for:</u>			
Capital Reserve Account	\$ 1,590,326		\$ 1,590,326
Maintenance Reserve	251,274		251,274
Excess Surplus	300,000		300,000
Excess Surplus - Designated for			
Subsequent Year's Expenditures	259,681		259,681
Unemployment Compensation	134,336		134,336
Student Activities		40,240	40,240
Scholarships		10,062	10,062
<u>Assigned to:</u>			
General Fund - Designated for			
Subsequent Year's Expenditures	53,244		53,244
Year-End Encumbrances	186,019		186,019
<u>Unassigned:</u>			
General Fund	311,162		311,162
Total Fund Balances	3,086,042	50,302	3,136,344
TOTAL LIABILITIES AND FUND BALANCE	\$ 3,139,681	\$ 386,672	\$ 3,526,353

Amounts reported for *governmental activities* in the statement of net assets (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 \$8,897,521 and the accumulated depreciation is \$4,803,040.	\$4,094,481
Deferred Outflows related to pension contributions subsequent to the Net Pension Liability measurement date are not current financial resources and therefore are not reported in the fund statements. (See Note 7)	188,832
Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns are not reported as liabilities in the fund statements. (See Note 7)	(181,760)
Long-term liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7)	(901,200)
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 6)	(79,619)
Net Position of governmental activities	<u>\$ 6,257,078</u>

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

HAMPTON TOWNSHIP SCHOOL DISTRICT

Exhibit B-2

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE:
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Local sources:			
Local Tax Levy	\$ 5,874,065		\$ 5,874,065
Tuition	82,193		82,193
Miscellaneous	36,933	\$ 26,141	63,074
Total - Local Sources	<u>5,993,191</u>	<u>26,141</u>	<u>6,019,332</u>
State Sources	2,236,466	100,567	2,337,033
Federal Sources		329,815	329,815
Total Revenues	<u>8,229,657</u>	<u>456,523</u>	<u>8,686,180</u>
EXPENDITURES			
Current:			
Regular Instruction	2,542,288	266,371	2,808,659
Special Education Instruction	955,143		955,143
Other Special Instruction	15,333		15,333
School Sponsored Other Instruction			-
Support services and undistributed costs:			
Tuition	62,327		62,327
Student and Instruction Related Services	1,059,721	183,362	1,243,083
School Administrative Services	256,054		256,054
Other Administrative Services	420,708		420,708
Plant Operations and Maintenance	621,399		621,399
Pupil Transportation	432,899		432,899
Unallocated Benefits	1,751,212		1,751,212
Transfer to Charter School	-		-
Capital Outlay	1,014,588	6,677	1,021,265
Total Expenditures	<u>9,131,672</u>	<u>456,410</u>	<u>9,588,082</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(902,015)</u>	<u>113</u>	<u>(901,902)</u>
Net Change in Fund Balances	(902,015)	113	(901,902)
Fund Balance—July 1	3,988,057	50,189	4,038,246
Prior Period Adjustment	-	-	-
Fund Balance—July 1 (Restated)	<u>3,988,057</u>	<u>50,189</u>	<u>4,038,246</u>
Fund Balance—June 30	<u>\$ 3,086,042</u>	<u>\$ 50,302</u>	<u>\$ 3,136,344</u>

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

HAMPTON TOWNSHIP SCHOOL DISTRICT

Exhibit B-3

**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) \$ (901,902)

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

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

This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation Expense	\$ (350,748)	
Capital Outlays	<u>1,021,265</u>	670,517

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. 140,879

In the statement of activities, compensated absences is accrued regardless of when paid. In the governmental funds, compensated absences are reported when paid. This amount is the amount by which the current year's compensated absence payments exceed the current year's amount earned. 14,445

Change in Net Position of Governmental Activities \$ (76,061)

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

HAMPTON TOWNSHIP SCHOOL DISTRICT

Exhibit B-4

STATEMENT OF PROPRIETARY NET POSITION
 PROPRIETARY FUNDS

June 30, 2023

		Business-Type Activities - Enterprise Funds	
		Food	
		<u>Service</u>	<u>Totals</u>
ASSETS			
Current assets:			
Cash and Cash Equivalents	\$	80,589	\$ 80,589
Accounts Receivable		1,581	1,581
Interfund Receivables		-	-
Inventories		5,462	5,462
Total Current Assets		87,632	87,632
Noncurrent Assets:			
Furniture, Machinery and Equipment		8,827	8,827
Less Accumulated Depreciation		(8,827)	(8,827)
Total Noncurrent Assets			
Total Assets		87,632	87,632
LIABILITIES			
Current liabilities:			
Deferred Revenue		3,407	3,407
Total Current Liabilities		3,407	3,407
Total Liabilities		3,407	3,407
NET POSITION			
Invested in Capital Assets Net of Related Debt			
Unrestricted		84,225	84,225
Total Net Position	\$	84,225	\$ 84,225

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

HAMPTON TOWNSHIP SCHOOL DISTRICT

Exhibit B-5

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	Total Enterprise
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs	\$ 57,752	\$ 57,752
Daily Sales - Non-Reimb. Programs	9,407	9,407
Miscellaneous	348	348
Total Operating Revenues	67,507	67,507
Operating Expenses:		
Cost of Sales - Reimbursable Programs	49,583	49,583
Cost of Sales - Non-reimbursable Programs	78	78
Salaries	32,117	32,117
Employee Benefits	10,246	10,246
Repairs and Supplies	9,528	9,528
Other Purchased Professional Services	8,674	8,674
Miscellaneous	4,224	4,224
Total Operating Expenses	114,450	114,450
Operating Income (Loss)	(46,943)	(46,943)
Nonoperating Revenues (Expenses):		
State Sources:		
State School Lunch Program	1,929	1,929
Federal Sources:		
National School Lunch Program	33,174	33,174
Supply Chain Assistance	28,385	28,385
Food Distribution Program	10,696	10,696
Total Nonoperating Revenues (Expenses)	74,184	74,184
Income (Loss) Before Contributions and Transfers	27,241	27,241
Transfers In (Out)	-	-
Change in Net Position	27,241	27,241
Total Net Position—Beginning	56,984	56,984
Total Net Position—Ending	\$ 84,225	\$ 84,225

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

HAMPTON TOWNSHIP SCHOOL DISTRICT

Exhibit B-6

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds	
	<u>Food Service</u>	<u>Total Enterprise</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 67,407	\$ 67,407
Payments to Employees	(32,117)	(32,117)
Payments for Employee Benefits	(10,246)	(10,246)
Payments to Suppliers	(61,345)	(61,345)
Net Cash Provided by (used for) Operating Activities	<u>(36,301)</u>	<u>(36,301)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers from Other Funds	-	-
State Sources	2,042	2,042
Federal Sources	68,542	68,542
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>70,584</u>	<u>70,584</u>
Net Increase (Decrease) in Cash and Cash Equivalents	34,283	34,283
Balances—Beginning of Year	46,306	46,306
Balances—End of Year	<u>\$ 80,589</u>	<u>\$ 80,589</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:		
Operating Income (Loss)	\$ (46,943)	\$ (46,943)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:		
Depreciation and Net Amortization		
Federal Commodities	10,696	10,696
(Increase) Decrease in Accounts Receivable, Net		
(Increase) Decrease in Inventories	(1,405)	(1,405)
Increase (Decrease) in Accounts Payable	1,351	1,351
Total Adjustments	<u>10,642</u>	<u>10,642</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (36,301)</u>	<u>\$ (36,301)</u>

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

Notes to Financial Statements

HAMPTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (Board) of the Hampton Township School District (District) have been prepared in conformity with generally accepted accounting principles (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 described below.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments (Statement No.34). This Statement provided for the most significant change in financial reporting in over twenty years and was phased-in (based on amount of revenues) starting with fiscal years ending 2002 (for larger governments). The District was not required to implement the new model until the 2003-2004 school year.

In addition, the School District has implemented GASB Statement No.37, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus, Statement No.38, Certain Financial Statement Note Disclosures, Statement No.40, Deposit and Investment Risk Disclosures, an amendment of GASB Statement No.3, and Statement 44, Economic Condition Reporting: The Statistical Section (GASB 44), an amendment of NCGA Statement 1, Governmental Accounting and Financial Reporting Principles is found in the Introduction, a revised statistical section in the Outline of the ACFR, GASB Statement No. 45, Other Post-retirement Employee Benefits, GASB No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and GASB No. 63 and 65, Deferred Outflows and Inflows and Net Position, and Items Previously Reported as Assets and Liabilities, GASB No. 68, Accounting for Pensions, an amendment of GASB No. 27, GASB No. 75, Accounting for OPEB, and GASB 84, Fiduciary Activities. The implementation of these statements did not effect net position balances as previously reported for the fiscal year ended June 30, 2022.

A. Reporting Entity:

The Hampton Township School District is a Type II district located in the County of Sussex, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of five members elected to three-year terms. The purpose of the district is to educate students in grades K-6. The Hampton Township School District had an approximate enrollment at June 30, 2023, of 315 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.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting:

The School District’s basic financial statements consist of District-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Basis of Presentation

District-wide Statements: The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees and charged to external parties. The statement of net assets presents the financial condition of the governmental and business-type activity of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the School District.

Fund Financial Statements: During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District’s funds, including its fiduciary funds. Separate statements for each fund category—*governmental, proprietary, and fiduciary*—are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No.34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

GOVERNMENTAL FUNDS

The District reports the following governmental funds:

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting (Continued):

GOVERNMENTAL FUNDS (Continued)

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

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

PROPRIETARY FUNDS

The District reports the following proprietary fund:

Enterprise (Food Service) Fund - The Enterprise Fund accounts for all revenues and expenses pertaining to the Board's cafeteria operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges.

Additionally, the District reports the following fund type:

Fiduciary Funds - The Fiduciary Funds are used to account for assets held by the District on behalf of others and include the Student Activities Fund, Payroll Agency Fund and Unemployment Compensation Trust Fund.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting (Continued):

Basis of Accounting

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

District-wide, Proprietary, and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey Statute 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. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an “accounts receivable”. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

All governmental and business-type activities and enterprise funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. 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 on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue funds. 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. 6:20-2A.2(m)1. All budget amendments/transfers must be approved by School Board resolution. In addition, transfers are also covered by changes in N.J.A.C. 6A:23A-2.3 that can require approval through the state department. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal 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.

D. 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.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity:

Cash and Cash Equivalents:

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, money market accounts and short-term investments with original maturities of three months or less.

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 interfund transfers. Interfund 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 expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Inventories:

Inventory purchases, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase. Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method.

Allowance for Uncollectible Accounts:

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

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 capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The School District does not possess any infrastructure. 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 using the straight-line method under the half-year convention over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office and Computer Equipment	5-10
Instructional Equipment	10
Grounds Equipment	15

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

Compensated Absences:

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

The District support staff are granted sick leave in varying amounts under the District's contracted personnel policies. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after fifteen years of service and provide for payment based upon predetermined rates and allowable days and upon retirement in the state pension system.

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. Salary related payments for the employer's share of social security and medicare taxes, as well as pension contributions, are included.

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.

Deferred Revenue:

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2023, but which were levied to finance subsequent fiscal year operations, have been recorded as deferred revenue. Grants and entitlement received before the eligible requirements are met are also recorded as deferred 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.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

Net Position:

Net Position represent the difference between assets and liabilities. Net Position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction or improvement of those assets. Net Position 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 laws 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 assets are available.

Fund Balance Reserves:

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

Revenues—Exchange and Nonexchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes available as an advance, interest and tuition.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

Allocation of Indirect Expenses:

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 are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense, that could not be attributed to a specific function, is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Extraordinary and Special Items:

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

Management Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

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

NOTE 2: CASH AND CASH EQUIVALENTS

Deposits:

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the district's accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the municipality would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At June 30, 2023, all of the district's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The district does not have a policy for custodial credit risk.

As of June 30, 2023, cash and cash equivalents of the District consisted of the following:

	Cash and Cash <u>Equivalents (A-1)</u>
Capital Reserve	\$ 1,590,326
Maintenance Reserve	251,274
Checking	<u>1,516,958</u>
	<u>\$ 3,358,558</u>

The carrying amount of the Board's cash and cash equivalents at June 30, 2023, was \$3,358,558 and the bank balance was \$3,681,099. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes. Of these bank balances, \$250,000 was covered by federal depository insurances and \$3,431,099 was covered by collateral pool.

HAMPTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 3: RECEIVABLES

Receivables at June 30, 2023, consisted of intergovernmental accounts. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Government-Wide Financial Statements
State Aid	\$ 113,829	\$ 113,911
Federal Aid	76,104	77,603
Local	7,784	7,784
Gross Receivable	<u>\$ 197,717</u>	<u>\$ 199,298</u>
Less: Allow. for Uncollectibles	-	-
Total Receivables, Net	<u><u>\$ 197,717</u></u>	<u><u>\$ 199,298</u></u>

NOTE 4: INVENTORY

Inventory in the Food Service Fund at June 30, 2023, consisted of the following:

Food	\$ 1,107
Supplies	<u>4,355</u>
	<u><u>\$ 5,462</u></u>

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1996, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

NOTE 5: CAPITAL ASSETS

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

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
<i>Capital Assets Being Depreciated:</i>				
Land	\$ 1,558,800			\$ 1,558,800
Land Improvements	26,766			26,766
Buildings and Building Improvements	5,999,093	\$ 947,379		6,946,472
Machinery and Equipment	291,597	73,886		365,483
Total at Historical Cost	<u>7,876,256</u>	<u>1,021,265</u>	-	<u>8,897,521</u>
Less Accumulated Depreciation for:				
Land Improvements	(4,014)	(669)		(4,683)
Building and Improvements	(4,262,587)	(304,680)		(4,567,267)
Equipment	(185,691)	(45,399)		(231,090)
Total Accumulated Depreciation	<u>(4,452,292)</u>	<u>(350,748)</u>		<u>(4,803,040)</u>
Total Capital Assets Being Depreciated, net of Accumulated Depreciation	<u>3,423,964</u>	<u>670,517</u>		<u>4,094,481</u>
Government Activity Capital Assets, Net	<u>\$ 3,423,964</u>	<u>\$ 670,517</u>		<u>\$ 4,094,481</u>

HAMPTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 5: CAPITAL ASSETS (Continued)

On January 11, 2001, the NJ State Department of Education announced that effective July 1, 2001, the capitalization threshold used by school districts in the State of New Jersey is increased to \$2,000. The previous threshold was \$500. Applying the higher capitalization threshold retroactively (removal of old assets from the General Fixed Assets Account Group) will be permitted by the State regulations in situations where (1) the assets have been fully depreciated, or (2) the assets have exceeded their useful lives. The retirement of machinery and equipment is due to the retroactive application of the higher threshold of equipment capitalization. That is, the District has removed from their records assets with a historical cost greater than \$500 but not greater than \$2,000 that were fully depreciated or had exceeded their useful lives.

Depreciation expense was charged to functions as follows:

Regular Instruction	\$ 237,095
Student Related Services	8,102
School Administration	23,955
Plant and Operations	81,596
Total	<u>\$ 350,748</u>

NOTE 6: LONG-TERM OBLIGATIONS

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

A. Long-Term Obligation Activity:

Changes in long-term obligations for the year ended June 30, 2023, are as follows:

	Balance <u>7/1/22</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>6/30/23</u>	Amounts Due Within <u>One Year</u>
Governmental Activities:					
Other Liabilities:					
Compensated Absences Payable	\$ 102,449		\$ (8,385)	\$ 94,064	
Total Other Liabilities	<u>\$ 102,449</u>		<u>\$ (8,385)</u>	<u>\$ 94,064</u>	-

Compensated absences have been liquidated in the General Fund.

The district had no bonds outstanding as of June, 30, 2023.

The district had no bonds authorized but not issued as of June, 30, 2023.

The district had no capital lease liabilities as of June, 30, 2023.

HAMPTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 7: PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey, 08625 or on the internet at <http://www.state.nj.us/treasury/pensions/annrprts.shtml>.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, 100% of employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Summary of Significant Accounting Policies - 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.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the district (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the district (employer) 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 district. However, the state's portion of the net pension liability that was associated with the district was \$12,999,165 as measured on June 30, 2022 and \$12,389,478 measured on June 30, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$349,844 and revenue of \$349,844 for support provided by the State. The measurement period for the pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2023 is based upon changes in the collective net pension liability with a measurement period of June 30, 2021 through June 30, 2022. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2021 and June 30, 2022.

Although the district does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the district. The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

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

NOTE 7: PENSION PLANS (Continued)

	<u>6/30/2022</u>	<u>6/30/2023</u>
Collective deferred outflows of resources	\$6,356,228,800	\$4,996,491,160
Collective deferred inflows of resources	\$27,175,330,929	\$19,532,696,776
Collective net pension liability (Nonemployer-State of New Jersey)	\$48,075,188,642	\$51,594,415,806
State's portion of the net pension liability that was associated with the district	\$12,389,478	\$12,999,165
State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	0.025771%	0.025195%

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:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75-5.65%
Investment Rate of Return	7.00%

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.

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.0% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment 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:

HAMPTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 7: PENSION PLANS (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.12%
Non-US devel.markets equity	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yeild	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
US Treasuries	4.00%	1.75%
Risk mitigation	3.00%	4.91%

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 based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all 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 in determining the total pension liability.

Sensitivity of the State's net pension liability to changes in the discount rate - Since the District has no proportionate share of the net pension liability because of the special funding situation, the district would not be sensitive to any changes in the discount rate. The following presents the State's net pension liability measured as of June 30, 2022, calculated using the discount rate shown above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>

State's Collective Net Pension Liability	\$ 60,591,896,759	\$ 51,676,587,303	\$ 44,166,559,329
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Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>. The plan fudiciary net position as of June 30, 2022 was \$24,640,530,532.

HAMPTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 7: PENSION PLANS (Continued)

Amortization of Deferred Outflows and Inflows of Resources - Amount reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions will be recognized in the state's pension expense as follows:

	<u>Year Ended June 30:</u>
2023	(\$2,658,825,381)
2024	(3,823,762,872)
2025	(3,351,102,048)
2026	(1,509,375,379)
2027	(1,647,727,819)
Thereafter	<u>(1,687,721,983)</u>
Total	<u>(\$14,678,515,482)</u>

Pension Expense - The components of allocable pension expense and pension expense related to specific liabilities of individual employers, for state and local employers for the year ending June 30, 2022 are as follows:

Service cost	\$1,195,044,307
Interest on total ension liability	5,146,965,905
Member contributions	(907,326,471)
Administrative expens	12,635,916
Expected investment return net of investment expenses	(1,983,153,368)
Pension expense related to specific liabilities of individual employers	(395,540)
Recognition (amortization) of deferred inflows/outflows:	
Differences between expected and actual experience	200,689,404
Changes in assumptions	(2,396,459,882)
Difference between projected and actual investment earnings on pension plan investments	<u>122,761,073</u>
Total pension expense	<u>\$1,390,761,344</u>

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Summary of Significant Accounting Policies - 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 PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. 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.

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

NOTE 7: PENSION PLANS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2023, the District reported a liability of \$901,200 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability 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 total pension liability for the June 30, 2021 valuation was determined by an experience study for the period July 1, 2018 to June 30, 2021. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2022 and 2021. At June 30, 2022, the District's proportion was 0.00597% which was an increase of 0.00012% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized pension expense/(benefit) of (\$59,090). At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual experience	\$ 6,504	\$ 5,736
Changes of assumptions	2,792	134,945
Net difference between projected and actual earnings on pension plan investments	37,300	-
Changes in proportion and differences between District contributions and proportionate share of contributions	66,931	41,079
District contributions subsequent to the measurement date	75,305	
Total	\$ 188,832	\$ 181,760

\$75,305 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2023, the plan measurement date is June 30, 2022) will be recognized as a reduction of the net pension liability measured as of June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Year Ended June 30:</u>
2023	(\$56,063)
2024	(28,562)
2025	(13,929)
2026	30,388
2027	(67)
Total	(\$68,233)

HAMPTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 7: PENSION PLANS (Continued)

	<u>6/30/2022</u>	<u>6/30/2023</u>
Collective deferred outflows of resources	\$1,164,738,169	\$1,660,772,008
Collective deferred inflows of resources	8,339,123,762	3,236,303,935
Collective net pension liability (Non State - Local Group)	\$11,846,496,875	\$15,091,376,611
District's portion of net pension liability	\$692,734	\$901,200
District's proportion %	0.00584759%	0.00597162%

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 actuarial assumptions:

Inflation:	
Price	2.75%
Wage	3.25%

Salary Increases: 2.75%-6.55% based on years of service

Investment Rate of Return: 7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021

The actuarial assumptions used in the July 1, 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 Investment 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>
US Equity	27.00%	8.12%
Non-US devel.markets equity	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yeild	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%

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

NOTE 7: PENSION PLANS (Continued)

US Treasuries	4.00%	1.75%
Risk mitigation	3.00%	4.91%

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 all 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 District's proportionate share of the net pension liability to changes in the discount rate - The following presents the District's proportionate share of the net pension liability measured as of June 30, 2022, calculated using the discount rate as disclosed above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>
District's proportionate share of the net pension liability	\$ 1,157,778	\$901,200	\$ 682,842

Pension Expense - The components of allocable pension expense and pension expense related to specific liabilities of individual employers, for state and local employers for the year ending June 30, 2022 are as follows:

Service cost	\$39,329
Interest on total Pension liability	157,736
Benefit changes	458
Member contributions	(32,798)
Administrative expens	704
Expected investment return net of investment expenses	(105,294)
Pension expense related to specific liabilities of individual employers	(565)
Recognition (amortization) of deferred inflows/outflows:	
Differences between expected and actual experience	1,867
Changes in assumptions	(117,909)
Difference between projected and actual investment earnings on pension plan investments	<u>(2,619)</u>
Total pension expense	<u>(\$59,090)</u>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>.

HAMPTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 7: PENSION PLANS (Continued)

Defined Contribution Retirement Plan (DCRP) - The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N. J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to the normal rate when such surplus pension assets no longer exist.

PERS and TPAF Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age.

The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. 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.

Significant Legislation - Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

□ New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ of 1% for each month that the member is under age 65. □ The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members. □ The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. □ Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PES members will take place in July of each subsequent fiscal year.

HAMPTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 7: PENSION PLANS (Continued)

□ The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law. □ New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee’s annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78’s effective date with a minimum contribution required to be at least 1.5% of salary. □ In addition, this new legislation changes the method for amortizing the pension systems’ unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 (PERS) and N.J.S.A. 18:66 (TPAF) requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.5% of employees’ annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 6.5% and the PERS rate is 6.5% of covered payroll.

Three-Year Trend Information for PERS

Year <u>Funding</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
6/30/2023	\$75,305	100 %	-0-
6/30/2022	\$68,820	100	-0-
6/30/2021	\$60,884	100	-0-

Three-Year Trend Information for TPAF (Paid on-behalf of the District)

Year <u>Funding</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
6/30/2023	\$993,918	100 %	-0-
6/30/2022	\$1,052,271	100	-0-
6/30/2021	\$763,908	100	-0-

During the fiscal year ended June 30, 2023, the State of New Jersey did contribute \$1,254,899 to the TPAF for post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$215,939 during the year ended June 30, 2023, for the employer’s share of social security contributions for TPAF members, as calculated on their base salaries. The PERS amounts have been included in the fund-based statements as pension expense and the TPAF on-behalf amounts have been included in fund-based statements as revenues and expenditures. The PERS and TPAF amounts have been modified and included in the District-wide financial statements in accordance with GASB Statement No. 68.

HAMPTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8: POST-RETIREMENT BENEFITS

Plan description and benefits provided

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefit for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPES 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.

State Health Benefit State Retired Employees Plan:

Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be recorded on the financial statements, is \$75.1 billion.

The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

HAMPTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8: POST-RETIREMENT BENEFITS-(Continued)

Total Nonemployer OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA’s proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State’s level and is not specific to the board of education.

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.

Actuarial assumptions and other imputes. The June 30, 2023 GASB 75 reporting is based on a measurement date of June 30, 2022. 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 used in the June 30, 2021 valuation were based on the results of actuarial experience studies for the periods July 1, 2018 - June 30, 2021 for TPAF, PERS and PFRS. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

	TPAF/ABP	PERS	PFRS
Salary Increases	2.75% to 4.25%	2.75% to 6.55%	3.25% to 16.25%
	Based on service years		

(a) 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%.

(b) Discount Rate

The discount rate used to measure the total OPEB liability was 3.54%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

HAMPTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8: POST-RETIREMENT BENEFITS-(Continued)

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees was based on the 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.

Changes in the Total OPEB Liability reported by the State of New Jersey

	<u>Total OPEB Liability</u>
The State's Total OPEB Liability Balance at 6/30/2021	\$60,007,650,970
<u>Changes for the year:</u>	
Service Cost	2,770,618,025
Interest on the Total OPEB Liability	1,342,187,139
Change in Benefit Terms	-
Differences Between Expected and Actual Experience	1,399,200,736
Changes of Assumptions	(13,586,368,097)
Gross Benefit Payments	(1,329,476,059)
Contributions from Members	<u>42,650,252</u>
Net changes	<u>(9,361,188,004)</u>
The State's Total OPEB Liability Balance at 6/30/2022	<u>\$50,646,462,966</u>

The State's total OPEB liability attributable to the District: \$15,586,817

Benefit Changes: The decrease in liability from June 30, 2021 to June 30, 2022 is due to employers adopting Chapter 44 provisions.

Changes of assumptions and other inputs reflects a change in the discount rate from 2.16 percent in 2021 to 3.54 percent in 2022 and other changes.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the State for school board retirees, as well as what the State's total OPEB liability for school board would be if it were calculated using a discount rate that is 1-percentage -point lower or 1- percentage-point higher than the current discount rate:

	June 30, 2022		
	At 1% Decrease <u>2.54%</u>	At Discount Rate <u>3.54%</u>	At 1% Increase <u>4.54%</u>
Total OPEB Liability (School Retirees)	\$59,529,589,697	\$50,646,462,966	\$43,527,080,995

HAMPTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8: POST-RETIREMENT BENEFITS-(Continued)

	June 30, 2021		
	At 1% Decrease	At Discount Rate	At 1% Increase
	<u>1.16%</u>	<u>2.16%</u>	<u>3.16%</u>
Total OPEB Liability (School Retirees)	\$71,879,745,555	\$60,007,650,970	\$50,659,089,138

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the State, as well as what the State’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage- point higher than the current healthcare cost trend rates:

	June 30, 2022		
	At 1% Decrease	Health Care Cost	At 1% Increase
		Trend Rate	
Total OPEB Liability (School Retirees)	\$41,862,397,291	\$50,646,462,966	\$62,184,866,635

	June 30, 2021		
	At 1% Decrease	Health Care Cost	At 1% Increase
		Trend Rate	
Total OPEB Liability (School Retirees)	\$48,576,388,417	\$60,007,650,970	\$75,358,991,782

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

For the year ended June 30, 2022, the board of education recognized OPEB expense and related revenue of \$140,611 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the District's proportionate share of school retirees OPEB is zero, and there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee’s OPEB from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences Between Expected and Actual Experience	\$9,042,402,619	\$15,462,950,679
Changes of assumptions or other inputs	<u>8,765,620,577</u>	<u>17,237,289,230</u>
Total	<u>\$17,808,023,196</u>	<u>\$32,700,239,909</u>

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

NOTE 8: POST-RETIREMENT BENEFITS-(Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB will be recognized in OPEB expense as follows:

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

NOTE 9: DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans 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:

AXA Equivest	Lincoln Investments	Life of the Southwest
Lincoln Life	MetLife	NJ Pension Supplemental Annuity

NOTE 10: COMPENSATED ABSENCES

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

The District support staff are granted sick leave in varying amounts under the District's contracted personnel policies. Sick leave benefits provide for ordinary sick pay and provide for payment based upon predetermined rates and allowable days and upon retirement in the state pension system.

In the district-wide *Statement of Assets*, 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, no liability existed for compensated absences in the proprietary fund types.

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, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report.

HAMPTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 11: RISK MANAGEMENT - (Continued)

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 of the District's expendable trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Cash Ending Balance</u>
2022-2023	\$652	\$8,134	\$0	\$157,958
2021-2022	\$218	\$7,569	\$0	\$149,172
2020-2021	\$251	\$6,798	\$0	\$141,385

NOTE 12: CONTINGENT LIABILITIES

GRANT PROGRAMS

The Board participates in state and federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The Board is potentially liable for any expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

LITIGATION

The Board is not involved in claims or lawsuits incidental to its operations.

NOTE 13: FUND BALANCE APPROPRIATED

General Fund (Exhibit B-1) - Of the \$3,086,042 General Fund fund balance at June 30, 2023, \$186,019 is reserved for encumbrances; \$559,681 is reserved as excess surplus in accordance with N.J.S.A.18A:7F-7, as amended (\$259,681 of the excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2024), \$1,590,326 has been reserved in the Capital Reserve Account; \$251,274 has been reserved in the Maintenance Reserve Account; \$134,336 has been reserved in the unemployment compensation reserve account; \$53,244 is reserved for subsequent year's expenditures has been anticipated as revenue for the year ended June 30, 2024, and, \$223,481 is unreserved and undesignated.

NOTE 14: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Township of Hampton Board of Education by inclusion in the FY 2000-2001 budget 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.

HAMPTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 14: CAPITAL RESERVE ACCOUNT - (Continued)

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23-2.13(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Beginning Balance, July 1, 2022	\$ 1,693,617
Deposits (PL 2007 c.62 (A1)): Board Resolution 6/29/2023	271,383
Interest	5,326
Budgeted Withdrawal	<u>(380,000)</u>
Ending Balance, June 30, 2023	<u>\$ 1,590,326</u>

NOTE 15: MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the School District Board of Education in fiscal year 2008, for the accumulation of funds for use in accordance with PL 2007 c.62 (A1). The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

Beginning balance July 1, 2022	\$ 250,226
Interest	<u>1,048</u>
Ending balance June 30, 2023	<u>\$ 251,274</u>

NOTE 16: CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. 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 \$300,000.

NOTE 17: INTERFUND RECEIVABLES AND PAYABLES

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

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 50,667	-
Special Revenue Fund	-	\$ 50,667
Total	<u>\$ 50,667</u>	<u>\$ 50,667</u>

The special revenue fund owes the general fundfund for cash advances related to expenditures of federal grants in advance of federal reimbursement.

HAMPTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 18: TAX ABATEMENTS

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

HAMPTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 5,874,065		\$ 5,874,065	\$ 5,874,065	-
Tuition from Individuals	12,000	\$ 3,250	15,250	20,645	\$ 5,395
Tuition from LEA's	52,701	8,847	61,548	61,548	-
Miscellaneous	700		-	36,933	36,933
Total - Local Sources	5,939,466	12,097	5,950,863	5,993,191	42,328
State Sources:					
Equalization Aid	184,845		184,845	184,845	
Transportation Aid	167,978		167,978	167,978	
Special Education Aid	239,718		239,718	239,718	
Security Aid	32,162		32,162	32,162	
Supplemental Stabilization Aid				31,660	31,660
Other State Aid				91,973	91,973
TPAF Pension (On-Behalf - Non-Budgeted)				993,466	993,466
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				260,981	260,981
TPAF Pension LTD Insurance (On-Behalf - Non-Budgeted)				452	452
TPAF Social Security (Reimbursed - Non-Budgeted)				215,939	215,939
Total State Sources	624,703		624,703	2,219,174	1,594,471
TOTAL REVENUES	6,564,169	12,097	6,575,566	8,212,365	1,636,799

HAMPTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	196,246	15,605	211,851	211,851	-
Kindergarten - Salaries of Teachers	-	18,999	18,999	18,999	-
Grades 1-5 - Salaries of Teachers	1,249,884	102,001	1,351,885	1,351,292	593
Grades 6-8 - Salaries of Teachers	423,491	(67,299)	356,192	356,192	-
Regular Programs - Home Instruction:					
Salaries of Teachers	1,500	2,150	3,650	3,649	1
Purchased Professional-Educational Services	3,000	800	3,800	2,375	1,425
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	65,250	-	65,250	64,820	430
General Supplies	144,096	(58,119)	85,977	68,286	17,691
Textbooks	15,000	7,291	22,291	22,260	31
Textbooks	250	-	250	201	49
Employee Benefits	492,683	(44,874)	447,809	442,363	5,446
TOTAL REGULAR PROGRAMS - INSTRUCTION	2,591,400	(23,446)	2,567,954	2,542,288	25,666
SPECIAL EDUCATION - INSTRUCTION					
Special Education Instruction - Multiple Disabilities:					
Salaries of Teachers	73,831	22,259	96,090	95,555	535
Salaries of Teachers AIDE	119,218	(119,218)	-	-	-
General Supplies	3,000	-	3,000	1,011	1,989
Employee Benefits	39,584	(13,304)	26,280	25,723	557
Total Special Education Instruction - Multiple Disabilities	235,633	(110,263)	125,370	122,289	3,081
Resource:					
Salaries of Teachers	600,628	(37,589)	563,039	529,857	33,182
General Supplies	2,500	2,760	5,260	5,119	141
Employee Benefits	165,326	29,788	195,114	194,216	898
Total Resource	768,454	(5,041)	763,413	729,192	34,221

HAMPTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Special Education Instruction - Preschool Disab. - Full Time:					
Salaries of Teachers	59,493	193	59,686	56,448	3,238
Other Salaries for Instruction	41,673	(10,594)	31,079	28,215	2,864
General Supplies	2,000	-	2,000	558	1,442
Employee Benefits	16,566	1,875	18,441	18,441	-
Total Special Education Instruction - Presch. Disab. - Full Time	119,732	(8,526)	111,206	103,662	7,544
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,123,819	(123,830)	999,989	955,143	44,846
Other Instructional Programs - Instruction:					
TRIPS	12,000	-	12,000	4,588	7,412
ASSEMBLY/AWARDS/SUPPLIES	200	700	900	800	100
Salaries	24,000	-	24,000	9,864	14,136
Purchased Services (Series 300-500)	11,000	(5,000)	6,000	-	6,000
General Supplies	2,300	(386)	1,914	81	1,833
Total Other Instructional Programs - Instruction	49,500	(4,686)	44,814	15,333	29,481
Before/After School					
Salaries of Teachers Tutors	3,000	-	3,000	-	3,000
Total Before/After School	3,000	-	3,000	-	3,000
Summer School - Instruction:					
Other Salaries for Instruction	500	-	500	-	500
Salaries of Teachers Tutors	3,000	-	3,000	-	3,000
General Supplies	-	-	-	-	-
Total Summer School - Instruction	3,500	-	3,500	-	3,500
TOTAL INSTRUCTION	3,771,219	(151,962)	3,619,257	3,512,764	106,493

HAMPTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
UNDISTRIBUTED EXPENDITURES					
Instruction:					
TU OTH LEA/OS R	-	28,000	28,000	27,312	688
Tuition for Private School	70,350	(28,000)	42,350	35,015	7,335
Total Instruction	70,350	-	70,350	62,327	8,023
Attendance and Social Work:					
Salaries	4,345	123	4,468	4,281	187
Other Purchased Services (400-500 Series)	-	8,957	8,957	8,957	-
Total Attendance and Social Work	4,345	9,080	13,425	13,238	187
Health Services:					
Salaries	68,134	(2,500)	65,634	65,077	557
Employee Benefits	21,566	(3,288)	18,278	18,278	-
Purchased Professional and Technical Services	625	3,252	3,877	2,459	1,418
Supplies and Materials	2,500	(835)	1,665	1,652	13
Other Objects	1,300	193	1,493	946	547
Total Health Services	94,125	(3,178)	90,947	88,412	2,535
Other Supp. Services Students-Related Services:					
Salaries	60,898	-	60,898	60,110	788
Employee Benefits	20,000	(5,449)	14,551	14,124	427
Purchased Professional - Educational Services	85,000	(8,000)	77,000	68,483	8,517
Supplies and Materials	500	(184)	316	233	83
Other Objects	-	416	416	416	-
Total Other Supp. Services Students-Related Services	166,398	(13,217)	153,181	143,366	9,815
Undist. Expend. - Other Supp. Serv. Students - Extra Serv.					
Employee Benefits	-	51,660	51,660	51,289	371
Salaries	157,925	148,327	306,252	305,505	747
Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.	157,925	199,987	357,912	356,794	1,118
Guidance:					
Salaries	12,940	-	12,940	12,404	536
General Supplies	200		200		200
Total Guidance	13,140	-	13,140	12,404	736

HAMPTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Other Supp. Services Students-Special:					
Salaries of Other Professional Staff	143,810	-	143,810	142,771	1,039
Salaries of Secretarial and Clerical Assistants	32,741	12,047	44,788	44,787	1
Employee Benefits	32,000	(1,721)	30,279	30,047	232
Other Purchased Prof. and Tech Svcs	2,500	5,300	7,800	5,190	2,610
Other Purchased Prof. and Tech Svcs (400-500 Series)	-	50	50	26	24
Misc Purch Svcs	-	3,116	3,116	3,115	1
Supplies and Materials	3,500	(2,992)	508	508	-
Total Other Supp. Services Students-Special	214,551	15,800	230,351	226,444	3,907
Improvement of Instruction Services:					
Salaries of Other Professional Staff	14,650	-	14,650	14,650	-
Purchased Professional - Educational Services	12,500	(3,555)	8,945	7,652	1,293
Other Purchased Prof. Svcs (400-500 Series)	-	555	555	554	1
Total Improvement of Instruction Services	27,150	(3,000)	24,150	22,856	1,294
Educational Media Services/School Library:					
Salaries	113,938	290	114,228	111,963	2,265
Salaries of Tech Coordinators	-	-	-	-	-
Employee Benefits	50,000	2,645	52,645	52,420	225
Purchased Professional and Technical Services	16,000	526	16,526	16,525	1
Supplies and Materials	5,000	-	5,000	4,866	134
Other Objects	2,000	(467)	1,533	1,176	357
Total Educational Media Services/School Library	186,938	2,994	189,932	186,950	2,982
Instructional Staff Training Services:					
Salaries of Other Professional Staff	2,000	6,000	8,000	7,966	34
Purchased Professional and Technical Services	6,000	(5,000)	1,000	854	146
Other Purchased Services (400-500 series)	1,000	-	1,000	437	563
Total Instructional Staff Training Services	9,000	1,000	10,000	9,257	743

HAMPTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Supp. Services - General Administration:					
Salaries	50,777	5,184	55,961	53,183	2,778
Employee Benefits	33,715	6,835	40,550	40,527	23
Legal Services	5,000	5,000	10,000	1,464	8,536
Audit Fees	18,000	-	18,000	17,979	21
Other Purchased Professional Services	76,000	-	76,000	64,917	11,083
Communications/Telephone	24,500	1,000	25,500	17,287	8,213
BOE Other Purchased Services	3,000	-	3,000	2,302	698
Other Purchased Services (400-500)	17,550	(184)	17,366	10,891	6,475
General Supplies	3,000	-	3,000	1,561	1,439
BOE In House Training/Meeting Supplies	500	-	500	458	42
Miscellaneous Expenses	7,550	2,000	9,550	5,533	4,017
BOE Membership Dues and Fees	6,200	-	6,200	6,157	43
Total Supp. Services - General Administration	245,792	19,835	265,627	222,259	43,368
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	105,211	-	105,211	105,211	-
Salaries of Other Professional Staff	50,157	-	50,157	50,157	-
Salaries of Secretarial and Clerical Assistants	43,288	5,000	48,288	42,525	5,763
Employee Benefits	54,378	2,544	56,922	56,585	337
Purchased Professional and Technical Services	-	3,000	3,000	-	3,000
Supplies and Materials	3,000	1,000	4,000	1,576	2,424
Other Objects	4,000	-	4,000	-	4,000
Total Support Services - School Administration	260,034	11,544	271,578	256,054	15,524
Central Services:					
Salaries	147,501	5,500	153,001	149,471	3,530
Employee Benefits	44,132	(15,170)	28,962	28,962	-
	-	8,000	8,000	-	8,000
Other Purchased Services (400-500)	1,000	615	1,615	612	1,003
Supplies and Materials	8,000	-	8,000	2,373	5,627
Other Objects	4,100	(115)	3,985	3,187	798
Total Central Services	204,733	(1,170)	203,563	184,605	18,958

HAMPTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Admin Info Tech.:					
Salaries	4,000	-	4,000	-	4,000
Purchased Professional Services	4,000	4,173	8,173	2,294	5,879
Purchased Technical Services	28,750	(11,903)	16,847	11,550	5,297
Total Admin. Info. Tech.	36,750	(7,730)	29,020	13,844	15,176
Required Maintenance for School Facilities:					
Salaries	63,753	11,247	75,000	70,750	4,250
Employee Benefits	21,083	5,028	26,111	25,999	112
Cleaning, Repair and Maintenance Services	82,000	21,087	103,087	44,260	58,827
Lead Testing of Drinking Water	4,000	(4,000)	-	-	-
Supplies and Materials	22,000	-	22,000	5,982	16,018
Total Required Maintenance for School Facilities	192,836	33,362	226,198	146,991	79,207
Other Operations and Maintenance of Plant:					
Salaries	169,934	3,000	172,934	159,898	13,036
Employee Benefits	55,505	825	56,330	55,830	500
Purchased Professional and Technical Services	36,000	(5,000)	31,000	19,620	11,380
Cleaning, Repair and Maintenance Services	63,000	(23,070)	39,930	20,175	19,755
Insurance	56,000	-	56,000	44,681	11,319
General Supplies	60,500	(17,741)	42,759	34,392	8,367
Plant Energy	2,000	-	2,000	1,101	899
Energy (Natural Gas)	41,000	(10,000)	31,000	28,958	2,042
Energy (Electricity)	70,142	-	70,142	63,893	6,249
Other Objects	26,830	-	26,830	23,335	3,495
Total Other Operations and Maintenance of Plant	580,911	(51,986)	528,925	451,883	77,042
Care and Upkeep of Grounds:					
Supplies and Materials	8,000	6,249	14,249	13,582	667
Total Care and Upkeep of Grounds	8,000	6,249	14,249	13,582	667
Security:					
Security Salaries	-	3,200	3,200	3,200	-
Cleaning, Repair and Maintenance Services	15,000	(5,087)	9,913	5,743	4,170
Total Security	15,000	(1,887)	13,113	8,943	4,170

HAMPTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Student Transportation Services					
Sal. For Pupil Transp. (Bet Home & Sch) - Reg.	3,000	3,637	6,637	6,637	-
TRNS SAL SECT	4,532	168	4,700	4,475	225
Cleaning, Repair and Maintenance Services	7,000	8,247	15,247	15,247	-
Contr Serv. - Aid in Lieu Payments - Charter School	16,000	5,462	21,462	21,462	-
Contracted Services (Between Home and School)-Vendors	290,000	(750)	289,250	288,519	731
Contracted Services (Other than Bet.Home & School)-Vendors	7,000	15	7,015	7,015	-
Contracted Services (Between Home and School)-Joint Agrmts.	30,000	(5,308)	24,692	24,691	1
Contracted Services (Spec. Ed. Students)-ESCs & CTAs	80,000	(23,587)	56,413	50,174	6,239
Misc Purch Svcs- Trans	-	11,600	11,600	11,430	170
Transportation Supplies	3,000	516	3,516	3,249	267
Total Student Transportation Services	440,532	-	440,532	432,899	7,633
UNALLOCATED BENEFITS					
Retirement Contributions: DCRP	-	16,673	16,673	16,673	-
Social Security Contributions	103,000	(5,908)	97,092	97,092	-
Other Retirement Contributions-Regular	77,000	(1,695)	75,305	75,305	-
Unemployment Compensation	10,000	-	10,000	5,035	4,965
Workmen's Compensation	32,000	(1,357)	30,643	30,643	-
Health Benefits	35,000	10,000	45,000	45,000	-
Tuition Reimbursement	32,000	(5,500)	26,500	10,475	16,025
Other Benefits	10,000	(6,000)	4,000	151	3,849
TOTAL UNALLOCATED BENEFITS	299,000	6,213	305,213	280,374	24,839
On-behalf TPAF pension Contrib. (non-budgeted)			-	993,466	(993,466)
On-behalf TPAF PRM Contrib. (non-budgeted)			-	260,981	(260,981)
On-behalf TPAF pension LTD Ins. (non-budgeted)			-	452	(452)
Reimbursed TPAF Social Security Contrib. (non-budgeted)	-	-	-	215,939	(215,939)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	1,470,838	(1,470,838)
TOTAL PERSONAL SERVICES-EMPLOYEE BENEFITS	299,000	6,213	305,213	1,751,212	(1,445,999)
TOTAL UNDISTRIBUTED EXPENDITURES	3,227,510	223,896	3,451,406	4,604,320	(1,152,914)

HAMPTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
TOTAL GENERAL CURRENT EXPENSE	6,998,729	71,934	7,070,663	8,117,084	(1,046,421)
CAPITAL OUTLAY					
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	-	21,543	21,543	1,680	19,863
Construction Services	580,000	667,076	1,247,076	970,153	276,923
Improvements		43,000	43,000	42,755	245
Total Facilities Acquisition and Construction Services	580,000	731,619	1,311,619	1,014,588	297,031
TOTAL CAPITAL OUTLAY	580,000	731,619	1,311,619	1,014,588	297,031
Transfer to Charter School	-	-	-	-	-
TOTAL EXPENDITURES	7,578,729	803,553	8,382,282	9,131,672	(749,390)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,014,560)	(791,456)	(1,806,716)	(919,307)	887,409

HAMPTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(1,014,560)	(791,456)	(1,806,716)	(919,307)	887,409
Fund Balance, July 1	4,067,820		4,067,820	4,067,820	-
Prior Period Adjustment					
Fund Balance, July 1 (Restated)	4,067,820		4,067,820	4,067,820	
Fund Balance, June 30	<u>\$ 3,053,260</u>	<u>\$ (791,456)</u>	<u>\$ 2,261,104</u>	<u>\$ 3,148,513</u>	<u>\$ 887,409</u>
Recapitulation:					
Restricted for:					
Capital Reserve				\$ 1,590,326	
Maintenance Reserve				251,274	
Excess Surplus				300,000	
Excess Surplus - Designated for Subsequent Year's Expenditures				259,681	
Unemployment Compensation				134,336	
Assigned to:					
Designated for Subsequent Year's Expenditures				53,244	
Year-End Encumbrances				186,019	
Unassigned:					
Unrestricted Fund Balance				<u>373,633</u>	
Fund Balance per Governmental Funds(Budgetary Basis)				<u>\$ 3,148,513</u>	
Reconciliation to Governmental Funds Statement(GAAP Basis):					
Current Year Last State Aid Payment not recognized on GAAP basis until received				<u>(62,471)</u>	
Fund Balance per Governmental Funds(GAAP Basis)				<u>\$ 3,086,042</u>	

HAMPTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-2

**BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND**

For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources		\$ 33,577	\$ 33,577	\$ 26,654	\$ (6,923)
State Sources	\$ 75,962	33,622	109,584	109,584	-
Federal Sources	119,881	276,796	396,677	329,814	(66,863)
Total Revenues	195,843	343,995	539,838	466,052	(73,786)
EXPENDITURES:					
Instruction					
Salaries	24,053	941	24,994	21,684	3,310
Other Salaries		74,741	74,741	72,574	2,167
Purchased Prof. & Tech Svcs	53,951	43,299	97,250	81,242	16,008
Tuition	35,000		35,000	35,000	
General Supplies	11,070	58,609	69,679	51,430	18,249
Textbooks	3,673	803	4,476	4,476	
Total Instruction	127,747	178,393	306,140	266,406	39,734
Support Services					
Salaries of Other Prof. Staff		20,744	20,744	20,744	
Purchased Profess. Tech. Svcs	68,096	87,776	155,872	121,820	34,052
Supplies and Materials		30,215	30,215	30,215	
Student Activities		19,977	19,977	19,977	
Scholarship Awards		100	100	100	
Total Support Services	68,096	158,812	226,908	192,856	34,052
Facilities Acq. and Const. Services:					
Buildings		6,677	6,677	6,677	
Total Facilities Acq. and Construction Services	-	6,677	6,677	6,677	-
Total Expenditures	195,843	343,882	539,725	465,939	73,786
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)					
		113	113	113	
Fund Balance Beginning				50,189	
Prior Period Adjustment				-	
Fund Balance Beginning (Restated)				50,189	
Fund Balance Ending				<u>\$ 50,302</u>	
Recapitulation:					
Restricted:					
Student Activities				\$ 40,240	
Scholarships				10,062	
Total Fund Balance				<u>\$ 50,302</u>	

HAMPTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-3

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE

For the Fiscal Year Ended June 30, 2023

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (budgetary basis) "revenue"		
from the budgetary comparison schedule (Exhibits C-1 and C-2, respectively)	\$ 8,212,365	\$ 466,052
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	N/A	231
Current Year	N/A	(9,760)
Adjustment for: Prior year Final State Aid Payment excluded in State Source Revenues that is considered a revenue for GAAP reporting purposes	79,763	
Adjustment for: Current Year Final State Aid Payment included in State Source Revenues that is not considered a revenue for GAAP reporting purposes	<u>(62,471)</u>	<u>-</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. (Exhibit B-2)	<u>\$ 8,229,657</u>	<u>\$ 456,523</u>
 Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules (Exhibits C-1 and C-2, respectively)	\$ 9,131,672	\$ 465,939
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Prior Year	N/A	231
Current Year	N/A	(9,760)
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.	N/A	N/A
Net transfers (outflows) to general fund	<u>N/A</u>	<u>N/A</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$ 9,131,672</u>	<u>\$ 456,410</u>

Hampton School District
Required Supplementary Information - Part III
Schedule of the District's Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years

Exhibit L-3

Teachers' Pension and Annuity Fund (TPAF)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the District	<u>\$ 12,999,165</u>	<u>\$ 12,389,478</u>	<u>\$ 17,343,812</u>	<u>\$ 16,956,650</u>	<u>\$ 16,321,610</u>	<u>\$ 19,018,213</u>	<u>\$ 20,860,205</u>	<u>\$ 18,932,524</u>	<u>\$ 16,447,266</u>	<u>\$ 16,110,382</u>
Total	<u>\$ 12,999,165</u>	<u>\$ 12,389,478</u>	<u>\$ 17,343,812</u>	<u>\$ 16,956,650</u>	<u>\$ 16,321,610</u>	<u>\$ 19,018,213</u>	<u>\$ 20,860,205</u>	<u>\$ 18,932,524</u>	<u>\$ 16,447,266</u>	<u>\$ 16,110,382</u>
District's covered employee payroll	\$ 2,880,459	\$ 2,900,029	\$ 2,756,705	\$ 2,737,226	\$ 2,862,680	\$ 2,838,671	\$ 2,909,900	\$ 2,519,735	\$ 2,635,075	\$ 3,987,972
District's proportionate share of the of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	32.29%	35.50%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

** Note: TPAF is a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. Since the district (employer) does not contribute directly to the plan there is no net pension liability to report in the financial statements of the district.

Exhibit L-1

Public Employees' Retirement System (PERS)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.00597%	0.00585%	0.00557%	0.00600%	0.00585%	0.00575%	0.00585%	0.00590%	0.00654%	0.00692%
District's proportionate share of the net pension liability (asset)	<u>\$ 901,200</u>	<u>\$ 692,734</u>	<u>\$ 907,591</u>	<u>\$ 1,081,362</u>	<u>\$ 1,151,171</u>	<u>\$ 1,339,372</u>	<u>\$ 1,733,984</u>	<u>\$ 1,325,106</u>	<u>\$ 1,224,903</u>	<u>\$ 1,322,098</u>
District's covered employee payroll	\$ 413,662	\$ 453,957	\$ 440,096	\$ 450,358	\$ 412,234	\$ 426,472	\$ 410,590	\$ 395,661	\$ 423,592	\$ 610,941
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	217.86%	152.60%	206.23%	240.11%	279.25%	314.06%	422.32%	334.91%	289.17%	216.40%
Plan fiduciary net position as a percentage of the total pension liability (Local)	62.91%	70.33%	58.32%	56.27%	53.60%	58.18%	40.14%	47.92%	52.08%	48.72%

**Hampton School District
Required Supplementary Information - Part III
Schedule of District Contributions
Last Ten Fiscal Years**

Exhibit L-2

Teachers' Pension and Annuity Fund (TPAF)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's covered employee payroll	\$ 2,880,459	\$ 2,900,029	\$ 2,756,705	\$ 2,737,226	\$ 2,862,680	\$ 2,838,671	\$ 2,909,900	\$ 2,519,735	\$ 2,635,075	\$ 3,987,972
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

** Note: TPAF is a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. The district (employer) does not contribute to the plan.

Public Employees' Retirement System (PERS)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 75,305	\$ 68,820	\$ 60,884	\$ 58,814	\$ 58,276	\$ 53,696	\$ 52,012	\$ 50,750	\$ 53,934	\$ 51,599
Contributions in relation to the contractually required contribution	<u>(75,305)</u>	<u>(68,820)</u>	<u>(60,884)</u>	<u>(58,814)</u>	<u>(58,276)</u>	<u>(53,696)</u>	<u>(52,012)</u>	<u>(50,750)</u>	<u>(53,934)</u>	<u>(51,599)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered employee payroll	\$ 413,662	\$ 453,957	\$ 440,096	\$ 450,358	\$ 412,234	\$ 426,472	\$ 410,590	\$ 395,661	\$ 423,592	\$ 610,941
Contributions as a percentage of covered-employee payroll	18.20%	15.16%	13.83%	13.06%	14.14%	12.59%	12.67%	12.83%	12.73%	8.45%

Hampton Township School District
 Required Supplementary Information - Part III
 Schedule of Changes in the State's Total OPEB Liability and Related Ratios
 Last Ten Fiscal Years *

Exhibit M-1

State Health Benefit Local Education Retired Employees Plan (TPAF and PERS)

The State of New Jersey's Total OPEB Liability	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Service Cost	\$ 2,770,618,025	\$ 3,217,184,264	\$ 1,790,973,822	\$ 1,734,404,850	\$ 1,984,642,729	\$ 2,391,878,884	\$ 1,723,999,319			
Interest	1,342,187,139	1,556,661,679	1,503,341,357	1,827,787,206	1,970,236,232	1,699,441,736	1,823,643,792			
Change in Benefit Terms	-	(63,870,842)								
Differences Between Expected and Actual Experience	1,399,200,736	(11,385,071,658)	11,544,750,637	(7,323,140,818)	(5,002,065,740)					
Benefit Payments	(13,586,368,097)	59,202,205	(1,180,515,618)	(1,280,958,373)	(1,232,987,247)	(1,242,412,566)	(1,223,298,019)			
Contributions from Members	(1,329,476,059)	-	35,781,384	37,971,171	42,614,005	45,748,749	46,273,747			
Changes of Assumptions or other inputs	42,650,252	(1,186,417,186)	12,386,549,981	622,184,027	\$ (5,291,448,855)	\$ (7,086,599,129)	8,611,513,521			
Net change in total OPEB liability	(9,361,188,004)	(7,802,311,638)	26,080,881,563	(4,381,751,937)	(7,529,008,876)	(4,191,942,326)	10,982,132,360			
Total OPEB Liability - Beginning	\$ 60,007,650,970	\$ 67,809,962,608	\$ 41,729,081,045	\$ 46,110,832,982	\$ 53,639,841,858	\$ 57,831,784,184	\$ 46,849,651,824			
Total OPEB Liability - Ending	\$ 50,646,462,966	\$ 60,007,650,970	\$ 67,809,962,608	\$ 41,729,081,045	\$ 46,110,832,982	\$ 53,639,841,858	\$ 57,831,784,184			
The State of New Jersey's total OPEB liability **	\$ 50,646,462,966	\$ 60,007,650,970	\$ 67,809,962,608	\$ 41,729,081,045	\$ 46,110,832,982	\$ 53,639,841,858	\$ 57,831,784,184			
The State of New Jersey's OPEB liability attributable to the District **	\$ 15,586,817	\$ 18,285,459	\$ 21,612,660	\$ 13,621,517	\$ 15,091,842	\$ 17,826,437	\$ 19,401,625			
The District's proportionate share of the total OPEB liability	Zero	Zero	Zero	Zero	Zero	Zero	Zero			
District's covered employee payroll	\$ 3,294,121	\$ 3,353,986	\$ 3,196,801	\$ 3,187,584	\$ 3,274,914	\$ 3,265,143	\$ 3,320,490			
Total District's OPEB liability as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
District's contribution	None	None	None	None	None	None	None			
State's covered employee payroll ***	\$ 14,753,355,408	\$ 14,425,669,769	\$ 14,267,738,657	\$ 13,929,083,479	\$ 13,640,275,833	\$ 13,493,400,208	\$ 13,493,400,208			
Total State's OPEB liability as a percentage of its covered-employee payroll	343.29%	415.98%	475.27%	299.58%	338.05%	397.53%	428.59%			

** Note: Other Post Employment Benefits (OPEB) for employees of the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS) is considered a special funding situation as defined by GASB Statement No. 75 in which the State of New Jersey is 100% responsible for contributions to the health insurance plan. The district (employer) does not contribute to the plan and the district's OPEB liability is zero.

*** Covered payroll for the Measurement Period ending June 30, 2021 and June 30, 2022 is based on the payroll on the June 30, 2020 and June 30, 2021 census data, respectively

* - Until a full ten year trend is compiled, information will be presented for those years for which information is available.

HAMPTON SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-PART III
Pension and OPEB Schedules

For the Fiscal Year Ended June 30, 2023

Teachers' Pension and Annuity Fund (TPAF)

Pension Schedules

Changes of benefit terms. 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.

Changes of assumptions. Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

OPEB Schedules

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

Changes of benefit terms. The decrease in liability from June 30, 2021 to June 30, 2022 is due to employers adopting Chapter 44 provisions.

Changes of assumptions. Changes of assumptions and other inputs reflects a change in the discount rate from 2.16 percent in 2021 to 3.54 percent in 2022.

Public Employees' Retirement System (PERS)

Pension Schedules

Changes of benefit terms. 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.

Changes of assumptions. Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

OPEB Schedules

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

Changes of benefit terms. The decrease in liability from June 30, 2021 to June 30, 2022 is due to employers adopting Chapter 44 provisions.

Changes of assumptions. Changes of assumptions and other inputs reflects a change in the discount rate from 2.16 percent in 2021 to 3.54 percent in 2022.

OTHER SUPPLEMENTARY INFORMATION

**SPECIAL REVENUE FUND
DETAIL STATEMENTS**

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

HAMPTON TOWNSHIP SCHOOL DISTRICT

Exhibit E-1

SPECIAL REVENUE FUND
 COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS

For the Fiscal Year Ended June 30, 2023

	Title I	Title II Part A	Title IV	IDEA Basic	IDEA Preschool	CRRSA ESSER II	CRRSA Mental H.	ARP ESSER	ARP Summer	ARP Beyond Sch Day	ARP Mental	REAP
REVENUES												
Local Sources												
State Sources												
Federal Sources	\$ 21,684	\$ 10,524	\$ 11,104	\$ 107,830	\$ 10,294	\$ 28,751	\$ 14,475	\$ 42,150	\$ 15,455	\$ 22,008	\$ 20,358	\$ 25,181
TOTAL REVENUES	21,684	10,524	11,104	107,830	10,294	28,751	14,475	42,150	15,455	22,008	20,358	25,181
EXPENDITURES:												
Instruction:												
Salaries	21,684											
Other Salaries				22,722				32,650	3,080	14,122		
Purchased Prof. & Tech Svcs								9,500	12,375			2,139
Tuition				35,000								
General Supplies			8,905			3,760				4,681		23,042
Textbooks												
Total Instruction	21,684	-	8,905	57,722	-	3,760	-	42,150	15,455	18,803	-	25,181
Support Services:												
Salaries of Other Prof. Staff				6,337		2,315	8,790				3,302	
Purchased Profess. Tech. Svcs		10,524	1,435	43,361	600	9,888	5,685			3,205	17,056	
Supplies and Materials			764	410	9,694	12,788						
Student Activities												
Scholarship Awards												
Total Support Services	-	10,524	2,199	50,108	10,294	24,991	14,475	-	-	3,205	20,358	-
Facilities Acq. and Const. Services:												
Buildings												
Total Facilities Acq. and Const. Svcs	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 21,684	\$ 10,524	\$ 11,104	\$ 107,830	\$ 10,294	\$ 28,751	\$ 14,475	\$ 42,150	\$ 15,455	\$ 22,008	\$ 20,358	\$ 25,181
Total Outflows	\$ 21,684	\$ 10,524	\$ 11,104	\$ 107,830	\$ 10,294	\$ 28,751	\$ 14,475	\$ 42,150	\$ 15,455	\$ 22,008	\$ 20,358	\$ 25,181
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balance Beginning	-	-	-	-	-	-	-	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balance Beginning (Restated)	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balance Ending	-	-	-	-	-	-	-	-	-	-	-	-

HAMPTON TOWNSHIP SCHOOL DISTRICT

Exhibit E-1 (Continued)

SPECIAL REVENUE FUND
 COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS

For the Fiscal Year Ended June 30, 2023

	SDA Emerg. Need & Capital	NP Textbook	NP Nursing	NP Tech	NP Security	Handi- Cap Svs Exam.	Handi- Cap Svs Suppl Inst	Handi- Cap Svs Cor. Speech	Aux. Svs Comp Ed.	NJ Climate Pilot	Local Grants	Student Activities	Scholarship Funds	Totals
REVENUES														
Local Sources											\$ 6,464	\$ 20,172	\$ 18	\$ 26,654
State Sources	\$ 6,677	\$ 4,476	\$ 12,312	\$ 4,578	\$ 30,066	\$ 12,889	\$ 8,425	\$ 6,603	\$ 16,999	\$ 6,559				109,584
Federal Sources														329,814
TOTAL REVENUES	6,677	4,476	12,312	4,578	30,066	12,889	8,425	6,603	16,999	6,559	6,464	20,172	18	466,052
EXPENDITURES:														
Instruction:														
Salaries														21,684
Other Salaries														72,574
Purchased Prof. & Tech Svcs			12,312			12,889	8,425	6,603	16,999					81,242
Tuition														35,000
General Supplies				4,578							6,464			51,430
Textbooks		4,476												4,476
Total Instruction	-	4,476	12,312	4,578	-	12,889	8,425	6,603	16,999	-	6,464	-	-	266,406
Support Services:														
Salaries of Other Prof. Staff														20,744
Purchased Profess. Tech. Svcs					30,066									121,820
Supplies and Materials										6,559				30,215
Student Activities												19,977		19,977
Scholarship Awards													100	100
Total Support Services	-	-	-	-	30,066	-	-	-	-	6,559	-	19,977	100	192,856
Facilities Acq. and Const. Services:														
Buildings	6,677													6,677
Total Facilities Acq. and Const. Svs	6,677	-	-	-	-	-	-	-	-	-	-	-	-	6,677
TOTAL EXPENDITURES	\$ 6,677	\$ 4,476	\$ 12,312	\$ 4,578	\$ 30,066	\$ 12,889	\$ 8,425	\$ 6,603	\$ 16,999	\$ 6,559	\$ 6,464	\$ 19,977	\$ 100	\$ 465,939
Total Outflows	\$ 6,677	\$ 4,476	\$ 12,312	\$ 4,578	\$ 30,066	\$ 12,889	\$ 8,425	\$ 6,603	\$ 16,999	\$ 6,559	\$ 6,464	\$ 19,977	\$ 100	\$ 465,939
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	-	-	-	195	(82)	113
Fund Balance Beginning	-	-	-	-	-	-	-	-	-	-	-	40,045	10,144	50,189
Prior Period Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balance Beginning (Restated)	-	-	-	-	-	-	-	-	-	-	-	40,045	10,144	50,189
Fund Balance Ending	-	-	-	-	-	-	-	-	-	-	-	\$ 40,240	\$ 10,062	\$ 50,302

**CAPITAL PROJECTS FUND
DETAIL STATEMENTS**

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

N/A

**PROPRIETARY FUND
DETAIL STATEMENTS**

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

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

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

**FIDUCIARY FUND
DETAIL STATEMENTS**

Fiduciary Funds are defined by GASB No. 84 as four funds. (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds.

N/A

LONG-TERM DEBT SCHEDULES

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

N/A

Hampton Township School District
Statistical Section

<u>Contents</u>	<u>Page</u>
Financial Trends (J-1 thru J-5) These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	87-92
Revenue Capacity (J-6 thru J-9) These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	93-96
Debt Capacity (J-10 thru J-13) These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	97-100
Demographic and Economic Information (J-14 and J-15) These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	101-102
Operating Information (J-16 thru J-20) These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	103-107

Sources:

Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports (ACFR) for the relevant year.

Hampton Township School District
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-1

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Invested in capital assets, net of related debt	\$ 2,377,259	\$ 2,960,193	\$ 3,269,225	\$ 3,131,971	\$ 2,977,368	\$ 2,910,932	\$ 3,381,758	\$ 3,256,529	\$ 3,423,964	\$ 4,094,481
Restricted	1,275,018	1,143,916	1,173,170	1,561,605	1,969,146	2,190,335	2,472,552	3,332,251	3,023,309	2,639,163
Unrestricted	404,864	(681,362)	(927,121)	(1,053,036)	(1,212,942)	(1,083,126)	(1,077,112)	(1,091,526)	(114,134)	(476,566)
Total governmental activities net assets	<u>\$ 4,057,141</u>	<u>\$ 3,422,747</u>	<u>\$ 3,515,274</u>	<u>\$ 3,640,540</u>	<u>\$ 3,733,572</u>	<u>\$ 4,018,141</u>	<u>\$ 4,777,198</u>	<u>\$ 5,497,254</u>	<u>\$ 6,333,139</u>	<u>\$ 6,257,078</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ 1,320	\$ 444	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	24,282	31,180	\$ 27,147	\$ 21,881	\$ 9,293	\$ 10,588	\$ 11,462	\$ 22,380	\$ 56,984	\$ 84,225
Total business-type activities net assets	<u>\$ 25,602</u>	<u>\$ 31,624</u>	<u>\$ 27,147</u>	<u>\$ 21,881</u>	<u>\$ 9,293</u>	<u>\$ 10,588</u>	<u>\$ 11,462</u>	<u>\$ 22,380</u>	<u>\$ 56,984</u>	<u>\$ 84,225</u>
District-wide										
Invested in capital assets, net of related debt	\$ 2,378,579	\$ 2,960,637	\$ 3,269,225	\$ 3,131,971	\$ 2,977,368	\$ 2,910,932	\$ 3,381,758	\$ 3,256,529	\$ 3,423,964	\$ 4,094,481
Restricted	1,275,018	1,143,916	1,173,170	1,561,605	1,969,146	2,190,335	2,472,552	3,332,251	3,023,309	2,639,163
Unrestricted	429,146	(650,182)	(899,974)	(1,031,155)	(1,203,649)	(1,072,538)	(1,065,650)	(1,069,146)	(57,150)	(392,341)
Total district net assets	<u>\$ 4,082,743</u>	<u>\$ 3,454,371</u>	<u>\$ 3,542,421</u>	<u>\$ 3,662,421</u>	<u>\$ 3,742,865</u>	<u>\$ 4,028,729</u>	<u>\$ 4,788,660</u>	<u>\$ 5,519,634</u>	<u>\$ 6,390,123</u>	<u>\$ 6,341,303</u>

Source: ACFR Schedule A-1

Hampton Township School District
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities										
Instruction										
Regular	\$ 3,119,484	\$ 3,553,719	\$ 3,393,385	\$ 3,760,966	\$ 3,942,106	\$ 3,555,900	\$ 3,554,497	\$ 3,982,074	\$ 3,282,294	\$ 3,416,508
Special education	578,897	674,713	787,678	904,390	851,283	774,133	913,979	1,308,796	1,244,628	1,076,517
Other special education	382,650	471,336	481,866	547,589	546,870	519,820	375,687	25,007	11,677	17,281
School Sponsored Other Instruction										
Support Services:										
Tuition	112,915	125,405	179,243	305,542	235,476	226,702	23,091	-	25,641	62,327
Student & instruction related services	722,836	808,667	1,007,992	1,212,671	1,294,401	1,064,330	1,095,020	1,112,840	1,284,190	1,410,178
General administrative services	469,626	416,991	439,300	382,713	481,110	509,655	463,388	487,683	502,997	488,415
School administrative services	220,089	336,429	384,221	298,051	378,560	368,761	334,683	353,957	332,085	301,345
Plant operations and maintenance	628,046	687,767	760,316	809,654	974,293	808,591	750,481	920,841	813,534	792,327
Pupil transportation	384,063	348,315	344,443	396,276	396,168	362,874	372,820	314,185	381,384	432,899
Other Support Services										
Charter Schools	35,782	84,255	103,269	90,852	48,129	50,434	36,677	62,039	4,417	-
Interest on long-term debt										
Unallocated Depreciation										
Total governmental activities expenses	<u>6,654,388</u>	<u>7,507,597</u>	<u>7,881,713</u>	<u>8,708,704</u>	<u>9,148,396</u>	<u>8,241,200</u>	<u>7,920,323</u>	<u>8,567,422</u>	<u>7,882,847</u>	<u>7,997,797</u>
Business-type activities:										
Food service	152,979	108,536	109,890	106,846	109,643	90,928	69,046	73,849	132,004	114,450
Total business-type activities expense	<u>114,231</u>	<u>108,536</u>	<u>109,890</u>	<u>106,846</u>	<u>109,643</u>	<u>90,928</u>	<u>69,046</u>	<u>73,849</u>	<u>132,004</u>	<u>114,450</u>
Total district expenses	<u>\$ 6,768,619</u>	<u>\$ 7,616,133</u>	<u>\$ 7,991,603</u>	<u>\$ 8,815,550</u>	<u>\$ 9,258,039</u>	<u>\$ 8,332,128</u>	<u>\$ 7,989,369</u>	<u>\$ 8,641,271</u>	<u>\$ 8,014,851</u>	<u>\$ 8,112,247</u>
Program Revenues										
Governmental activities:										
Operating grants and contributions	\$ 2,023,045	\$ 2,854,253	\$ 2,862,992	\$ 3,548,492	\$ 3,908,692	\$ 3,050,879	\$ 2,719,334	\$ 3,472,766	\$ 2,778,684	\$ 1,902,404
Charges for Services							103,852	137,568	160,913	102,365
Total governmental activities program revenues	<u>2,023,045</u>	<u>2,854,253</u>	<u>2,862,992</u>	<u>3,548,492</u>	<u>3,908,692</u>	<u>3,050,879</u>	<u>2,823,186</u>	<u>3,610,334</u>	<u>2,939,597</u>	<u>2,004,769</u>
Business-type activities:										
Charges for services										
Food service	77,863	78,081	72,855	69,438	64,354	66,528	48,211	890	8,876	67,159
Operating grants and contributions	36,630	34,827	32,416	32,085	32,662	25,675	20,526	78,868	157,683	74,184
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	<u>114,493</u>	<u>112,908</u>	<u>105,271</u>	<u>101,523</u>	<u>97,016</u>	<u>92,203</u>	<u>68,737</u>	<u>79,758</u>	<u>166,559</u>	<u>141,343</u>
Total district program revenues	<u>\$ 2,133,538</u>	<u>\$ 2,967,161</u>	<u>\$ 2,968,263</u>	<u>\$ 3,650,015</u>	<u>\$ 4,005,708</u>	<u>\$ 3,143,082</u>	<u>\$ 2,891,923</u>	<u>\$ 3,690,092</u>	<u>\$ 3,106,156</u>	<u>\$ 2,146,112</u>

Continued

Hampton Township School District
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Net (Expense)/Revenue										
Governmental activities	\$ (4,635,343)	\$ (4,653,344)	\$ (5,018,721)	\$ (5,160,212)	\$ (5,239,704)	\$ (5,190,321)	\$ (5,097,137)	\$ (4,957,088)	\$ (4,943,250)	\$ (5,993,028)
Business-type activities	(38,486)	4,372	(4,619)	(5,323)	(12,627)	1,275	(309)	5,909	34,555	26,893
Total district-wide net expense	<u>\$ (4,673,829)</u>	<u>\$ (4,648,972)</u>	<u>\$ (5,023,340)</u>	<u>\$ (5,165,535)</u>	<u>\$ (5,252,331)</u>	<u>\$ (5,189,046)</u>	<u>\$ (5,097,446)</u>	<u>\$ (4,951,179)</u>	<u>\$ (4,908,695)</u>	<u>\$ (5,966,135)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 4,918,611	\$ 5,014,032	\$ 5,112,125	\$ 5,213,151	\$ 5,311,680	\$ 5,401,978	\$ 5,535,263	\$ 5,645,968	\$ 5,758,887	\$ 5,874,065
Transfers in/(out)	-	-	-	-	-	-	(1,000)	(5,000)	-	-
Unrestricted grants and contributions	308,923	233,294	(75,606)	11,629	(9,367)	-	-	-	-	-
Investment earnings	3,382	3,176	3,803	4,114	5,028	5,418	5,310	6,268	6,268	14,144
Miscellaneous income	47,595	36,586	70,926	66,834	25,395	67,494	136,413	29,908	13,980	28,758
Total governmental activities	<u>5,278,511</u>	<u>5,287,088</u>	<u>5,111,248</u>	<u>5,295,728</u>	<u>5,332,736</u>	<u>5,474,890</u>	<u>5,675,986</u>	<u>5,677,144</u>	<u>5,779,135</u>	<u>5,916,967</u>
Business-type activities:										
Transfers in/(out)							1000	5000	0	-
Investment earnings	2,147	1,650	142	57	39	20	183	9	49	348
Total business-type activities	<u>2,147</u>	<u>1,650</u>	<u>142</u>	<u>57</u>	<u>39</u>	<u>20</u>	<u>1,183</u>	<u>5,009</u>	<u>49</u>	<u>348</u>
Total district-wide	<u>\$ 5,280,658</u>	<u>\$ 5,288,738</u>	<u>\$ 5,111,390</u>	<u>\$ 5,295,785</u>	<u>\$ 5,332,775</u>	<u>\$ 5,474,910</u>	<u>\$ 5,677,169</u>	<u>\$ 5,682,153</u>	<u>\$ 5,779,184</u>	<u>\$ 5,917,315</u>
Change in Net Position										
Governmental activities	\$ 643,168	\$ 633,744	\$ 92,527	\$ 135,516	\$ 93,032	\$ 284,569	\$ 578,849	\$ 720,056	\$ 835,885	\$ (76,061)
Business-type activities	(36,339)	6,022	(4,477)	(5,266)	(12,588)	1,295	874	10,918	34,604	27,241
Total district	<u>\$ 606,829</u>	<u>\$ 639,766</u>	<u>\$ 88,050</u>	<u>\$ 130,250</u>	<u>\$ 80,444</u>	<u>\$ 285,864</u>	<u>\$ 579,723</u>	<u>\$ 730,974</u>	<u>\$ 870,489</u>	<u>\$ (48,820)</u>

Source: ACFR Schedule A-2

Hampton Township School District
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

Exhibit J-3

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Fund										
Reserved	\$ 1,415,065	\$ 1,404,149	\$ 1,401,361	\$ 1,729,180	\$ 2,008,473	\$ 2,250,111	\$ 2,488,675	\$ 3,309,744	\$ 3,764,576	\$ 2,774,880
Unreserved	125,638	127,107	140,817	143,618	135,264	136,280	168,604	194,685	223,481	311,162
Total general fund	<u>\$ 1,540,703</u>	<u>\$ 1,531,256</u>	<u>\$ 1,542,178</u>	<u>\$ 1,872,798</u>	<u>\$ 2,143,737</u>	<u>\$ 2,386,391</u>	<u>\$ 2,657,279</u>	<u>\$ 3,504,429</u>	<u>\$ 3,988,057</u>	<u>\$ 3,086,042</u>
All Other Governmental Funds										
Reserved							\$ 45,872	\$ 46,342	\$ 50,189	\$ 50,302
Unreserved, reported in:										
Capital projects fund	265,365	\$ 296,326	\$ 64,963	\$ 76,592	\$ 67,225	\$ 67,225	\$ 67,225	-	-	-
Total all other governmental funds	<u>265,365</u>	<u>\$ 296,326</u>	<u>\$ 64,963</u>	<u>\$ 76,592</u>	<u>\$ 67,225</u>	<u>\$ 67,225</u>	<u>\$ 113,097</u>	<u>\$ 46,342</u>	<u>\$ 50,189</u>	<u>\$ 50,302</u>

Source: ACFR Schedule B-1

**Hampton Township School District
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years**

Exhibit J-4

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Revenues										
Tax levy	\$ 4,918,611	\$ 5,014,032	\$ 5,112,125	\$ 5,213,151	\$ 5,311,680	\$ 5,401,978	\$ 5,535,263	\$ 5,645,968	\$ 5,758,887	\$ 5,874,065
Tuition							103,852	129,930	142,650	82,193
Miscellaneous	50,977	39,762	74,729	70,948	30,423	72,912	141,723	43,814	38,511	63,074
State sources	2,176,505	2,211,249	1,942,038	2,160,087	2,176,594	2,274,101	2,221,910	2,298,994	2,462,241	2,337,033
Federal sources	151,463	153,226	154,456	150,398	145,479	138,363	166,292	266,946	595,684	329,815
Total revenue	7,297,556	7,418,269	7,283,348	7,594,584	7,664,176	7,887,354	8,169,040	8,385,652	8,997,973	8,686,180
Expenditures										
Instruction										
Regular Instruction	2,679,066	2,613,757	2,460,703	2,506,581	2,551,961	2,609,055	2,546,820	2,657,184	2,538,033	2,808,659
Special education instruction	505,900	515,924	610,411	633,702	580,798	582,171	716,635	934,482	1,025,569	955,143
Other special instruction	334,399	360,410	373,422	383,693	373,109	390,920	294,570	17,855	9,622	15,333
Other instruction	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	112,915	125,405	179,243	305,542	235,476	226,702	23,091	-	25,641	62,327
Student & instruction related services	623,586	610,251	773,041	841,611	875,019	792,305	850,484	786,467	1,050,066	1,243,083
General administrative services	429,037	370,641	407,824	319,185	348,440	366,842	365,544	379,863	405,467	420,708
School Administrative services	189,445	245,938	286,437	197,528	246,962	266,004	251,104	241,411	262,322	256,054
Plant operations and maintenance	547,202	524,257	567,847	545,961	640,508	583,869	564,224	621,490	588,753	621,399
Pupil transportation	384,063	348,315	344,443	396,276	396,168	362,874	372,820	314,185	381,384	432,899
Unallocated employee benefits	740,651	850,146	855,056	978,113	1,077,487	1,242,121	1,293,564	1,467,513	1,763,187	1,751,212
Other Support Services										
Charter Schools	35,782	84,255	103,269	90,852	48,129	50,434	36,677	62,039	4,417	-
Capital outlay	191,058	747,456	542,093	53,291	28,547	171,403	715,955	117,768	456,037	1,021,265
Debt service:	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-	-	-	-
Total expenditures	6,773,104	7,396,755	7,503,789	7,252,335	7,402,604	7,644,700	8,031,488	7,600,257	8,510,498	9,588,082
Excess (Deficiency) of revenues over (under) expenditures	524,452	21,514	(220,441)	342,249	261,572	242,654	137,552	785,395	487,475	(901,902)
Other Financing Sources (uses)										
Capital Leases										
Proceeds of Refunding Bonds										
Payment to Refunded Bond Escrow										
Transfers in	162,500	(7,500)	503,000	-	-	-	-	-	-	-
Transfers out	(162,500)	7,500	(503,000)	-	-	-	(1,000)	(5,000)	-	-
Total other financing sources (uses)	-	-	-	-	-	-	(1,000)	(5,000)	-	-
Net change in fund balances	\$ 524,452	\$ 21,514	\$ (220,441)	\$ 342,249	\$ 261,572	\$ 242,654	\$ 136,552	\$ 780,395	\$ 487,475	\$ (901,902)
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: ACFR Schedule B-2

HAMPTON TOWNSHIP SCHOOL DISTRICT

GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED

Exhibit J-5

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Prior Year</u> <u>Refunds</u>	<u>Tuition</u>	<u>Miscellaneous</u>	<u>Total</u>
2014	\$ 3,382	\$ 22,354	\$ 25,554	\$ (542)	\$ 50,748
2015	3,176	15,830	20,756	-	39,762
2016	3,803	21,402	12,566	36,958	74,729
2017	4,114	6,584	46,145	11,426	68,269
2018	5,028	24,190	-	466	29,684
2019	5,418	3,692	55,442	1,968	66,520
2020	5,310				5,310
2021	6,268	7,430	129,930	19,730	163,358
2022	6,268	6,007	142,650	1,330	156,255
2023	14,144	386	82,193	22,403	119,126

SOURCE: District Records

Hampton Township School District
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years

Exhibit J-6

Calendar Year Ended Dec 31	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Total Assessed Value	Less: Tax- Exempt Property	Public Utilities a	Net Valuation Taxable	Total Direct School Tax Rate b	Estimated Actual (County Equalized Value)
2014	\$7,725,600	\$286,376,000	\$25,348,100	\$1,455,300	\$69,563,900	\$335,000	\$442,174,466	\$50,790,250	\$580,316	\$391,384,216	\$1.250	\$649,164,659
2015	13,338,500	431,439,000	35,787,600	1,044,400	124,062,900	558,000	683,597,955	76,404,400	963,155	607,193,555	0.818	611,266,258
2016	13,984,000	433,957,400	32,694,700	1,003,300	123,065,400	548,000	684,527,488	78,220,500	1,054,188	606,306,988	0.835	631,368,182
2017	13,095,800	433,588,100	33,709,700	1,008,400	122,572,200	548,000	683,548,622	78,022,300	1,004,122	605,526,322	0.853	630,209,749
2018	12,400,600	432,598,600	34,224,600	1,045,600	122,911,600	548,000	682,198,600	78,469,600	-	603,729,000	0.872	636,367,807
2019	12,389,400	433,111,100	34,440,400	878,200	122,911,600	548,000	683,886,600	79,607,900	-	604,278,700	0.872	604,275,700
2020	12,074,900	432,891,200	35,749,400	909,100	121,539,600	548,000	683,535,000	79,822,800	-	603,712,200	0.906	662,136,803
2021	12,453,500	432,252,900	36,153,000	842,500	122,846,100	548,000	685,300,200	80,204,200	-	605,096,000	0.924	680,823,136
2022	12,414,700	431,791,100	36,218,400	851,000	122,739,100	1,908,700	686,614,800	80,691,800	-	605,923,000	0.941	680,028,726
2023	11,923,300	434,178,500	36,615,000	829,200	121,865,700	1,908,700	687,844,700	80,524,300	-	607,320,400	0.958	607,320,400

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

**Hampton Township School District
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years**

Exhibit J-7

(rate per \$100 of assessed value)

	<u>Hampton Township School District</u>		<u>Overlapping Rates</u>			<u>Total Direct and Overlapping Tax Rate</u>
	<u>Basic Rate ^a</u>	<u>Total Direct</u>	Regional School District	<u>Township</u>	<u>Sussex County</u>	
Calendar Year Ended Dec 31						
2014	\$1.250	\$1.250	\$1.224	\$0.626	\$0.821	\$3.921
2015	\$0.818	\$0.818	\$0.805	\$0.410	\$0.525	\$2.558
2016	\$0.835	\$0.835	\$0.804	\$0.412	\$0.537	\$2.588
2017	\$0.853	\$0.853	\$0.853	\$0.479	\$0.575	\$2.811
2018	\$0.872	\$0.872	\$0.885	\$0.484	\$0.601	\$2.842
2019	\$0.872	\$0.872	\$0.885	\$0.484	\$0.601	\$2.842
2020	\$0.906	\$0.906	\$0.921	\$0.495	\$0.636	\$2.958
2021	\$0.924	\$0.924	\$0.907	\$0.496	\$0.658	\$2.985
2022	\$0.941	\$0.941	\$0.902	\$0.496	\$0.658	\$2.997
2023	\$0.958	\$0.958	\$0.929	\$0.515	\$0.682	\$3.084

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 calculated as follows: the prebudget year net budget increased by the cost of living or 2.5%, whichever is greater, plus any spending growth adjustments.

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.

**Hampton Township School District
Principal Property Tax Payers,
Current Year and Nine Years Ago**

Exhibit J-8

Hampton Township

Taxpayer	2023			2013		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Kere Associates, LLC	15,962,300	1	2.16%			
Wal-Mart Stores	12,990,000	2	2.14%	12,437,700	1	3.58%
Lowe's Home Improvements	15,600,000	3	2.12%			
1-7 Route 206, LLC	8,832,200	4	1.67%			
Ephemeral Realty	8,832,200	5	1.45%			
9-13 Route 206, LLC	5,280,200	6	1.08%			
Sussex County Realty, LLC	5,280,200	7	1.00%			
Carriage Mobile Homes	3,880,000	8	0.64%	2,037,400	7	0.59%
McGuire Hampton Realty	3,179,000	9	0.52%			
Route 206 Northbound, LLC	2,498,100	10	0.43%			
Individual Taxpayer #1				7,748,600	2	2.23%
Susan Elizabeth Shopping Center				5,157,700	3	1.49%
Condit Motors				4,667,700	4	1.34%
Individual Taxpayer #2				3,264,600	5	0.94%
Salerno-Duane				2,113,400	6	0.61%
Toyota Motor Sales				2,002,800	8	0.58%
BPA Realty				1,928,100	9	0.56%
Individual Taxpayer #3				1,732,500	10	0.50%
Total	\$ 82,334,200		13.21%	\$ 43,090,500		12.42%

Source: District ACFR & Municipal Tax Assessor

**Hampton Township School District
Property Tax Levies and Collections,
Last Ten Fiscal Years**

Exhibit J-9

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	\$ 4,918,611	\$ 4,918,611	100.00%	-
2015	\$ 5,014,032	\$ 5,014,032	100.00%	-
2016	\$ 5,112,125	\$ 5,112,125	100.00%	-
2017	\$ 5,213,151	\$ 5,213,151	100.00%	-
2018	\$ 5,311,680	\$ 5,311,680	100.00%	-
2019	\$ 5,401,978	\$ 5,401,978	100.00%	-
2020	\$ 5,535,263	\$ 5,535,263	100.00%	-
2021	\$ 5,645,968	\$ 5,645,968	100.00%	-
2022	\$ 5,758,887	\$ 5,758,887	100.00%	-
2023	\$ 5,874,065	\$ 5,874,065	100.00%	-

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, in is the amount voted upon or certified prior to the end of the school year.

**Hampton Township School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2014	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2015	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2016	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2017	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2018	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2019	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2020	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2021	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2022	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2023	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

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 NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- b** Includes Early Retirement Incentive Plan (ERIP) refunding

Hampton Township School District
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Exhibit J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2014	-0-	-0-	-0-	N/A	N/A
2015	-0-	-0-	-0-	N/A	N/A
2016	-0-	-0-	-0-	N/A	N/A
2017	-0-	-0-	-0-	N/A	N/A
2018	-0-	-0-	-0-	N/A	N/A
2019	-0-	-0-	-0-	N/A	N/A
2020	-0-	-0-	-0-	N/A	N/A
2021	-0-	-0-	-0-	N/A	N/A
2022	-0-	-0-	-0-	N/A	N/A
2023	-0-	-0-	-0-	N/A	N/A

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

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-14.

* Current data unavailable

**Hampton Township School District
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2023**

Exhibit J-12

<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			
Hampton Township	None	100.000%	None
Other debt			
Sussex County	95,444,925	3.858%	<u>\$ 3,682,674</u>
Subtotal, overlapping debt			3,682,674
Hampton Township School District Direct Debt			<u>-</u>
Total direct and overlapping debt			<u><u>\$ 3,682,674</u></u>

Sources: Constituent Townships Finance Officers, Sussex County Finance Office and Utility Authorities

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 the district. 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.

Hampton Township School District
 Legal Debt Margin Information,
 Last Ten Fiscal Years

Exhibit J-13

Legal Debt Margin Calculation for Fiscal Year 2023

	Equalized valuation basis	
	2020	\$ 677,371,544
	2021	733,296,624
	2022	796,381,327
	[A]	<u>\$ 2,207,049,495</u>
Average equalized valuation of taxable property	[A/3]	\$ 735,683,165
Debt limit (2.5% of average equalization value)	[B]	18,392,079
Net bonded school debt	[C]	-
Legal debt margin	[B-C]	<u>\$ 18,392,079</u>

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Debt limit	\$16,205,529	\$15,702,353	\$15,548,328	\$15,775,905	\$15,894,073	\$16,168,611	\$16,519,423	\$16,799,995	\$17,401,960	\$18,392,079
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$16,205,529</u>	<u>\$15,702,353</u>	<u>\$15,548,328</u>	<u>\$15,775,905</u>	<u>\$15,894,073</u>	<u>\$16,168,611</u>	<u>\$16,519,423</u>	<u>\$16,799,995</u>	<u>\$17,401,960</u>	<u>\$18,392,079</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

a Limit set by NJSA 18A:24-19 for a K through 6 district; other % limits would be applicable for other districts

**Hampton Township School District
Demographic and Economic Statistics
Last Ten Fiscal Years**

Exhibit J-14

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income (thousands of dollars) ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2014	5,045	\$267,320,358	\$54,116 R	6.0%
2015	5,001	\$278,650,437	\$55,722 R	5.3%
2016	4,945	\$276,042,078	\$57,327 R	4.1%
2017	4,907	\$273,433,719	\$59,144 R	4.1%
2018	4,883	\$275,071,968	\$61,531 R	3.4%
2019	4,872	\$288,210,717	\$64,284 R	2.9%
2020	4,847	\$299,027,394	\$67,814 R	8.3%
2021	4,817	\$307,247,528	\$71,059 R	4.8%
2022	4,914	\$333,237,996	\$71,059 *	3.6%
2023	4,906	\$348,615,454	\$71,059 *	*

Source:

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

^b Personal Income provided by US Dept of Commerce

^c Per Capita provided by NJ Dept of Labor

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

R =Revised

P =Projected

* Current figure unavailable

**Hampton Township School District
Principal Employers,
Current Year and Nine Years Ago**

Exhibit J-15

Employer	2023			2014		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
		N/A			N/A	
	-		0.00%	-		0.00%

Source:
Information not available at municipal or county level

**Hampton Township School District
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years**

Exhibit J-16

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Instruction										
Regular	29.0	31.2	29.7	29.7	29.7	29.7	27.3	28.3	28.8	27.6
Special education	7.1	5.7	6.7	6.7	6.7	6.7	8.5	9.8	10.8	10.0
Other Special Education	2.0	4.5	4.7	4.7	3.7	3.7	10.5	8.2	2.0	1.0
Other Instruction	3.0	3.2	3.2	3.2	3.2	3.2	6.4	4.6	3.2	1.0
Support Services:										
Student & instruction related services	8.0	5.6	5.6	5.6	5.6	5.6	3.2	7.1	14.5	20.5
School administrative services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.5	2.5
General administrative services	2.0	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.3
Plant operations and maintenance	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.1
Business and Other Support Services	2.0	2.0	2.0	2.0	2.0	2.0	1.7	1.8	1.8	1.8
Total	60.1	60.4	60.1	60.1	59.1	59.1	65.8	68.0	68.8	69.8

Source: District Personnel Records

**Hampton Township School District
Operating Statistics
Last Ten Fiscal Years**

Exhibit J-17

Fiscal Year	Enrollment	Operating Expenditures^a	Cost Per Pupil	Percentage Change	Teaching Staff^b	Pupil/Teacher Ratio	Average Daily Enrollment (ADE)^c	Average Daily Attendance (ADA)^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2014	325	\$ 6,582,046	\$ 20,252	3.48%	40.30	8.1:1	325.1	312.4	-5.80%	96.09%
2015	315	6,649,299	21,109	4.23%	40.30	7.8:1	315.6	303.6	-2.92%	96.20%
2016	292	6,961,696	23,841	12.94%	40.30	7.2:1	293.2	280.8	-7.11%	95.80%
2017	290	7,199,044	24,824	4.12%	40.30	7.2:1	288.4	274.1	-1.63%	95.04%
2018	290	7,374,057	25,428	2.43%	39.30	7.4:1	280.8	270.0	-2.64%	96.15%
2019	286	7,473,297	26,130	2.76%	39.30	9.2:1	278.4	267.8	-0.85%	96.19%
2020	325	7,315,533	22,509	-13.86%	35.83	9.1:1	321.0	311.0	15.30%	96.88%
2021	328	7,482,489	22,812	1.35%	38.10	8.6:1	312.5	303.2	-2.65%	97.02%
2022	302	8,054,461	26,670	16.91%	39.60	7.6:1	300.4	238.8	-3.87%	79.49%
2023	315	8,566,817	27,196	1.97%	37.59	8.4:1	315.1	296.2	4.89%	94.02%

Sources: District records, ASSA and Schedules J-4.

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**Hampton Township School District
School Building Information
Last Ten Fiscal Years**

Exhibit J-18

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>District Building</u>										
<u>Elementary</u>										
Marion Emmons McKeown School (1972, 1992)										
Square Feet	60,900	60,900	60,900	60,900	60,900	60,900	60,900	60,900	60,900	60,900
Capacity (students)	474	474	474	474	474	474	474	474	474	474
Enrollment	332	316	292	290	290	286	325	328	302	315

Number of Schools at June 30, 2023
Elementary = 1

Source: District Facilities Office

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

Hampton Township School District

**GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
Last Ten Fiscal Years Ending June 30, 2023**

Exhibit J-19

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

<u>School Facilities</u>	<u>Project #</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Total</u>
Marion Emmons KcKeown School	N/A	\$ 30,909	\$ 26,433	\$ 138,304	\$ 104,255	\$ 107,401	\$ 115,325	\$ 97,861	\$ 117,663	\$ 66,331	\$ 120,992	\$ 925,474
Grand Total		\$ 30,909	\$ 26,433	\$ 138,304	\$ 104,255	\$ 107,401	\$ 115,325	\$ 97,861	\$ 117,663	\$ 66,331	\$ 120,992	\$ 925,474

HAMPTON TOWNSHIP SCHOOL DISTRICT

INSURANCE SCHEDULE

June 30, 2023

UNAUDITED

Exhibit J-20

<u>POLICY TYPE</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
COMMERCIAL PACKAGE POLICY - NJSIG		
Property-Blanket Building and Contents (fund limit)	\$ 500,000,000	\$ 1,000
LIABILITY - NJSIG		
Comprehensive General Liability	11,000,000	None
Automobile Liability	11,000,000	None
Worker's Compensation	NJ Statutory	
SCHOOL BOARD LEGAL LIABILITY - NJSIG		
Limit of Liability	10,000,000	5,000
Coverage A	10,000,000	5,000
Coverage B	1,000,000	5,000
CRIME - NJSIG		
Blanket Employee Dishonesty	1,000,000	1,000
Forgery	1,000,000	1,000
Computer Fraud	250,000	1,000
Money and Securities	100,000	500
PUBLIC EMPLOYEES' FAITHFUL PERFORMANCE		
BLANKET POSITION BOND-Selective Insurance Company		
School Board Administrator & Treasurer	200,000	None
ENVIRONMENTAL SERVICE - NJSIG		
Environmental Impairment	1,000,000	Various

SOURCE: District Records

Single Audit Section



ARDITO & COMPANY LLC

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Anthony Ardito, CPA, RMA, CMFO, PSA

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditor's Report

Honorable President and
 Members of the Board of Education
 Hampton Township School District
 County of Sussex
 Newton, New Jersey 07860

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 Hampton Township School District Board of Education in the County of Sussex, 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 Hampton Township School District Board of Education's basic financial statements, and have issued our report thereon dated October 26, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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.

-Continued-

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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** or 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 for New Jersey Department of Education use, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with **Government Auditing Standards** in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ardito & Company LLC

ARDITO & COMPANY LLC

Frenchtown, New Jersey

October 26, 2023

Anthony Ardito

Anthony Ardito

Certified Public Accountant

Licensed Public School Accountant No. 2369

ARDITO & COMPANY LLC

Frenchtown, New Jersey

October 26, 2023



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Anthony Ardito, CPA, RMA, CMFO, PSA

Independent Auditor's Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by New Jersey OMB circular 15-08

Honorable President and
 Members of the Board of Education
 Hampton Township School District
 County of Sussex
 Newton, New Jersey 07860

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Hampton Township School District Board of Education's compliance with the types of compliance requirements described in the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2023. The Hampton Township School District Board of Education's major 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 Hampton Township School District Board of Education 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 state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major 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; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards, and New Jersey 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 Hampton Township School District Board of Education, 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 opinion on compliance for each major state program. Our audit does not provide a legal determination of the Hampton Township School District Board of Education's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's state programs.

-Continued-

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 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***, and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, ***Government Auditing Standards***, and New Jersey OMB 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the 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 New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of 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 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 program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

-Continued-

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 New Jersey OMB circular 15-08, and for New Jersey Department of Education use. Accordingly, this report is not suitable for any other purpose.

Ardito & Company LLC

ARDITO & COMPANY LLC

Frenchtown, New Jersey

October 26, 2023

Anthony Ardito

Anthony Ardito

Certified Public Accountant

Licensed Public School Accountant No. 2369

ARDITO & COMPANY LLC

Frenchtown, New Jersey

October 26, 2023

Hampton Township School District

Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2023

Schedule A

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing No.	FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance At June 30, 2022	Carryover/ Walkover Amount	Cash Received	Budgetary Expenditures	Adjust.	Repayment of Prior Years' Balances	Balance at June 30, 2023			Cumulative Total Expenditures
					From	To							Accounts Receivable	Deferred Revenue	Due to Grantor	
U.S. Department of Education																
Passed-through																
State Department of Education:																
Special Revenue Fund:																
Title I	84.010	S010A220030	N/A	\$ 3,376	7/1/22	6/30/23		\$ (527)		\$ (66)			\$ (3,903)	\$ 3,310		\$ 66
Title I	84.010	S010A210030	N/A	37,557	7/1/21	6/30/22	\$ (10,077)	527	\$ 31,168	(21,618)						37,557
Title II (A)	84.367	S367B220027	N/A	5,638	7/1/22	6/30/23			2,217	(4,698)			(3,421)	940		4,698
Title II (A)	84.367	S367B210027	N/A	5,826	7/1/21	6/30/22	(625)		6,451	(5,826)				-		5,826
Title IV	84.424A	S424B220027	N/A	10,000	7/1/22	6/30/23			10,000	(10,000)						10,000
Title IV	84.424A	S424B210027	N/A	10,000	7/1/21	6/30/22	(4,738)		5,842	(1,104)						10,000
Total ESEA							(15,440)	-	55,678	(43,312)	-	-	(7,324)	4,250	-	68,147
I.D.E.A. Part B, Basic Regular	84.027	H027A220100	N/A	104,694	7/1/22	6/30/23			89,075	(91,223)			(15,619)	13,471		91,223
I.D.E.A. Part B, Basic Regular	84.027	H027A210100	N/A	96,913	7/1/21	6/30/22	(8,679)		25,286	(16,607)						96,913
I.D.E.A. Part B, Preschool	84.173	H173A220114	N/A	10,294	7/1/22	6/30/23			10,294	(10,294)						10,294
Total Special Education Cluster							(8,679)	-	124,655	(118,124)	-	-	(15,619)	13,471	-	198,430
Small Rural School Achievement	84.358A	S358B220030	S358A222717	35,430	7/1/22	9/30/23			24,176	(25,181)			(11,254)	10,249		25,181
							-	-	24,176	(25,181)	-	-	(11,254)	10,249	-	25,181
American Rescue Plan-ESSER III	84.425U	S425U220027	ARP	222,597	3/13/20	9/30/24	(127,793)		169,943	(42,150)						222,597
American Rescue Plan-Accel. Learn. Coaching & Ed. Support	84.425U	S425U220027	ARP	50,000	3/13/20	9/30/24	(18,056)		18,056	-						50,000
American Rescue Plan-Evidence Based Summer Learning	84.425U	S425U220027	ARP	40,000	3/13/20	9/30/24	(6,618)		22,073	(15,455)			(17,927)	17,927		22,073
American Rescue Plan-Evidence Based Beyond the Sch. Day	84.425U	S425U220027	ARP	40,000	3/13/20	9/30/24	(6,475)		28,483	(22,008)			(1,324)	1,324		38,676
American Rescue Plan-NJTSS Mental Health Support Staffing	84.425U	S425U220027	ARP	45,000	3/13/20	9/30/24	-		17,344	(20,359)			(22,656)	19,641		25,359
CRRSA ESSER II	84.425D	S425D220027	CRRSA	99,045	3/13/20	9/30/23	(5,317)		34,069	(28,751)	\$ (1)					99,045
CRRSA II Mental Health	84.425D	S425D220027	CRRSA	45,000	3/13/20	9/30/23	(2,671)		17,146	(14,474)	(1)					45,000
Total Education Stabilization Fund							(166,930)	-	307,114	(143,197)	(2)	-	(41,907)	38,892	-	502,750
Total Special Revenue Fund							(191,049)	-	511,623	(329,814)	(2)	-	(76,104)	66,862	-	794,508
Enterprise Fund:																
Child Nutrition Cluster:																
National School Lunch Program (Food Distribution)	10.555	221NJ304N1099	N/A		7/1/21	6/30/22	2,056			(2,056)						2,056
National School Lunch Program (Food Distribution)	10.555	231NJ304N1199	N/A	12,048	7/1/22	6/30/23			12,048	(8,641)				3,407		8,641
National School Lunch Program	10.555	221NJ304N1099	N/A		7/1/21	6/30/22	(8,482)		8,482							
National School Lunch Program	10.555	231NJ304N1199	N/A	33,174	7/1/22	6/30/23			31,675	(33,174)			(1,499)			33,174
Supply Chain Assistance Funding	10.555	231NJ344N8903	N/A	28,385	7/1/22	6/30/23			28,385	(28,385)						28,385
Total Enterprise Fund							(6,426)	-	80,590	(72,256)	-	-	(1,499)	3,407	-	72,256
TOTAL FEDERAL ASSISTANCE							\$ (197,475)		\$ 592,213	\$ (402,070)	\$ (2)		\$ (77,603)	\$ 70,269		\$ 866,764

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

Note: This Schedule was not subject to an audit in accordance with OMB Uniform Guidance.

Hampton Township School District

K-4

Schedule of Expenditures of State Financial Assistance
for the Fiscal Year Ended June 30, 2023

Schedule B

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE 6/30/2022	WALKOVER/ CARRY- OVER AMOUNT	CASH RECEIVED	BUDGETARY EXPEND.	ADJUST.	REPAY. OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2023			MEMO		
										(ACCTS. RECEIV.)	DEFER. REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPEND.	
STATE DEPARTMENT OF EDUCATION															
General Fund:															
Equalization Aid	23-495-034-5123-078	7/1/22-6/30/23	\$ 184,845			\$ 184,845	\$ (184,845)							* \$ 18,485	\$ 184,845
Transportation Aid	23-495-034-5123-014	7/1/22-6/30/23	167,978			167,978	(167,978)							* 16,798	167,978
Special Education Aid	23-495-034-5123-089	7/1/22-6/30/23	239,718			239,718	(239,718)							* 23,972	239,718
Security Aid	23-495-034-5123-084	7/1/22-6/30/23	32,162			32,162	(32,162)							* 3,216	32,162
Stabilization Aid	23-100-034-5120-494	7/1/22-6/30/23	31,660			31,660	(31,660)							* 31,660	31,660
Extra-ordinary Aid	22-495-034-5123-044	7/1/21-6/30/22	47,450	\$ (47,450)		47,450	-							* 47,450	47,450
Extra-ordinary Aid	23-495-034-5123-044	7/1/22-6/30/23	87,917			87,917	(87,917)		\$ (87,917)					* 87,917	87,917
Non-Public Transportation Aid	22-100-034-5123-068	7/1/21-6/30/22	3,900	(3,900)		3,900	-							* 3,900	3,900
Non-Public Transportation Aid	23-100-034-5123-068	7/1/22-6/30/23	4,056			4,056	(4,056)		(4,056)					* 4,056	4,056
On Behalf TPAF Pension	23-495-034-5094-002	7/1/22-6/30/23	993,466			993,466	(993,466)							* 993,466	993,466
On Behalf TPAF Pension PRM	23-495-034-5094-001	7/1/22-6/30/23	260,981			260,981	(260,981)							* 260,981	260,981
On Behalf TPAF Pension LTD Ins	23-495-034-5094-004	7/1/22-6/30/23	452			452	(452)							* 452	452
Reimbursed TPAF Soc. Secur. Contrib.	23-495-034-5094-003	7/1/22-6/30/23	215,939			215,939	(215,939)		(21,856)					* 215,939	215,939
Total General Fund				(73,515)		2,178,860	(2,219,174)		(113,829)					* 62,471	2,270,524
Special Revenue Fund															
N.J. Nonpublic Aid:															
Textbooks Aid	23-100-034-5123-064	7/1/22-6/30/23	7,194	13		7,194	(4,476)		\$ (13)				\$ 2,718	* 4,476	4,476
Nursing Services	23-100-034-5123-070	7/1/22-6/30/23	12,992	209		12,992	(12,312)		(209)				680	* 12,312	12,312
Technology Aid	23-100-034-5123-373	7/1/22-6/30/23	4,578	-		4,578	(4,578)		-				-	* 4,578	4,578
Security Aid	23-100-034-5123-509	7/1/22-6/30/23	30,135	-		30,135	(30,066)		-				69	* 30,066	30,066
Auxiliary Services:															
Compensatory Education	23-100-034-512a-067	7/1/22-6/30/23	136,387	1,074		136,387	(16,999)		(1,074)				119,388	* 16,999	16,999
Handicapped Services:															
Examination and Classification	23-100-034-512b-066	7/1/22-6/30/23	14,410	5,305		14,410	(12,889)		(5,305)				1,521	* 12,889	12,889
Corrective Speech	23-100-034-512a-066	7/1/22-6/30/23	32,550	2,325		32,550	(6,603)		(2,325)				25,947	* 6,603	6,603
Supplementary Instruction	23-100-034-512c-066	7/1/22-6/30/23	49,560	6,082		49,560	(8,425)		(6,082)				41,135	* 8,425	8,425
School Climate Change Pilot	Not Available	4/1/23-6/30/23	6,559			6,559	(6,559)							* 6,559	6,559
SDA Grant - Emergency and Capital Aid	Not Available	7/1/22-6/30/23	6,677			6,677	(6,677)							* 6,677	6,677
Total Special Revenue Fund				15,008	-	301,042	(109,584)	-	(15,008)	-	-	191,458	-	* -	109,584
Enterprise Fund:															
Nat. School Lunch Prog. (State Share)	22-100-010-3350-023	7/1/21-6/30/22		(195)		195								* 195	195
Nat. School Lunch Prog. (State Share)	23-100-010-3350-023	7/1/22-6/30/23	1,929			1,847	(1,929)		(82)					* 1,929	1,929
Total Enterprise Fund				(195)		2,042	(1,929)		(82)					* 1,929	1,929
TOTAL STATE FINANCIAL ASSISTANCE				\$ (58,702)	-	\$ 2,481,944	\$ (2,330,687)	-	\$ (15,008)	\$(113,911)	-	\$ 191,458	\$ 62,471	* \$ 2,382,037	\$ 2,382,037
Less On-behalf TPAF Pension Amounts:															
On Behalf TPAF Pension	23-495-034-5094-002						993,466								
On Behalf TPAF Pension PRM	23-495-034-5094-001						260,981								
On Behalf TPAF Pension LTD Ins	23-495-034-5094-004						452								
Total State Expenditures Subject to Major Program Determination							\$(1,075,788)								

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

NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE
JUNE 30, 2023

NOTE 1. GENERAL

The accompanying schedule of expenditures of state financial assistance includes federal and state award activity of the Board of Education, Hampton Township School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All state awards received directly from state agencies, as well as state financial assistance passed through other government agencies is included on the schedule of expenditure of 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. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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 *N.J.S.A.* 18A:22-44.2. 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. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A.* 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$17,292 for the general fund and (\$9,529) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE
 JUNE 30, 2023

NOTE 3. (Continued)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	-	\$ 2,236,466	\$ 2,236,466
Special Revenue Fund	\$ 329,815	100,567	430,382
Food Service Fund	<u>72,255</u>	<u>1,929</u>	<u>74,184</u>
Total Financial Assistance	<u>\$ 402,070</u>	<u>\$ 2,338,962</u>	<u>\$ 2,741,032</u>

NOTE 4. RELATIONSHIP TO STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related 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 amount 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 employer's share of social security contributions for TPAF members for the year ended June 30, 2023.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Section I - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified? ___ Yes x No

2) Were significant deficiencies identified that were not considered to be material weaknesses? ___ Yes x None Reported

Noncompliance material to financial statements noted? ___ Yes x No

Federal Awards

Not Applicable

Internal control over major programs:

1) Material weakness(es) identified? ___ Yes ___ No

2) Were significant deficiencies identified that were not considered to be material weaknesses? ___ Yes ___ None

Type of auditor's report issued on compliance for major programs: N/A

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of ? ___ Yes ___ No

Identification of major programs:

<u>Assistance Listing</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
---------------------------	-----------------------	---

N/A		

Dollar threshold used to distinguish between Type A and Type B programs: N/A

Auditee qualified as low-risk auditee? ___ Yes ___ No

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Financial Assistance Section

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

Auditee qualified as low-risk auditee? x Yes No

Internal Control over major programs:
1) Material weakness(es) identified? Yes x No

2) Were significant deficiencies identified that were not considered to be material weaknesses? Yes x No

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

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular letter 15-08 as applicable? Yes x No

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

23-495-034-5093-003

Reimbursed TPAF Soc.Secur.Contrib.

23-495-034-5122-078

State Aid Cluster:

Equalization Aid

23-495-034-5122-089

Special Education Aid

23-495-034-5122-084

Security Aid

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Section II-Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* requires reporting.

Financial Statement N/A

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

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

Federal Awards N/A

State Awards N/A

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

In accordance with *government auditing standards* , our procedures included a review of all prior year recommendations. There were no prior year findings.

N/A