

**SCHOOL DISTRICT OF
SOUTHAMPTON TOWNSHIP**

SOUTHAMPTON TOWNSHIP BOARD OF EDUCATION
Southampton, New Jersey
County of Burlington

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

ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF THE

SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT

SOUTHAMPTON, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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INTRODUCTORY SECTION

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SOUTHAMPTON TOWNSHIP SCHOOLS

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Michael L. Harris
Interim Superintendent

March 7, 2024

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

Dear Board Members/Citizens:

The Annual Comprehensive Financial Report (ACFR) of the Southampton Township School District for the fiscal year ended June 30, 2023, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Southampton Township School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the district as of June 30, 2023, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

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

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

Introductory Section:

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

Financial Section:

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

Statistical Section:

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

Single Audit Section:

The School District is required to undergo an annual Single Audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB’s Circular 15-08 OMB, “*Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*”. Information related to this Single Audit, including the independent auditor’s report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, are included in the Single Audit Section of this report.

REPORTING ENTITY AND ITS SERVICES

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

The School District provides a full range of educational services appropriate to grade levels Pre-K through 8. Our Kindergarten students participate in a full-day program that is further enhanced by the presence of an instructional assistant in each classroom to assist the students, teacher, and supplement instructional activities. In addition, the school District operates a pre-school program for student’s aged 3-5 who have special needs. A full array of support services including comprehensive special education programming, basic skills instruction, guidance services, and enrichment programs are available to our students. The School District’s enrollment as of October 15th for the past ten fiscal years are detailed below.

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Change</u>
2022-2023	687	-3.51%
2021-2022	712	-0.14%
2020-2021	713	1.57%
2019-2020	702	-0.71%
2018-2019	707	-0.84%
2017-2018	713	0.56%
2016-2017	709	2.75%
2015-2016	690	-2.82%
2014-2015	710	-1.80%
2013-2014	723	-2.17%

ECONOMIC CONDITION AND OUTLOOK

The economic condition of Southampton Township continues to be stable. The ratables in the township are presently flat. No significant change in business or industrial growth is projected. Property values in the area during the past couple of years are slowly increasing after several years of a flat real estate market.

ECONOMIC CONDITION AND OUTLOOK (continued)

Residential development is presently almost at a standstill and thus is not impacting the resources of the School District. Presently, the majority of new housing can be characterized as high-end single family homes in a rural setting. There is potential for substantial residential development in the community.

MAJOR INITIATIVES

The Board of Education and administration are continually committed to upgrading and maintaining the school grounds and facilities. Improving safety and security remains an ongoing commitment. The district previously installed bollards Funds will be allocated to upgrade our district's door access system, installing bollards, and added additional security cameras and lights around the Administration Building.

The school district's focus on educational programming and educational achievement for the 2022-2023 school year are articulated in the three (3) goals that were developed with input from the teaching staff, Administrative Team, and Board of Education. The goals are as follows:

Goal #1: School Climate, Culture, and Security

The superintendent will lead the administrative team in developing an action plan to guide the on-going, district-wide School Climate, Culture, and Security Initiative. During the 2022-2023 school year, the first part of our multi-year goal will be focused on the social-emotional health of our students. Students will be able to identify mental health supports within the school environment and form positive relationships through problem-solving and communication. Additionally, increased security measures on campus will contribute to the social and emotional health of students.

By the end of the 2022-2023 school year, 85% of students will maintain or improve in their social-emotional health and well-being as evidenced by spring 2023 survey results as compared to the fall 2022 survey results.

Goal #2: Student Achievement

The superintendent will lead the administrative team during this multi-year goal in developing an action plan to increase student academic progress in math by improving math practices through increased staff capacity, meaningful programming, and purposeful environments that maximize learner autonomy and capacity to thrive.

By the end of 2022-2023 school year, student data will show a 10% or more increase in the district average of students scoring above grade or proficiency level in math as measured by the spring 2023 benchmark assessment as compared to the fall 2022 benchmark assessment and/or the spring 2022 NJSLA-M as compared to the spring 2023 NJSLA-M.

Goal #3: Community Engagement

The superintendent will lead the administrative team in developing an action plan to guide the ongoing, district-wide community engagement initiative in grades K-8. During the 2022-2023 school year, through collaboration with school staff and community members, activities and events will be planned to actively engage families and the community in a meaningful, structured, and productive manner that promotes learning, cooperation, and increased community engagement and participation.

By the end of the 2022-2023 school year, participant survey data will reflect an 80% favorable rating in response to various school/district activities.

MAJOR INITIATIVES (continued)

Another major initiative during the 2021-2022 school year that continued in the 2022-2023 school year was to provide social and emotional health supports for our entire school community. Going into the 2020-2021 and the 2021-2022 school years, we found that our students, families, and staff were still struggling mentally, socially, and emotionally as a result of the pandemic. We purchased a social and emotional learning (SEL) program to help teachers provide support for students in this area. ESSER II and ARP ESSER funds were a huge help for us with SEL. We used ESSER II/ARP ESSER funds to hire a fourth school counselor, to contract the service of consultants to provide SEL training for teachers as well as mental health support for themselves, extended our summer learning programs, and provide a Remote Transition program to help our remote students re-acclimate to campus.

The curricula of the Southampton Township School District are aligned to and in accordance with the New Jersey Student Learning Standards. The school district utilizes a five-year curriculum review matrix to ensure that every content area is reviewed, enhanced through revisions, monitored, and assessed within the approved cycle. The written curricula are developed in-district with the active participation of the teaching staff in collaboration with the Director of Curriculum and administrative team. The focus of the written curricula is to ensure that the various New Jersey Student Learning Standards are thoroughly addressed via classroom instruction. Careful consideration is given to grade level articulation, the scope and sequence of the curricula, and ensuring that selected textbooks and supplemental materials align with the standards.

All of the district's curricula is now available on-line via Atlas, a curriculum platform customized for school districts. As the state continues to revise the standards in a number of content areas; the curricula will be revised again this summer and fall to align with the new standards.

Enhancements to the school district's curricula continues to take place. One major undertaking that has taken place is the revision of scope and sequence in both the math and language arts curricula. Additionally, the district continues to address learning recovery post-pandemic and has begun preparing for a new math program.

The district has aligned social and emotional health with the district's climate and culture goal to transition learners back to a healthy environment.

Southampton Township School District has continued to improve its educational technology over the past several years. All classrooms, computer labs, and offices have high speed Internet connectivity. The district has three (3) I-STEAM labs, we are one-to-one in grades 3-8, and there are two mobile carts for each grade level in our K-2 building. The district continues to procure Chromebooks to replace outdated devices and continue with a one-to-one initiative has been achieved with Chromebooks for grades 3-8, and the district is close to achieving one-to-one with electronic devices in grades K-2.

The school district has a Smart Board in every classroom, including our special area and POR classrooms, throughout the district. Smart Boards are highly motivating for students and provide them with a hands-on experience that enhances the learning experience for classroom instruction via a multi-sensory approach. Beginning in the summer of 2021-2022, new Smart Boards were purchased to begin the replacement of our older district models. This will be an ongoing project. The district also completed a technology audit in the 2022-2023 school year.

MAJOR INITIATIVES (continued)

The Board of Education developed one goal that was the focus of the Board of Education's effort during the school year.

The Board of Education goal for 2022-2023 was as follows:

GOAL #1: The Board of Education will adopt and implement a public relations program to enhance communications with our fellow residents. To achieve this goal, the Board of Education will foster a collaborative relationship with the greater Southampton community by building public awareness, increasing engagement, and boosting its visibility. The effectiveness of this program will be measured by community feedback and future Board self-evaluations facilitated by the New Jersey School Boards Association.

The school district's Governance Manual is an electronic format that is available on-line. The Board of Education has an annual maintenance contract with Strauss & Esmay, Inc. that provides policy and regulation updates, plus the on-line subscription.

INTERNAL ACCOUNTING CONTROLS

Management of the School District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the district are protected from loss, theft and misuse and to ensure that adequate accounting data are completed to allow for the preparation of financial statement in conformity with general accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be delivered; and (2) the valuation of costs and benefits require estimates and judgments by management.

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

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

BUDGETARY CONTROLS

In addition to internal accounting controls, the School District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or included as re-appropriations of fund balance in the subsequent year.

ACCOUNTING SYSTEM AND REPORTS

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

OTHER INFORMATION

INDEPENDENT AUDIT

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

ACKNOWLEDGEMENTS

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

Respectfully submitted,



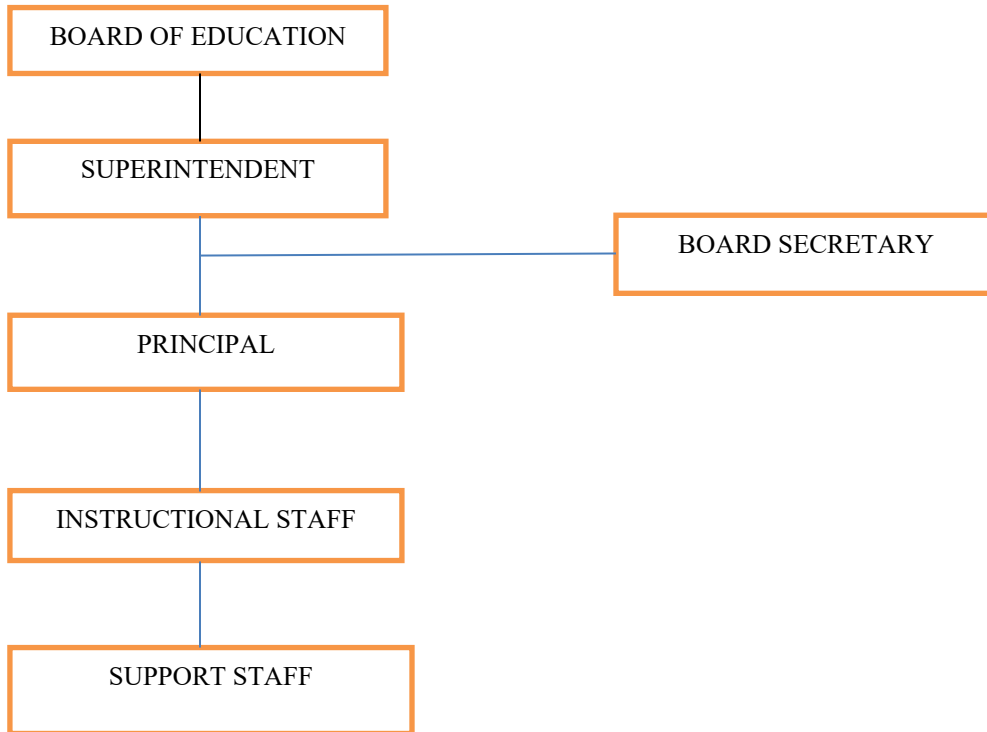
Michael L. Harris, Interim Superintendent



Casey DeJoseph, School Business Administrator/Board Secretary

SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
177 Main Street
Southampton, New Jersey 08088

ORGANIZATIONAL CHART



**SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2023**

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Mrs. Betty L. Wright, Board President	12/31/2024
Mr. Jeffrey E. Hicks, Board Vice President	12/31/2025
Mr. Kit Applegate	12/31/2025
Mr. Irving Bodine III	12/31/2025
Dr. Sean Cassel	12/31/2023
Mr. Russell Hann	12/31/2023
Mr. John McMichael	12/31/2023
Ms. Katie Topf	12/31/2024
Ms. Melissa Walker	12/31/2024

OTHER OFFICIALS

Asia Michael, Superintendent of Schools

Casey M. DeJoseph, School Business Administrator/Board Secretary

Amy Lerner, Treasurer

Robert A Muccilli, Esq., Solicitor

SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
Southampton, New Jersey

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Southampton Township School District, County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Southampton Township School District, County of Burlington, State of New Jersey, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Prior Period Restatement

Due to a valuation of District capital assets in the current year, Net Position as of June 30, 2022 on the statement of activities and the statement of revenues, expenses and changes in fund net position has been restated, as discussed in Note 22 to the financial statements. Our opinion is not modified with respect to this matter.

618 Stokes Road, Medford, NJ 08055

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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 School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any current known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedules related to accounting and reporting for pensions and other post-employment benefits, as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining and individual fund statements and long-term debt schedules are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, long-term debt schedules and accompanying schedules of expenditures or federal award and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

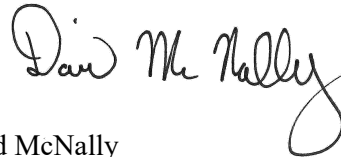
Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2024 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Respectfully submitted,

HOLT McNALLY & ASSOCIATES, INC.

Certified Public Accountants & Advisors

A handwritten signature in black ink that reads "David McNally". The signature is written in a cursive style with a large, looping "y" at the end.

David McNally
Certified Public Accountant
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Medford, New Jersey
March 7, 2024

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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

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

Overview of the Basic Financial Statements

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

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

Governmental funds account for essentially the same information reported in the governmental activities of the government-wide financial statements. However, unlike the government-wide financial statements,

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

Overview of the Basic Financial Statements (continued)

Fund Financial Statements (continued)

the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financial requirements in the near term.

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

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

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

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

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

Notes to the Basic Financial Statements

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

Financial Analysis of the School District as a Whole

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

Table 1
Summary of Net Position

	June 30, <u>2023</u>	June 30, <u>2022</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current & Other Assets	\$ 5,296,362	\$ 4,739,814	\$ 556,548	12%
Capital Assets, Net	17,780,774	18,491,592	(710,818)	-4%
Total Assets	<u>23,077,136</u>	<u>23,231,406</u>	<u>(154,270)</u>	-1%
Deferred Outflow of Resources	<u>566,452</u>	<u>331,707</u>	<u>234,745</u>	71%

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

Financial Analysis of the School District as a Whole (continued)

Table 1
Summary of Net Position (continued)

	June 30, <u>2023</u>	June 30, <u>2022</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current and other Liabilities	244,681	217,364	27,317	13%
Noncurrent Liabilities	3,218,902	3,202,006	16,896	1%
Total Liabilities	<u>3,463,583</u>	<u>3,419,370</u>	44,213	1%
Deferred Inflow of Resources	474,855	1,185,320	(710,465)	-60%
Net Position:				
Net Investment in Capital Assets	16,710,774	16,871,592	(160,818)	-1%
Restricted	3,724,123	3,316,186	407,937	12%
Unrestricted (Deficit)	(729,747)	(1,229,355)	499,608	-41%
Total Net Position	<u>\$ 19,705,150</u>	<u>\$ 18,958,423</u>	<u>\$ 746,727</u>	4%

Table 2 reflects the changes in net position for fiscal years 2023 and 2022.

Table 2
Summary of Changes in Net Position

	June 30, <u>2023</u>	June 30, <u>2022</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Revenues:				
Program Revenues:				
Charges for Services	\$ 154,583	\$ 33,899	\$ 120,684	356%
Operating Grants & Contributions	2,789,944	3,730,302	(940,358)	-25%
General Revenues:				
Property Taxes	12,980,521	12,838,041	142,480	1%
Federal & State Aid	1,601,794	1,834,302	(232,508)	-13%
Other General Revenues	245,489	357,022	(111,533)	-31%
Special Items	(9,249)	(40,570)	31,321	N/A
Total Revenues	<u>17,763,082</u>	<u>18,752,996</u>	<u>(989,914)</u>	-5%
Function/Program Expenses:				
Regular Instruction	3,836,214	3,704,447	131,767	4%
Special Education Instruction	1,543,706	1,528,009	15,697	1%
Other Instruction	672,840	658,926	13,914	2%
Tuition	857,385	905,785	(48,400)	-5%
Student & Instruction Related Services	2,014,237	2,035,979	(21,742)	-1%
General Administrative	362,068	371,216	(9,148)	-2%
School Administrative Services	483,280	476,616	6,664	1%
Central Services	269,868	267,998	1,870	1%
Administrative Information Technology	109,736	110,231	(495)	0%
Plant Operations & Maintenance	1,179,718	1,084,901	94,817	9%
Pupil Transportation	924,855	659,748	265,107	40%
Transfer to Charter Schools	-	27,270	(27,270)	-100%
Unallocated Benefits	2,328,645	3,410,939	(1,082,294)	-32%
On Behalf TPAF Pension and Social				
Security Contributions	1,197,143	1,062,112	135,031	13%
Interest & Other Charges	49,828	61,515	(11,687)	-19%
Unallocated Depreciation & Amortization	890,896	867,160	23,736	3%
Food Service	295,936	296,731	(795)	0%
Total Expenses	<u>17,016,355</u>	<u>17,529,583</u>	<u>(513,228)</u>	-3%
Change In Net Position	746,727	1,223,413	(476,686)	-39%
Net Position - Beginning	18,958,423	17,735,010	1,223,413	7%
Net Position - Ending	<u>\$ 19,705,150</u>	<u>\$ 18,958,423</u>	<u>\$ 746,727</u>	4%

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

Financial Analysis of the School District as a Whole (continued)

As described in Note 1 to the financial statements in “Adopted Accounting Pronouncements”, the district has adopted the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the year ended June 30, 2023. The adoption of this principle resulted in the accrual of \$191,005 in Intangible Assets and SBITA Liability for the current year ended.

As described in Note 22 to the financial statements, the district restated its net position as a result of a valuation of its capital assets. The total prior period adjustment to net position was \$(4,947,737).

Governmental Activities

Governmental activities increased the net position of the School District by \$730,125 or 3.88% during the current fiscal year.

The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$19,561,921 with an unrestricted deficit balance of \$849,305. As mentioned earlier, deficit unrestricted net position is primarily due to accounting treatment for compensated absences payable, net pension liability and the last 2 state aid payments. The School District’s governmental activities unrestricted net position had GASB 68 pension not been implemented would have been as follows:

Table 3

Unrestricted Net Position (With GASB 68)	\$	(849,305)
Add back: PERS Pension Liability		1,859,783
Add back: Deferred Inflows related to pensions		474,855
Less: Deferred Outflows related to pensions		<u>(566,452)</u>
Unrestricted Net Position (Without GASB 68)	\$	<u>918,881</u>

Business-type Activities

At the end of the current fiscal year, the School District’s proprietary funds (Food Service Fund) reported an ending net position of \$143,229, an increase of \$16,602 from the prior year.

General Fund Budgeting Highlights

Final budgeted revenues was \$13,905,934, which was equal to the original budget. Final budgeted appropriations was \$15,085,649, which was an increase of \$440,610 from the original budget. The difference is the combination of prior year reserve for encumbrances and a withdrawal from Maintenance Reserve.

Financial Analysis of the Government’s Funds

Governmental Funds - At the end of the current fiscal year, the School District’s governmental funds reported a combined ending fund balance of \$4,945,114, an increase of \$353,951 or 7.71% from the prior year fund balance in the amount of \$4,591,163.

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

Capital Assets

The School District's capital assets for its governmental and business-type activities as of June 30, 2023, totaled \$17,780,774 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements and equipment. There was a net decrease in the School District's investment in capital assets for the current fiscal year in the amount of \$710,818. Table 4 reflects the capital assets.

Table 4
Summary of Capital Assets - Governmental Activities

<u>Capital Asset (Net of Depreciation):</u>	June 30, <u>2023</u>	June 30, <u>2022</u>
Land	\$ 537,670	\$ 537,670
Construction in Progress	897,959	897,959
Buildings	15,685,717	16,358,105
Land Improvements	505,912	574,720
Equipment	129,845	95,124
	<u>\$ 17,757,103</u>	<u>\$ 18,463,578</u>
Depreciation Expense	<u>\$ 859,062</u>	<u>\$ 867,160</u>

Summary of Capital Assets - Business-Type Activities

<u>Capital Asset (Net of Depreciation):</u>	June 30, <u>2023</u>	June 30, <u>2022</u>
Equipment	<u>\$ 23,671</u>	<u>\$ 28,014</u>
	<u>\$ 23,671</u>	<u>\$ 28,014</u>
Depreciation Expense	<u>\$ 4,343</u>	<u>\$ 3,000</u>

Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 6) of this report.

Debt Administration

Long-term debt – At the end of the current fiscal year, the School District had total bonded debt outstanding of \$1,070,000, which is a decrease of \$550,000 from the prior year.

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 8) of this report.

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

Factors on the School District's Future

The following factors were considered and incorporated into the preparation of the School District's budget for the 2022-23 fiscal year:

- State funding losses due to S-2 legislation
- Managing COVID-19 expenses
- Addressing student learning loss and providing social and emotional health supports post-Pandemic

The Southampton Township Board of Education is in good financial condition presently. The School District is proud of its community support. As evidenced by the financial statement contained herein, the district exhibits fiscal restraint while continuing to provide an excellent educational program for its students.

A continuing concern is the lack of state and federal revenues, which have resulted in increased property taxes. The phase-out of ESSER funding paired with the increase in special education and transportation costs continues to present challenges when developing the budget. Transportation costs have increased over 80% the past two years and will remain a challenge for years to come. Special education and related services costs continue to increase as well, presenting challenges for staffing both teaching positions and positions within the Child Study Team.

In conclusion, the Southampton Township Board of Education 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 challenges of the future.

Contacting the School Districts Financial Management

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Southampton Township School District Business Administrator, Southampton, New Jersey 08088-8874.

BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS:			
Cash & Cash Equivalents	\$ 2,273,557	\$ 141,663	\$ 2,415,220
Receivables, Net (Note 4)	607,332	13,311	620,643
Inventory	-	8,339	8,339
Restricted Cash & Cash Equivalents	2,092,989	-	2,092,989
Intangible Assets, Net (Note 5)	159,171	-	159,171
Capital Assets, Net (Note 6)			
Non-depreciable	1,435,629	-	1,435,629
Depreciable	16,321,474	23,671	16,345,145
	<hr/>		
Total Assets	22,890,152	186,984	23,077,136
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 9)	566,452	-	566,452
	<hr/>		
Total Deferred Outflow of Resources	566,452	-	566,452
LIABILITIES:			
Accounts Payable	26,949	718	27,667
Due to Other Governments	164,137	-	164,137
Unearned Revenue	16,115	28,737	44,852
Accrued Interest	8,025	-	8,025
Internal Balances	(14,300)	14,300	-
Noncurrent Liabilities (Note 8):			
Due within one year	634,609	-	634,609
Due in more than one year	2,584,293	-	2,584,293
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Total Liabilities	3,419,828	43,755	3,463,583
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 9)	474,855	-	474,855
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Total Deferred Inflow of Resources	474,855	-	474,855
NET POSITION:			
Net Investment in Capital Assets	16,687,103	23,671	16,710,774
Restricted for:			
Capital Projects	901,465	-	901,465
Debt Service	90,762	-	90,762
Emergency Reserve	250,000	-	250,000
Maintenance Reserve	820,913	-	820,913
Other Purposes	120,611	-	120,611
Excess Surplus	1,540,372	-	1,540,372
Unrestricted (Deficit)	(849,305)	119,558	(729,747)
	<hr/>		
Total Net Position	\$ 19,561,921	\$ 143,229	\$ 19,705,150

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

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

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:						
Instruction:						
Regular Instruction	\$ 3,836,214	\$ -	\$ 440,590	\$ (3,395,624)	\$ -	\$ (3,395,624)
Special Education Instruction	1,543,706	-	-	(1,543,706)	-	(1,543,706)
Other Instruction	672,840	-	-	(672,840)	-	(672,840)
Support Services:						
Tuition	857,385	-	215,589	(641,796)	-	(641,796)
Student & Instruction Related Services	2,014,237	-	169,439	(1,844,798)	-	(1,844,798)
General Administrative	362,068	-	-	(362,068)	-	(362,068)
School Administrative Services	483,280	-	-	(483,280)	-	(483,280)
Central Services	269,868	-	-	(269,868)	-	(269,868)
Administrative Information Technology	1,179,718	-	-	(1,179,718)	-	(1,179,718)
Plant Operations & Maintenance	924,855	-	-	(924,855)	-	(924,855)
Pupil Transportation	2,328,645	-	613,559	(1,715,086)	-	(1,715,086)
Unallocated Benefits						
On Behalf TPAF Pension and Social Security Contributions	1,197,143	-	1,197,143	-	-	-
Interest & Other Charges	49,828	-	-	(49,828)	-	(49,828)
Unallocated Depreciation	859,062	-	-	(859,062)	-	(859,062)
Unallocated Amortization	31,834	-	-	(31,834)	-	(31,834)
Total Governmental Activities	16,720,419	-	2,636,320	(14,084,099)	-	(14,084,099)
Business-Type Activities:						
Food Service	295,936	154,583	153,624	-	12,271	12,271
Total Business-Type Activities	295,936	154,583	153,624	-	12,271	12,271
Total Primary Government	\$ 17,016,355	\$ 154,583	\$ 2,789,944	(14,084,099)	12,271	(14,071,828)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes				12,491,363	-	12,491,363
Property Taxes, Levied for Debt Service				489,158	-	489,158
Federal & State Aid Not Restricted				1,601,794	-	1,601,794
Tuition Charges				5,700	-	5,700
Miscellaneous				235,458	4,331	239,789
Special Items:						
Cancellation of Prior Year Receivable				(9,249)	-	(9,249)
Total General Revenues				14,814,224	4,331	14,818,555
Change In Net Position				730,125	16,602	746,727
Net Position - Beginning (Restated - See Note 22)				18,831,796	126,627	18,958,423
Net Position - Ending				\$ 19,561,921	\$ 143,229	\$ 19,705,150

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

B. Fund Financial Statements

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Governmental Funds

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SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS:					
Cash & Cash Equivalents	\$ 2,435,302	\$ -	\$ 8,562	\$ 90,762	\$ 2,534,626
Receivables, Net:					
Interfund Receivable	80,145	-	-	-	80,145
Due from Other Governments:					
State	249,787	-	-	-	249,787
Federal	-	345,563	-	-	345,563
Other Receivables	-	11,982	-	-	11,982
Restricted Cash & Cash Equivalents	2,073,191	19,798	-	-	2,092,989
Total Assets	\$ 4,838,425	\$ 377,343	\$ 8,562	\$ 90,762	\$ 5,315,092
LIABILITIES & FUND BALANCES:					
Liabilities:					
Cash Deficit	\$ -	\$ 261,069	\$ -	\$ -	\$ 261,069
Accounts Payable	-	16,433	-	-	16,433
Payroll Taxes and Deductions Withholdings	10,516	-	-	-	10,516
Interfund Payable	-	63,928	1,917	-	65,845
Unearned Revenue	-	16,115	-	-	16,115
Total Liabilities	10,516	357,545	1,917	-	369,978
Fund Balances:					
Restricted for:					
Capital Reserve	901,465	-	-	-	901,465
Emergency reserve	250,000	-	-	-	250,000
Maintenance reserve	820,913	-	-	-	820,913
Unemployment Compensation	100,813	-	-	-	100,813
Scholarships	-	2,851	-	-	2,851
Student Activities	-	16,947	-	-	16,947
Excess Surplus - Current year	1,005,560	-	-	-	1,005,560
Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures	534,812	-	-	-	534,812
Debt Service	-	-	-	90,762	90,762
Assigned to:					
Designated for Subsequent Year's Expenditures	497,373	-	-	-	497,373
Other Purposes	290,504	-	6,645	-	297,149
Unassigned	426,469	-	-	-	426,469
Total Fund Balances	4,827,909	19,798	6,645	90,762	4,945,114
Total Liabilities & Fund Balances	\$ 4,838,425	\$ 377,343	\$ 8,562	\$ 90,762	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$34,231,500 and the accumulated depreciation is \$16,474,397.	17,757,103
Intangible assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$191,005 and the accumulated amortization is \$31,834.	159,171
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refunding are applicable to future reporting periods and therefore are not reported in the funds.	
Deferred Outflows related to pensions	566,452
Deferred Inflows related to pensions	(474,855)
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(8,025)
Accrued pension contributions for the June 30, 2023 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.	(164,137)
Long-term liabilities, including net pension liability and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(3,218,902)
Net Position of Governmental Activities	<u>\$ 19,561,921</u>

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

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
Revenues:					
Local Sources:					
Local Tax Levy	\$ 12,491,363	\$ -	\$ -	\$ 489,158	\$ 12,980,521
Tuition Charges	5,700	-	-	-	5,700
Miscellaneous	234,926	37,450	532	-	272,908
Total Local Sources	12,731,989	37,450	532	489,158	13,259,129
State Sources	4,889,889	-	-	-	4,889,889
Federal Sources	19,582	788,168	-	-	807,750
Total Revenues	17,641,460	825,618	532	489,158	18,956,768
Expenditures:					
Instruction:					
Regular Instruction	3,395,624	440,590	-	-	3,836,214
Special Education Instruction	1,543,706	-	-	-	1,543,706
Other Instruction	672,840	-	-	-	672,840
Support Services:					
Tuition	641,796	215,589	-	-	857,385
Student & Instruction Related Services	1,850,351	163,886	-	-	2,014,237
General Administrative	362,068	-	-	-	362,068
School Administrative Services	483,280	-	-	-	483,280
Central Services	269,868	-	-	-	269,868
Administrative Information Technology	109,736	-	-	-	109,736
Plant Operations & Maintenance	1,179,718	-	-	-	1,179,718
Pupil Transportation	924,855	-	-	-	924,855
Unallocated Benefits	2,169,277	-	-	-	2,169,277
On Behalf TPAF Pension and Social Security Contributions	3,307,677	-	-	-	3,307,677
Capital Outlay	254,847	-	88,745	-	343,592
Debt Service:					
Principal	106,396	-	-	550,000	656,396
Interest & Other Charges	23,805	-	-	29,919	53,724
Total Expenditures	17,295,844	820,065	88,745	579,919	18,784,573
Excess/(Deficiency) of Revenues over Expenditures Before Other Financing Sources\ (Uses)	345,616	5,553	(88,213)	(90,761)	172,195
Other Financing Sources (Uses):					
Transfers in	532	-	104,639	-	105,171
Transfers out	(104,639)	-	(532)	-	(105,171)
Cancellation of Accounts Receivable	-	-	(9,249)	-	(9,249)
SBITA Proceeds (non-budgeted)	191,005	-	-	-	191,005
Total Other Financing Sources (Uses)	86,898	-	94,858	-	181,756
Net changes in fund balances	432,514	5,553	6,645	(90,761)	353,951
Fund Balance, July 1	4,395,395	14,245	-	181,523	4,591,163
Fund Balance, June 30	\$ 4,827,909	\$ 19,798	\$ 6,645	\$ 90,762	\$ 4,945,114

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

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

Total Net Changes in Fund Balances - Governmental Funds (B-2) \$ 353,951

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	\$ (859,062)	
	Capital Outlays	<u>152,587</u>	(706,475)

Governmental funds recognize intangible assets as expenditures when the subscription is first entered, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these transactions is as follows:

	Amortization Expense	(31,834)	
	Capital Outlays	<u>191,005</u>	159,171

Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.

372,701

Repayment of long-term debt principal and obligation of lease purchase agreements are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

656,396

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.

	SBITA Proceeds		(191,005)
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In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation (+).

3,896

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

81,490

Change in Net Position of Governmental Activities

\$ 730,125

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Proprietary Funds

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

ASSETS	<u>FOOD SERVICE</u>
Current Assets:	
Cash & Cash Equivalents	\$ 141,663
Accounts Receivable:	
State	297
Federal	6,870
Other	6,144
Inventories	<u>8,339</u>
Total Current Assets	<u>163,313</u>
Noncurrent Assets:	
Equipment	149,039
Less: Accumulated Depreciation	<u>(125,368)</u>
Total Capital Assets	<u>23,671</u>
Total Assets	<u>186,984</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	718
Unearned Revenue	28,737
Interfunds Payable	<u>14,300</u>
Total Liabilities	<u>43,755</u>
NET POSITION	
Net Position:	
Investment in Capital Assets	23,671
Unrestricted	<u>119,558</u>
Total Net Position	<u><u>\$ 143,229</u></u>

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

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

	FOOD SERVICE
Operating Revenues:	
Charges for service:	
Daily sales - Reimbursable Programs	\$ 97,158
Daily sales - non-reimbursable programs	57,425
	154,583
Total Operating Revenue	154,583
Operating Expenses:	
Cost of Sales - Reimbursable Programs	86,762
Cost of Sales - nonreimbursable programs	28,761
Salaries - FSMC	112,548
Social Security - FSMC	17,282
Employee Benefits - FSMC	4,671
Management Fee	25,827
Insurance	4,250
Miscellaneous	3,327
Supplies and Materials	8,165
Depreciation	4,343
	295,936
Total Operating Expenses	295,936
Operating Income/(Loss)	(141,353)
Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	2,743
State School Reduced Lunch & Breakfast Program	1,454
Federal Sources:	
School Breakfast Program	14,240
National School Lunch Program	79,210
Healthy Hunger-Free Kids Act	3,482
Supply Chain Assistance Award	25,263
Food Distribution Program	27,232
Interest Earnings	4,331
	157,955
Total Nonoperating Revenues/Expenses	157,955
Change in Net Position	16,602
Total Net Position - Beginning (Restated)	126,627
Total Net Position - Ending	\$ 143,229

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

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

	FOOD SERVICE
Cash Flows From Operating Activities:	
Receipts from Customers	\$ 168,377
Payments to Employees and Other Agencies	(134,501)
Payments for Supplies and Services	(126,978)
Net Cash Provided by/(Used for) Operating Activities	(93,102)
Cash Flows From Noncapital Financing Activities:	
State Sources	4,353
Federal Sources	140,909
Net Cash Provided by (Used for) Non Capital & Related Financing Activities	145,262
Cash Flows From Investing Activities:	
Interest & Dividends	4,331
Net Cash Provided by Investing Activities	4,331
Net Increase/(Decrease) in Cash & Cash Equivalents	56,491
Cash & Cash Equivalents, July 1	85,172
Cash & Cash Equivalents, June 30	\$ 141,663

Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:

Operating Income/(Loss)	\$ (141,353)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided by/(Used for) Operating Activities:	
Food Distribution Program	27,232
Depreciation & Net Amortization	4,343
Increase/(Decrease) in Unearned Revenue	19,938
Increase/(Decrease) in Accounts Payable	718
(Increase)/Decrease in Accounts Receivable	(6,144)
(Increase)/Decrease in Inventories	2,164
Total Adjustments	48,251
Net Cash Provided/(Used) by Operating Activities	\$ (93,102)

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

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NOTES TO FINANCIAL STATEMENTS

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SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

Note 1. Summary of Significant Accounting Policies

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

Reporting Entity

The Southampton Township School District (hereafter referred to as the ‘District’) is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three members’ terms expire each year. The purpose of the District is to educate students in grades kindergarten through eighth at its three schools. The District has an approximate enrollment at June 30, 2023 of 687 students.

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

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

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

Component Units

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

Government-Wide Financial Statements

The District’s Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column.

These statements are presented on an ‘economic resources’ measurement focus and the accrual basis of accounting. Accordingly, all of the District’s assets, deferred outflows of resources, liabilities, and

SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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

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

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

Governmental Fund Financial Statements

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

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

Proprietary Fund Financial Statements

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

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

**SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

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

in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of

**SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

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

the Food Service Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, employee salaries and benefits, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

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

The District reports the following major governmental funds:

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

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

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

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

Capital Projects Fund - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

The District reports the following major proprietary funds:

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

SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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

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

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

Budgets/Budgetary Control

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

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

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

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

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the District does not report encumbrances outstanding at fiscal

**SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

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

year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

Encumbrances

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

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue at fiscal year-end.

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

Cash and Cash Equivalents

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

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

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

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

Tuition Payable/Receivable

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

**SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

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

Inventories

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

Interfund Receivables/Payables

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

Capital Assets

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

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

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

Equipment & Vehicles	3 – 20 Years
Buildings	30 – 50 Years
Improvements	10 – 50 Years
Software	5 – 7 Years

Compensated Absences

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

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

SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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

Unearned Revenue

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

Accrued Liabilities and Long-Term Obligations

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

Accounting Estimates

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

Interfund Activity

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

Fund Balance

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

- **Non-spendable** – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

- **Restricted** – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

**SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

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

- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2023.
- Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

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

Net Position

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

- Net Investment in Capital Assets – This components represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

**SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

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

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

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

Statement No. 96, *Subscription-Based Information Technology Arrangements*. Statement No. 96 establishes a single approach to accounting and financial reporting for subscription-based information technology arrangements for government end users. Statement No. 96 is effective for reporting periods beginning after June 15, 2022. The District has implemented this standard as of June 30, 2023.

Recently Issued Accounting Pronouncements

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

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

Deferred Outflows and Deferred Inflows of Resources

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

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

Pensions

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

**SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 2. Cash Deposits and Investments

Cash Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2023, the District’s bank balance of \$5,522,825 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 5,469,118
Uninsured and Uncollateralized	<u>53,707</u>
	<u>\$ 5,522,825</u>

Investments

The School District has no investments at June 30, 2023.

Note 3. Reserve Accounts

A. Capital Reserve

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

Funds placed in the capital reserve account are restricted to capital projects in the district’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

**SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 3. Reserve Accounts (continued):

Beginning Balance, July 1, 2022	\$	966,980
Increased by:		
Interest Earnings		29,344
Transfer from Capital Projects		532
Return of unused funds		33,109
		1,029,965
Decreased by:		
Budget Withdrawals		128,500
Ending Balance, June 30, 2023	\$	901,465

The June 30, 2023 balance did not exceed the LRFP balance of local support costs of uncompleted capital projects.

B. Maintenance Reserve Account

The District established a Maintenance Reserve Account for the accumulation of Funds for use as maintenance expenditures in subsequent fiscal years. The Maintenance Reserve Account is maintained in the general fund and its activity is included in the general fund annual budget. Funds placed in the maintenance reserve account are restricted to maintenance projects in the District’s approved Maintenance Plan (M-1). A district may increase the balance in the maintenance 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.

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

Beginning Balance, July 1, 2022	\$	841,364
Increased by:		
Interest Earnings		10,453
Return of unused funds		2,095
		12,548
Decreased by:		
Withdrawal by Resolution		32,999
Ending Balance, June 30, 2023	\$	820,913

C. Emergency Reserve

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

The emergency reserve account is used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated general fund expenditures required for a thorough and efficient education.

**SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 3. Reserve Accounts (continued):

Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1 percent of the general fund budget not to exceed \$1 million. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. The department has defined year end for the purpose of depositing surplus into reserve accounts as an amount approved by the district board of education between June 1 and June 30.

Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of 4 percent.

Ending Balance, June 30, 2022 and 2023 \$ 250,000

Note 4. Accounts Receivable

Accounts receivable at June 30, 2023 consisted of accounts and intergovernmental grants. All state and federal receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District's individual major funds, in the aggregate, are as follows:

<u>Description</u>	<u>Governmental Funds</u>		Total Governmental <u>Activities</u>
	General	Special	
	<u>Fund</u>	Revenue <u>Fund</u>	
Federal Awards	\$ -	\$ 345,563	\$ 345,563
State Awards	249,787	-	249,787
Other	-	11,982	11,982
Total	<u>\$ 249,787</u>	<u>\$ 357,545</u>	<u>\$ 607,332</u>

<u>Description</u>	<u>Proprietary</u>		Total Business-Type <u>Activities</u>
	Funds		
	Food Service		
	<u>Fund</u>		
Federal Awards	\$ 6,870		\$ 6,870
State Awards	297		297
Other	6,144		6,144
Total	<u>\$ 13,311</u>		<u>\$ 13,311</u>

**SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 5. Intangible Assets

The School District has recorded intangible assets due to implementation of GASB 96. The assets are subscription-based information technology arrangements for various software throughout the District. The intangible asset is amortized on a straight-line basis over the terms of the related subscription arrangement.

Intangible asset activity for the School District for the year ended June 30, 2023, was as follows:

	<u>Balance</u> <u>June 30, 2022</u>	<u>Additions</u>	<u>Retirements</u> <u>and Transfers</u>	<u>Balance</u> <u>June 30, 2023</u>
Governmental Activities:				
Intangible Assets:				
SBITA's - Software Applications	\$ -	\$ 191,005	\$ -	\$ 191,005
Total Intangible Assets	-	191,005	-	191,005
Less: Accumulated Amortization:				
SBITA's - Software Applications	-	(31,834)	-	(31,834)
Total Accumulated Amortization	-	(31,834)	-	(31,834)
Intangible Assets, Net	\$ -	\$ 159,171	\$ -	\$ 159,171

Note 6. Capital Assets

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

**SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 6. Capital Assets (continued):

	Balance July 1, 2022 <u>(Restated)</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	Balance June 30, 2023
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 537,670	\$ -	\$ -	\$ 537,670
Construction in Progress	897,959	-	-	897,959
Total Capital Assets not being depreciated	1,435,629	-	-	1,435,629
Capital Assets being depreciated:				
Buildings	28,998,848	88,745	-	29,087,593
Land Improvements	2,029,761	-	-	2,029,761
Equipment	1,614,675	63,842	-	1,678,517
Total Capital Assets being depreciated	32,643,284	152,587	-	32,795,871
Less: Accumulated Depreciation:				
Buildings	(12,640,743)	(761,133)	-	(13,401,876)
Land Improvements	(1,455,041)	(68,808)	-	(1,523,849)
Equipment	(1,519,551)	(29,121)	-	(1,548,672)
Total Accumulated Depreciation	(15,615,335)	(859,062)	-	(16,474,397)
Total Capital Assets being depreciated, net	17,027,949	(706,475)	-	16,321,474
Total Governmental Activities Capital Assets, net	\$ 18,463,578	\$ (706,475)	\$ -	\$ 17,757,103
	Balance July 1, 2022 <u>(Restated)</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	Balance June 30, 2023
Business-Type Activities:				
Equipment	\$ 149,039	\$ -	\$ -	\$ 149,039
	149,039	-	-	149,039
Less: Accumulated Depreciation:				
Equipment	(121,025)	(4,343)	-	(125,368)
	(121,025)	(4,343)	-	(125,368)
Total Business-Type Activities Capital Assets, net	\$ 28,014	\$ (4,343)	\$ -	\$ 23,671

Note 7. Interfund Receivables, Payables and Transfers

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

**SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 7. Interfund Receivables, Payables and Transfers (continued):

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 80,145	\$ -
Special Revenue Fund	-	63,928
Capital Projects Fund	-	1,917
Food Service Fund	-	14,300
	<u>\$ 80,145</u>	<u>\$ 80,145</u>

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

A summary of interfund transfers is as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 532	\$ 104,639
Capital Projects Fund	104,639	532
	<u>\$ 105,171</u>	<u>\$ 105,171</u>

Note 8. Long-Term Obligations

During the fiscal year-ended June 30, 2023 the following changes occurred in long-term obligations:

	Balance <u>July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2023</u>	Balance Due Within <u>One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 1,620,000	\$ -	\$ 550,000	\$ 1,070,000	\$ 550,000
Compensated Absences	286,000	-	81,490	204,510	-
SBITA Liability	-	191,005	106,396	84,609	84,609
Net Pension Liability	1,296,006	563,777	-	1,859,783	-
	<u>\$ 3,202,006</u>	<u>\$ 754,782</u>	<u>\$ 737,886</u>	<u>\$ 3,218,902</u>	<u>\$ 634,609</u>

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

A. Bonds Payable:

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

On September 1, 2014, the School District issued \$4,521,000 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates varying from 2.125% to 2.250% and mature on September

**SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 8. Long-Term Obligations (continued):

1, 2024. The purpose of the bonds is to fund capital improvement projects consisting of (i) the acquisition and installation of an air conditioning system at School #1 for use in educational spaces; (ii) the acquisition and installation of an air conditioning system at School #2 for use in educational spaces; (iii) the acquisition and installation of a generator at School #2 for emergency management use; (iv) the acquisition and installation of an air conditioning system at School #3 for use in educational spaces; (iv) the acquisition of all equipment and the completion of all work necessary or desirable to make said renovations and improvements compatible with existing facilities; and (v) the costs of issuance with respect to the Bonds (collectively, the "Project").

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

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 550,000	\$ 17,888	\$ 567,888
2025	520,000	5,850	525,850
	<u>\$ 1,070,000</u>	<u>\$ 23,738</u>	<u>\$ 1,093,738</u>

B. Subscription Liability:

The School District has entered into subscription-based information technology arrangements (SBITAs) involving instructional software.

The instructional software arrangement is a two-year agreement, initiated in fiscal year 2023 totaling payments of \$191,005. The School District has imputed an interest rate of 0.00% to determine the present value of the intangible right-to-use assets and SBITA liabilities. There are no options to extend the arrangement or to purchase the software.

The future subscription payments under the SBITA agreements are as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 84,609	\$ -	\$ 84,609
	<u>\$ 84,609</u>	<u>\$ -</u>	<u>\$ 84,609</u>

C. Bonds Authorized But Not Issued:

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

**SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 9. Pension Plans

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for the noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2022, the State's pension contribution was more than the actuarial determined amount.

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

**SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 9. Pension Plans (continued):

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

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2023, the School District reported a liability of \$1,859,783 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2021, to the measurement date of June 30, 2022. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The School District's proportion measured as of June 30, 2022, was 0.01232%, which was an increase of 0.00138% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the School District recognized full accrual pension expense/(benefit) of \$(217,297) in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2022 measurement date. At June 30, 2023 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 13,423	\$ 11,837
Changes of Assumptions	5,762	278,483
Net Difference between Projected and Actual Earnings on Pension Plan Investments	76,975	-
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	306,155	184,535
School District Contributions Subsequent to Measurement Date	164,137	-
	<u>\$ 566,452</u>	<u>\$ 474,855</u>

\$164,137 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is based on the amount payable to the State due April 1, 2024 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 9. Pension Plans (continued):

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

Year Ending <u>Dec 31,</u>	<u>Amount</u>
2023	\$ (59,602)
2024	(30,365)
2025	(14,809)
2026	32,307
2027	<u>(71)</u>
	<u>\$ (72,540)</u>

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

**SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 9. Pension Plans (continued):

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

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

**SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 9. Pension Plans (continued):

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

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

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

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

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic 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:

**SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 9. Pension Plans (continued):

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

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

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net pension liability as of June 30, 2022, calculated using the discount rate of 7.00% as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	\$ 2,409,511	\$ 1,859,783	\$ 1,421,097

**SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 9. Pension Plans (continued):

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

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

Balances at June 30, 2023 and June 30, 2022

	<u>6/30/2023</u>	<u>6/30/2022</u>
Actuarial valuation date (including roll forward)	June 30, 2022	June 30, 2021
Collective Deferred Outflows of Resources	\$ 1,660,772,008	\$ 1,164,738,169
Collective Deferred Inflows of Resources	3,236,303,935	8,339,123,762
Collective Net Pension Liability	15,219,184,920	11,972,782,878
District's portion of the Plan's total Net Pension Liability	0.01232%	0.01094%

Special Funding Situation – Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, are Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under the legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employers as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

The State's proportionate share of the PERS net pension liability associated with the special funding situation is \$-0- as of June 30, 2023. The State's proportionate share of the contribution associated with the special funding situation was \$3,913 as of June 30, 2023. These are based on measurements as of June 30, 2022.

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

**SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 9. Pension Plans (continued):

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

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

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2022, the State's pension contribution was more than the actuarial determined amount.

As mentioned previously, the employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A 18:66-33*. Therefore, the School District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the School District does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers.

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2023 was \$27,591,784. The School District's proportionate share was \$-0-.

**SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 9. Pension Plans (continued):

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

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The State's proportionate share of the net pension liability associated with the School District was based on projection of the State's long-term contributions to the pension plan associated with the School District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2022, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.05348%, which was a decrease of 0.00146% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the School District recognized \$742,572 in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2022 measurement date.

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

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-5.65% based on years of service
Investment Rate of Return	7.00%

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

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

**SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 9. Pension Plans (continued):

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2021 are summarized in the following table:

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

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 7.00% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 9. Pension Plans (continued):

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	32,351,953	27,591,784	23,581,940
	<u>\$ 32,351,953</u>	<u>\$ 27,591,784</u>	<u>\$ 23,581,940</u>

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

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

Balances at June 30, 2023 and June 30, 2022

	<u>6/30/2023</u>	<u>6/30/2022</u>
Actuarial valuation date (including roll forward)	June 30, 2022	June 30, 2021
Collective Deferred Outflows of Resources	\$ 5,004,259,312	\$ 6,373,530,834
Collective Deferred Inflows of Resources	19,682,774,794	27,363,797,906
Collective Net Pension Liability	51,676,587,303	48,165,991,182
District's portion of the Plan's total Net Pension Liability	0.05348%	0.05494%

**SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 9. Pension Plans (continued):

C. Defined Contribution Plan (DCRP)

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

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits
- Employees enrolled in the Police and Firemen's Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2020 is \$8,300 and is subject to adjustment in future years.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per
- week for State employees, or 32 hours per week for local government or local education employees

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

For the year ended June 30, 2023, employee contributions totaled \$6,144 and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$3,351.

Note 10. Other Post-Retirement Benefits

General Information about the OPEB Plan

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

**SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 10. Other Post-Retirement Benefits (continued):

General Information about the OPEB Plan (continued):

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

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

Basis of Presentation

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

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

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2022, was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

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

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

SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

Note 10. Other 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 disabilities. 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.

Actuarial assumptions used in the July 1, 2021 valuation were based on the results of TPAF, PERS and PFRS experience studies prepared for July 1, 2018 to June 30, 2021.

OPEB Obligation and OPEB Expense - The State’s proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2022 was \$32,047,477. The School District’s proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2022, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The State’s proportionate share of the OPEB Obligation associated with the District was based on projection of the State’s long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2022, the State proportionate share of the OPEB Obligation attributable to the School District was 0.06328%, which was an increase of 0.00081% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the State of New Jersey recognized an OPEB expense in the amount of \$613,559 for the State’s proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2022 measurement date.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.65% 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, increased to 13.44% in fiscal year 2026 and decreased to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increased 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 decreased to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2022 was 3.54%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 10. Other Post-Retirement Benefits (continued):

Sensitivity of Total Nonemployer OPEB Liability to changes in discount rate

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

	June 30, 2022		
	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 37,668,438	\$ 32,047,477	\$ 27,542,558
State of New Jersey's Total Non- employer Liability	\$ 59,529,589,697	\$ 50,646,462,966	\$ 43,527,080,995

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

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

	June 30, 2022		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 26,489,199	\$ 32,047,477	\$ 39,348,613
State of New Jersey's Total Nonemployer OPEB Liability	\$ 41,862,397,291	\$ 50,646,462,966	\$ 62,184,866,635

* See Healthcare Cost Trend Assumptions for details of rates.

**SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 10. Other Post-Retirement Benefits (continued):

Additional Information

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change in Proportion	\$ -	\$ -
Differences between Expected & Actual Experience	9,042,402,619	(15,462,950,679)
Change in Assumptions	8,765,620,577	(17,237,289,230)
Contributions Made in Fiscal Year Year Ending 2023 After June 30, 2022 Measurement Date **	<u>TBD</u>	<u>-</u>
	<u>\$ 17,808,023,196</u>	<u>\$ (32,700,239,909)</u>

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

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

<u>Fiscal Year Ending June 30,</u>	
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>

Plan Membership

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

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

**SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 10. Other Post-Retirement Benefits (continued):

Changes in the Total OPEB Liability

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

Total OPEB Liability

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

**SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 11. On-Behalf Payments for Fringe Benefits and Salaries

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers’ Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2023, the on-behalf payments for pension, social security, post-retirement medical costs, and long-term disability were \$2,259,532, \$453,513, \$593,574 and \$1,058, respectively.

Note 12. Risk Management

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

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

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

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Ending Balance</u>
2022-2023	\$ 9,680	\$ 2,534	\$ 100,813
2021-2022	12,687	1,097	88,599
2020-2021	14,715	1,523	74,815

Note 13. Contingencies

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

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

**SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 14. Economic Dependency

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

Note 15. Deferred Compensation

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

Lincoln Investment Planning
AXA Equitable
Valic Investments

Note 16. Compensated Absences

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

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

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net position under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2023 is \$204,510.

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.

Note 17. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB) Statement No. 77, a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. 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

**SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 17. Tax Abatements (continued):

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.

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

Note 18. Commitments

The School District has contractual commitments at June 30, 2023 to various vendors, which are recorded in the general fund and capital projects fund as assigned to other purposes in the amounts of \$290,504 and \$6,645, respectively.

Note 19. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2023 was \$1,005,560.

Note 20. Fund Balance

General Fund – Of the \$4,827,909 General Fund fund balance at June 30, 2023, \$901,465 has been reserved in the Capital Reserve account; \$250,000 has been reserved in the Emergency Reserve account; \$820,913 has been reserved for the Maintenance Reserve account; \$100,813 is restricted for Unemployment Compensation; \$1,005,560 is restricted for excess surplus; \$534,812 is restricted for excess surplus – designated for subsequent year's expenditures; \$497,373 has been assigned as designated for subsequent year's expenditures; \$290,504 has been reserved for encumbrances; and \$426,469 is unassigned.

Special Revenue Fund – Of the \$19,798 Special Revenue Fund fund balance at June 30, 2023, \$16,947 is restricted for student activities and \$2,851 is restricted for scholarships.

Capital Projects Fund – Of the \$6,645 Capital Projects Fund fund balance at June 30, 2023, \$6,645 is assigned to other purposes.

Debt Service Fund – Of the \$90,762 Debt Service Fund fund balance at June 30, 2023, \$90,762 is restricted for debt service.

Note 21. Deficit in Net Position

Unrestricted Net Position – The School District had a deficit in unrestricted net position in the amount of \$(849,305) at June 30, 2023. The deficit is caused by the implementation of GASB 68 which requires the School District to report their proportionate share of the net pension liability for the Public Employee's Retirement System (PERS) as of June 30, 2023.

**SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 22. Prior Period Restatement

During the year ended June 30, 2023 the District completed a full appraisal of its capital assets. The District adjusted its beginning balances to reflect changes to its Net Position in the Governmental Activities. The beginning balances as of July 1, 2022 were adjusted as follows:

Prior Period Adjustment to Net Position (Government Activities)

Balance, July 1, 2022 prior to Adjustment	\$ 23,709,513
Less:	
Capital Assets - Historical Cost	(579,090)
Accumulated Depreciation	<u>(4,298,627)</u>
Balance, July 1, 2022 Restated	<u>\$ 18,831,796</u>

Prior Period Adjustment to Net Position (Business-Type Activities)

Balance, July 1, 2022 prior to Adjustment	\$ 196,647
Less:	
Capital Assets - Historical Cost	(23,953)
Accumulated Depreciation	<u>(46,067)</u>
Balance, July 1, 2022 Restated	<u>\$ 126,627</u>

Note 23. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2023 and March 7, 2024, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items have come to the attention of the School District that would require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION-PART II

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C. Budgetary Comparison Schedules

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

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:						
Local Sources:						
Local Tax Levy	10-1210	\$ 12,491,363	\$ -	\$ 12,491,363	\$ 12,491,363	\$ -
Tuition	10-1300	5,000	-	5,000	5,700	700
Interest Earned on Emergency Reserve	10-xxxx	1	-	1	-	(1)
Interest Earned on Maintenance Reserve	10-xxxx	500	-	500	10,453	9,953
Interest Earned on Capital Reserve	10-1500	500	-	500	29,344	28,844
Unrestricted Miscellaneous Revenues	10-1900	43,025	-	43,025	182,915	139,890
Other Restricted Miscellaneous Revenue	10-xxxx	-	-	-	12,214	12,214
Total Local Sources		12,540,389	-	12,540,389	12,731,989	191,600
State Sources:						
Categorical Special Education Aid	10-3132	489,699	-	489,699	489,699	-
Equalization Aid	10-3176	332,880	-	332,880	332,880	-
Categorical Security Aid	10-3177	94,037	-	94,037	94,037	-
Categorical Transportation Aid	10-3121	420,886	-	420,886	420,886	-
Extraordinary Aid	10-3131	-	-	-	191,564	191,564
Supplemental Stabilization Aid	10-3246	-	-	-	36,053	36,053
Nonpublic Transportation Aid	10-3XXX	-	-	-	13,416	13,416
State Reimb. For Lead Testing of Drinking Water	10-3300	-	-	-	2,151	2,151
Nonbudgeted:						
On-Behalf TPAF Pension Contributions		-	-	-	2,259,532	2,259,532
On-Behalf TPAF Post Retirement Medical Contributions		-	-	-	593,574	593,574
On-Behalf TPAF Long-Term Disability Insurance		-	-	-	1,058	1,058
Reimbursed TPAF Social Security Contributions		-	-	-	453,513	453,513
Total State Sources		1,337,502	-	1,337,502	4,888,363	3,550,861
Federal Sources:						
Medicaid Reimbursement	10-4200	28,043	-	28,043	18,010	(10,033)
Medicaid Reimbursement - FFCRA/SEMI	10-4210	-	-	-	1,572	1,572
Total Federal Sources		28,043	-	28,043	19,582	(8,461)
Total Revenues		13,905,934	-	13,905,934	17,639,934	3,734,000
Expenditures:						
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Preschool/Kindergarten	11-110-100-101	322,365	-	322,365	271,192	51,173
Grades 1 - 5	11-120-100-101	1,584,195	(59,168)	1,525,027	1,457,321	67,706
Grades 6 - 8	11-130-100-101	1,099,640	34,932	1,134,572	1,109,509	25,063
Regular Programs - Home Instruction:						
Salaries of Teachers	11-150-100-101	6,180	-	6,180	740	5,440
Purchased Professional/Educational Services	11-150-100-320	500	-	500	-	500
Regular Programs - Undistributed Instruction:						
Purchased Professional/Educational Services	11-190-100-320	423,370	-	423,370	417,528	5,842
Other Purchased Services	11-190-100-500	40,000	11,060	51,060	51,060	-
General Supplies	11-190-100-610	149,015	8,565	157,580	116,091	41,489
Textbooks	11-190-100-640	115,853	19,951	135,804	55,745	80,059
Other Objects	11-190-100-800	41,890	28,586	70,476	22,834	47,642
Total Regular Programs		3,783,008	43,926	3,826,934	3,502,020	324,914
Special Education:						
Learning and/or Language Disabilities:						
Salaries of Teachers	11-204-100-101	303,335	(6,246)	297,089	296,659	430
Purchased Profess. & Educ. Services	11-204-100-320	83,540	-	83,540	83,540	-
Total Learning and/or Language Disabilities		386,875	(6,246)	380,629	380,199	430
Resource Room/ Resource Center:						
Salaries of Teachers	11-213-100-101	1,008,465	825	1,009,290	1,009,290	-
Purchased Professional/Educational Services	11-213-100-320	82,565	(825)	81,740	73,208	8,532
Total Resource Room		1,091,030	-	1,091,030	1,082,498	8,532

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

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Preschool Disabilities - Part-Time:						
Salaries of Teachers	11-215-100-101	60,475	-	60,475	55,522	4,953
Purchased Profess. & Educ. Services	11-215-100-320	25,487	-	25,487	25,487	-
General Supplies	11-215-100-600	800	(358)	442	-	442
Total Preschool Disabilities - Part-Time		86,762	(358)	86,404	81,009	5,395
Total Special Education		1,564,667	(6,604)	1,558,063	1,543,706	14,357
Basic Skills/Remedial:						
Salaries of Teachers	11-230-100-101	410,287	358	410,645	410,645	-
Purchased Professional/Educational Services	11-230-100-320	42,461	-	42,461	38,354	4,107
General Supplies	11-230-100-610	1,010	-	1,010	1,010	-
Total Basic Skills/Remedial		453,758	358	454,116	450,009	4,107
School Sponsored Cocurricular Activities:						
Salaries	11-401-100-100	58,511	-	58,511	57,750	761
Supplies & Materials	11-401-100-600	28,402	370	28,772	19,195	9,577
Total School Sponsored Cocurricular Activities		86,913	370	87,283	76,945	10,338
School Sponsored Athletics:						
Salaries	11-402-100-100	65,452	-	65,452	53,940	11,512
Purchased Services	11-402-100-500	9,950	-	9,950	6,601	3,349
Supplies & Materials	11-402-100-600	7,700	-	7,700	5,311	2,389
Total School Sponsored Athletics		83,102	-	83,102	65,852	17,250
Other Instruction Programs						
Salaries	11-422-100-101	37,964	45,695	83,659	74,849	8,810
Other Salaries of Instruction	11-422-100-106	31,217	(19,911)	11,306	5,185	6,121
Purchased Services	11-422-100-300	25,784	(25,784)	-	-	-
Total Other Instructional Programs		94,965	-	94,965	80,034	14,931
Total - Instruction		6,066,413	38,050	6,104,463	5,718,566	385,897
Undistributed Expenditures:						
Instruction:						
Tuition Other LEA's - In State - Regular	11-000-100-561	-	26,391	26,391	-	26,391
Tuition to CSSD & Regional Day Schools	11-000-100-565	674,706	(137,968)	536,738	380,295	156,443
Tuition to Private Schools for the Handicapped - State	11-000-100-566	187,644	21,686	209,330	209,330	-
Tuition - Other	11-000-100-569	-	96,000	96,000	52,171	43,829
Total Instruction		862,350	6,109	868,459	641,796	226,663
Attendance & Social Work Services:						
Salaries	11-000-211-100	20,000	-	20,000	20,000	-
Purchased Profess & Technical Services	11-000-211-300	3,000	-	3,000	-	3,000
Total Attendance & Social Work Services		23,000	-	23,000	20,000	3,000
Health Services:						
Salaries	11-000-213-100	134,720	2,796	137,516	137,366	150
Purchased Professional & Technical Services	11-000-213-300	5,500	(1,232)	4,268	3,748	520
Supplies and Materials	11-000-213-600	5,000	(240)	4,760	3,585	1,175
Total Health Services		145,220	1,324	146,544	144,699	1,845
Other Support Services - Students - Related Services:						
Salaries	11-000-216-100	221,610	674	222,284	222,284	-
Purchased Professional/Educational Services	11-000-216-320	146,350	-	146,350	90,882	55,468
Supplies & Materials	11-000-216-600	14,200	4,075	18,275	8,512	9,763
Total Other Services - Students - Related Services		382,160	4,749	386,909	321,678	65,231
Other Support Services - Students - Extra Services:						
Purchased Professional Services	11-000-217-320	412,825	-	412,825	412,825	-
Total Other Services - Students - Related Services		412,825	-	412,825	412,825	-

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

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Other Support Services - Students - Regular:						
Salaries of Other Professional Staff	11-000-218-104	226,722	(11,150)	215,572	146,756	68,816
Purchased Professional/Educational Services	11-000-218-320	4,500	-	4,500	4,250	250
Purchased Professional & Technical Services	11-000-218-390	6,800	(50)	6,750	-	6,750
Other Purchased Services	11-000-218-500	-	8,750	8,750	8,750	-
Supplies & Materials	11-000-218-600	1,000	-	1,000	500	500
Other Objects	11-000-218-800	600	-	600	-	600
Total Other Support Services - Students - Regular		239,622	(2,450)	237,172	160,256	76,916
Other Support Services - Students - Special Services:						
Salaries of Other Professional Staff	11-000-219-104	376,240	(363,643)	12,597	12,597	-
Salaries of Secretarial & Clerical Assistants	11-000-219-105	44,832	-	44,832	44,832	-
Other Salaries	11-000-219-110	-	363,740	363,740	338,864	24,876
Purchased Professional/Educational Services	11-000-219-320	3,000	-	3,000	-	3,000
Supplies & Materials	11-000-219-600	12,400	449	12,849	1,705	11,144
Other Objects	11-000-219-800	3,600	(97)	3,503	2,704	799
Total Other Support Services - Students - Special Services		440,072	449	440,521	400,702	39,819
Improvement of Instructional Staff						
Salaries of Supervisors of Instruction	11-000-221-102	71,311	-	71,311	71,311	-
Salaries of Secretarial & Clerical Assistants	11-000-221-105	66,316	-	66,316	53,651	12,665
Purchased Professional/Educational Services	11-000-221-320	32,136	-	32,136	20,798	11,338
Purchased Professional & Technical Services	11-000-221-390	15,210	-	15,210	7,710	7,500
Total Instructional Staff Training		184,973	-	184,973	153,470	31,503
Educational Media Services/School Library:						
Salaries	11-000-222-100	87,900	-	87,900	86,938	962
Purchased Professional & Technical Services	11-000-222-300	2,500	-	2,500	2,257	243
Other Purchased Services (400-500 Series)	11-000-222-500	5,693	-	5,693	4,422	1,271
Supplies and Materials	11-000-222-600	19,000	4,142	23,142	20,951	2,191
Total Educational Media Services/School Library		115,093	4,142	119,235	114,568	4,667
Instructional Staff Training:						
Salaries of Supervisors of Instruction	11-000-223-102	71,311	5,800	77,111	71,311	5,800
Supplies and Materials	11-000-223-600	-	38,803	38,803	38,803	-
Other Objects	11-000-223-800	24,327	(5,196)	19,131	12,039	7,092
Total Instructional Staff Training		95,638	39,407	135,045	122,153	12,892
Support Services General Administration:						
Salaries	11-000-230-100	202,855	-	202,855	202,855	-
Legal Services	11-000-230-331	40,000	-	40,000	39,999	1
Audit Fees	11-000-230-332	30,000	2,535	32,535	32,535	-
Architectural/Engineering Services	11-000-230-334	5,000	(4,986)	14	-	14
Communications/Telephone	11-000-230-530	33,000	9,683	42,683	38,940	3,743
Other Purchased Services	11-000-230-590	25,321	(3,412)	21,909	21,909	-
General Supplies	11-000-230-610	1,800	-	1,800	588	1,212
Miscellaneous Expenditures	11-000-230-890	25,000	3,997	28,997	18,808	10,189
BOE Membership Dues & Fees	11-000-230-895	6,500	-	6,500	6,434	66
Total Support Services General Administration		369,476	7,817	377,293	362,068	15,225
Support Services School Administration:						
Salaries of Principals & Assistant Principals	11-000-240-103	364,789	-	364,789	362,049	2,740
Salaries of Secretarial & Clerical Assistants	11-000-240-105	122,305	-	122,305	110,317	11,988
Other Salaries	11-000-240-110	-	-	-	-	-
Other Purchased Services	11-000-240-500	400	-	400	-	400
Supplies and Materials	11-000-240-600	17,950	-	17,950	5,008	12,942
Other Objects	11-000-240-800	6,000	-	6,000	5,906	94
Total Support Services School Administration		511,444	-	511,444	483,280	28,164
Central Services:						
Salaries	11-000-251-100	246,499	-	246,499	246,499	-
Purchased Professional Services	11-000-251-330	24,294	-	24,294	20,349	3,945
Supplies and Materials	11-000-251-600	5,000	248	5,248	1,173	4,075
Miscellaneous Expenditures	11-000-251-890	2,700	-	2,700	1,847	853
Total Central Services		278,493	248	278,741	269,868	8,873

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

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Administrative Information Technology:						
Salaries	11-000-252-100	3,231	-	3,231	2,000	1,231
Purchased Professional Services	11-000-252-330	105,000	-	105,000	105,000	-
Purchased Technical Services	11-000-252-340	5,000	-	5,000	2,736	2,264
Total Administrative Information Technology		113,231	-	113,231	109,736	3,495
Interest Earned on Current Expense						
Maintenance Reserve	10-606	500	-	500	-	500
Emergency Reserve	10-607	1	-	1	-	1
Total Interest Earned on Current Expense		501	-	501	-	501
Allowable Maintenance for School Facilities:						
Cleaning, Repair & Maintenance Services	11-000-261-420	92,000	14,200	106,200	53,717	52,483
Supplies	11-000-261-610	15,000	-	15,000	14,891	109
Other Objects	11-000-261-800	6,000	-	6,000	-	6,000
Total Allowable Maintenance for School Facilities		113,000	14,200	127,200	68,608	58,592
Operation & Maintenance of Plant Services:						
Salaries	11-000-262-100	552,498	3,932	556,430	528,375	28,055
Salaries - Aides	11-000-262-107	72,500	(7,489)	65,011	63,943	1,068
Purchased Professional & Technical Services	11-000-262-300	1,000	-	1,000	440	560
Cleaning, Repair & Maintenance Services	11-000-262-420	64,428	22,007	86,435	74,283	12,152
Other Purchased Property Services	11-000-262-490	31,500	4,831	36,331	36,331	-
Insurance	11-000-262-520	35,650	(1,110)	34,540	33,224	1,316
General Supplies	11-000-262-610	78,000	1,000	79,000	62,689	16,311
Energy (Natural Gas)	11-000-262-621	63,000	1,055	64,055	64,055	-
Energy (Electricity)	11-000-262-622	241,500	5,870	247,370	247,370	-
Other Objects	11-000-262-800	1,000	(296)	704	400	304
Total Operation & Maintenance of Plant Services		1,141,076	29,800	1,170,876	1,111,110	59,766
Student Transportation Services:						
Contracted Services - (Aid in Lieu of Payments)	11-000-270-503	34,000	389	34,389	34,389	-
Contracted Services (Between Home & School) - Vendors	11-000-270-511	403,000	247,967	650,967	643,385	7,582
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-512	25,020	-	25,020	16,265	8,755
Contracted Services - (Jointures Special Education)	11-000-270-515	289,914	(389)	289,525	227,266	62,259
Other Objects	11-000-270-800	3,750	-	3,750	3,550	200
Total Student Transportation Services		755,684	247,967	1,003,651	924,855	78,796
Unallocated Benefits - Employee Benefits:						
Group Insurance	11-000-291-210	-	1,415	1,415	1,173	242
Social Security - Other	11-000-291-220	84,000	30,000	114,000	113,628	372
Other Retirement Contributions-PERS	11-000-291-241	149,250	10,045	159,295	158,756	539
Workmen's Compensation	11-000-291-260	69,165	-	69,165	69,165	-
Health Benefits	11-000-291-270	1,795,092	45,384	1,840,476	1,796,268	44,208
Tuition Reimbursement	11-000-291-280	20,000	-	20,000	19,065	935
Other Employee Benefits	11-000-291-290	66,500	(55,877)	10,623	10,622	1
Unused Sick Pay	11-000-291-299	31,565	(30,965)	600	600	-
Total Unallocated Benefits - Employee Benefits		2,215,572	2	2,215,574	2,169,277	46,297
Nonbudgeted:						
On-Behalf TPAF Pension Contributions		-	-	-	2,259,532	(2,259,532)
On-Behalf TPAF Post Retirement Medical Contributions		-	-	-	593,574	(593,574)
On-Behalf TPAF Long-Term Disability Insurance		-	-	-	1,058	(1,058)
Reimbursed TPAF Social Security Contributions		-	-	-	453,513	(453,513)
Total Undistributed Expenditures		8,399,430	353,764	8,753,194	11,298,626	(2,545,432)
Total Expenditures - Current Expense		14,465,843	391,814	14,857,657	17,017,192	(2,159,535)

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

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Capital Outlay:						
Equipment:						
Undist. Expend. Required Maint for School Fac.	12-000-261-730	-	65,938	65,938	63,842	2,096
Total Equipment		-	65,938	65,938	63,842	2,096
Facilities Acquisition & Construction Services:						
Assessment for Debt Service on SDA Funding	12-000-400-896	23,805	-	23,805	23,805	-
Total Facilities Acquisition & Construction Services		23,805	-	23,805	23,805	-
Assets Acquired through Subscription-Based Information Technology Arrangements (Nonbudgeted)		-	-	-	191,005	(191,005)
Total SBITA's (Nonbudgeted)		-	-	-	191,005	(191,005)
Interest Deposit to Capital Reserve	10-604	500	-	500	-	500
Total Capital Outlay		24,305	65,938	90,243	278,652	(188,409)
Transfers to Charter Schools		26,391	(26,391)	-	-	-
Total Expenditures		14,516,539	431,361	14,947,900	17,295,844	(2,347,944)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures Before Other Financing Sources/ (Uses)		(610,605)	(431,361)	(1,041,966)	344,090	1,386,056
Other Financing Sources/ (Uses)						
Operating Transfers in - Capital Projects		-	-	-	532	532
Operating Transfers Out - Capital Projects		-	(9,249)	(9,249)	(9,249)	-
Capital Reserve - Transfer to Capital Projects	12-000-400-931	(128,500)	-	(128,500)	(95,390)	33,110
SBITA Proceeds (Nonbudgeted)		-	-	-	191,005	191,005
Total Other Financing Sources/(Uses)		(128,500)	(9,249)	(137,749)	86,898	224,647
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses		(739,105)	(440,610)	(1,179,715)	430,988	1,610,703
Fund Balances, July 1		4,489,522	-	4,489,522	4,489,522	-
Fund Balances, June 30		<u>\$ 3,750,417</u>	<u>\$ (440,610)</u>	<u>\$ 3,309,807</u>	<u>\$ 4,920,510</u>	<u>\$ 1,610,703</u>

RECAPITULATION OF BUDGET TRANSFERS:

Prior Year Reserve for Encumbrances	\$ 407,611
Withdrawal from Maintenance Reserve	<u>32,999</u>
Total Budget Transfers	<u>\$ 440,610</u>

RECAPITULATION OF FUND BALANCE:

Restricted Fund Balance:	
Capital Reserve	\$ 901,465
Emergency Reserve	250,000
Maintenance Reserve	820,913
Unemployment Compensation	100,813
Excess Surplus	1,005,560
Reserved Excess Surplus Designated for Subsequent Year's Expenditures	534,812
Assigned Fund Balance:	
Designated for Subsequent Year's Expenditures	497,373
Year-end Encumbrances	290,504
Unassigned Fund Balance	<u>519,070</u>
Subtotal	4,920,510
Reconciliation to Governmental Funds Statements (GAAP):	
Last Two State Aid Payments Not Recognized on GAAP Basis	<u>(92,601)</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$ 4,827,909</u>

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

REVENUES	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Local Sources	\$ -	\$ 53,765	\$ 53,765	\$ 40,649	\$ (13,116)
Federal Sources	708,410	228,667	937,077	790,512	(146,565)
Total Revenues	708,410	282,432	990,842	831,161	(159,681)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	47,148	254,741	301,889	248,024	53,865
Purchased Professional Education Services	-	76,897	76,897	75,197	1,700
Tuition	209,896	5,693	215,589	215,589	-
Supplies	23,785	120,056	143,841	128,012	15,829
Total Instruction	280,829	457,387	738,216	666,822	71,394
Support Services:					
Employee Benefits	8,135	28,019	36,154	16,433	19,721
Purchased Professional Education Services	2,168	15,330	17,498	17,497	1
Other Purchased Services	-	60,024	60,024	14,595	45,429
Supplies	417,278	(288,828)	128,450	100,196	28,254
Student Activities	-	10,500	10,500	10,065	435
Total Support Services	427,581	(174,955)	252,626	158,786	93,840
Total Expenditures	708,410	282,432	990,842	825,608	165,234
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures & Other					
Financing Sources/(Uses)	-	-	-	5,553	5,553
Fund Balance, July 1	14,245	-	14,245	14,245	-
Fund Balance, June 30	<u>\$ 14,245</u>	<u>\$ -</u>	<u>\$ 14,245</u>	<u>\$ 19,798</u>	<u>\$ 5,553</u>

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:

Scholarships	\$ 2,851
Student Activities	<u>16,947</u>
	<u>\$ 19,798</u>

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

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

	GENERAL FUND	SPECIAL REVENUE FUND	
Sources/Inflows of Resources:			
Actual Amounts (Budgetary Basis) "Revenue"			
From the Budgetary Comparison Schedule (C-Series)	\$ 17,639,934	\$ 831,161	
Difference - Budget to GAAP:			
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	94,127	-	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(92,601)	-	
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.			
Current Year	-	(14,543)	
Prior Year	-	9,000	
	-	(14,543)	
	-	9,000	
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$ 17,641,460	\$ 825,618	
Uses/outflows of resources:			
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 17,295,844	\$ 825,608	
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.			
	-	(5,543)	
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$ 17,295,844	\$ 820,065	

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.01232%	0.01094%	0.01148%	0.01047%	0.01079%	0.01458%	0.01407%	0.01406%	0.01366%	0.01326%
School District's proportionate share of the net pension liability	\$ 1,859,783	\$ 1,296,006	\$ 1,872,603	\$ 1,887,049	\$ 2,123,831	\$ 3,394,088	\$ 4,166,101	\$ 3,155,841	\$ 2,557,410	\$ 2,546,947
School District's covered payroll	\$ 932,298	\$ 900,726	\$ 792,473	\$ 764,161	\$ 702,488	\$ 1,005,656	\$ 960,517	\$ 964,241	\$ 925,671	Unavailable
School District's proportionate share of the net pension liability as a percentage of its covered payroll	199.48%	143.88%	236.30%	246.94%	302.33%	337.50%	433.74%	327.29%	276.28%	Unavailable
Plan fiduciary net position as a percentage of the total pension liability	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

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

	<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>
School District's contractually required contribution	\$ 155,405	\$ 128,120	\$ 125,620	\$ 101,780	\$ 107,292	\$ 135,072	\$ 124,965	\$ 120,865	\$ 112,606	\$ 100,412
Contributions in relation to the contractually required contribution	(155,405)	(128,120)	(125,620)	(101,780)	(107,292)	(135,072)	(124,965)	(120,865)	(112,606)	(100,412)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 941,876	\$ 932,298	\$ 900,726	\$ 792,473	\$ 764,161	\$ 702,488	\$ 1,005,656	\$ 960,517	\$ 964,241	\$ 925,671
Contributions as a percentage of covered payroll	16.50%	13.74%	13.95%	12.84%	14.04%	19.23%	12.43%	12.58%	11.68%	10.85%

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

	<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>
School District's proportion of the net pension liability	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	27,591,784	26,414,607	37,785,436	33,230,712	35,419,453	38,061,668	44,745,283	36,359,168	31,641,997	29,673,065
School District's covered payroll	\$ 6,035,660	\$ 5,962,416	\$ 6,022,636	\$ 5,865,497	\$ 5,815,216	\$ 5,748,143	\$ 5,691,902	\$ 5,464,226	Unavailable	Unavailable
School District's proportionate share of the net pension liability as a percentage of its covered payroll	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
Plan fiduciary net position as a percentage of the total pension liability	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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M. Schedules Related to Accounting and Reporting for Other Post-Employment Benefits (GASB 75)

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**SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (OPEB)
LAST SIX FISCAL YEARS***

	2023	2022	2021	2020	2019	2018
District's Total OPEB Liability						
Service Cost	\$ 1,427,362	\$ 1,739,580	\$ 1,001,957	\$ 796,188	\$ 1,047,855	\$ 1,267,493
Interest Cost	849,293	972,451	937,791	1,127,223	1,256,773	1,089,007
Differences Between Expected and Actual Experiences	1,695,150	(7,189,668)	7,539,022	(4,101,692)	(3,976,061)	-
Changes of Benefit Terms	-	(39,900)	-	-	-	-
Changes of Assumptions	(8,597,023)	36,984	7,801,406	389,891	(3,295,395)	(4,488,144)
Contributions: Member	26,988	24,861	22,536	23,795	26,539	29,361
Gross Benefit Payments	(841,250)	(766,019)	(743,523)	(802,711)	(767,877)	(797,355)
Net Change in District's Total OPEB Liability	(5,439,480)	(5,221,711)	16,559,189	(2,567,306)	(5,708,166)	(2,899,638)
District's Total OPEB Liability (Beginning)	37,486,957	42,708,668	26,149,479	28,716,785	34,424,951	37,324,589
District's Total OPEB Liability (Ending)	\$ 32,047,477	\$ 37,486,957	\$ 42,708,668	\$ 26,149,479	\$ 28,716,785	\$ 34,424,951
District's Covered Employee Payroll	\$ 6,967,958	\$ 6,863,142	\$ 6,815,109	\$ 6,629,658	\$ 6,517,704	\$ 6,753,799
District's Net OPEB Liability as a Percentage of Payroll	460%	546%	627%	394%	441%	510%

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

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

**SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
YEAR ENDED JUNE 30, 2023**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - None.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - None.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 2.16% as of June 30, 2021, to 3.54% as of June 30, 2022.

OTHER SUPPLEMENTARY INFORMATION

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E. Special Revenue Fund

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

	EVERY STUDENT SUCCEEDS ACT		I.D.E.A.		C.R.R.S.A. ACT		AMERICAN RESCUE PLAN				OTHER					
	TITLE I - PART A	TITLE II - PART A	BASIC	PRESCHOOL	ESSER II	ACCEL. LEARNING	MENTAL HEALTH	ACCEL. LEARNING	ESSER III	SUMMER LEARNING	BEYOND SCHOOL	MENTAL HEALTH	LOCAL GRANTS	STUDENT ACTIVITIES	SCHOLARSHIP	TOTALS
Revenues:																
Federal Sources	87,524	19,280	9,000	13,603	78,483	3,666	9,508	16,000	291,400	25,455	3,800	30,807	25,031	15,616	-	790,512
Local Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	40,649
Total Revenues	87,524	19,280	9,000	13,603	78,483	3,666	9,508	16,000	291,400	25,455	3,800	30,807	25,031	15,616	2	831,161
Expenditures:																
Instruction:																
Salaries of Teachers	19,126	6,510	-	-	19,269	3,666	-	16,000	132,070	22,583	3,800	25,000	-	-	-	248,024
Other Ed. Services	-	-	-	-	-	-	-	-	75,197	-	-	-	-	-	-	75,197
Tuition	-	-	201,986	13,603	-	-	-	-	-	-	-	-	-	-	-	215,589
Supplies	56,582	3,950	9,000	-	45,172	-	-	-	-	-	-	-	13,308	-	-	128,012
Total Instruction	75,708	10,460	201,986	13,603	64,441	3,666	-	16,000	207,267	22,583	3,800	25,000	13,308	-	-	666,822
Support Services:																
Salaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Employee Benefits	7,306	3,320	-	-	-	-	-	-	-	-	-	5,807	-	-	-	16,433
Purchased Professional	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Education Services	4,510	5,500	-	-	-	-	-	-	7,487	-	-	-	-	-	-	17,497
Other Purchase Services	-	-	-	-	-	-	-	-	-	2,872	-	-	11,723	-	-	14,595
Supplies	-	-	-	-	14,042	-	9,508	-	76,646	-	-	-	-	-	-	100,196
Student Activities	-	-	-	-	-	-	-	-	-	-	-	-	-	10,065	-	10,065
Total Support Services	11,816	8,820	-	-	14,042	-	9,508	-	84,133	2,872	-	5,807	11,723	10,065	-	158,786
Total Expenditures	87,524	19,280	9,000	13,603	78,483	3,666	9,508	16,000	291,400	25,455	3,800	30,807	25,031	10,065	-	825,608
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,551	5,553
Fund Balance, July 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,396	14,245
Fund Balance, June 30	-	-	-	-	-	-	-	-	-	-	-	-	-	16,947	2,851	19,798

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F. Capital Projects Fund

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**SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR FISCAL YEAR ENDED JUNE 30, 2023**

PROJECT TITLE/ISSUE	ORIGINAL DATE	APPROPRIATIONS	EXPENDITURES TO DATE		UNEXPENDED BALANCE 2023
			PRIOR YEARS	CURRENT YEAR	
Doors, Fire Alarm System and Cameras Replacement	7/1/2023	\$ 95,390	\$ -	\$ 88,745	\$ 6,645
Total		\$ 95,390	\$ -	\$ 88,745	\$ 6,645

**SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

Revenues and Other Financing Sources:	
Interest Earnings	\$ 532
Transfer from Capital Outlay	95,390
	<hr/>
Total Revenues	95,922
	<hr/>
Expenditures and Other Financing Uses:	
Construction Services	88,745
	<hr/>
Total Expenditures	88,745
	<hr/>
Other Financing Sources/(Uses):	
Transfer to Capital Reserve	(532)
	<hr/>
Total Other Financing Sources/(Uses):	(532)
	<hr/>
Excess (deficiency) of revenues over (under) expenditures	6,645
Fund Balance - Beginning	-
	<hr/>
Fund Balance - Ending	\$ 6,645
	<hr/> <hr/>

**SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
DOORS, FIRE ALARM SYSTEM AND CAMERAS REPLACEMENT
FOR FISCAL YEAR ENDED JUNE 30, 2023**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
Transfers from Capital Outlay	\$ -	\$ 95,390	\$ 95,390	\$ 95,390
Total Revenues	-	95,390	95,390	95,390
Expenditures & Other Financing Uses:				
Construction Services	-	88,745	88,745	95,390
Total Expenditures	-	88,745	88,745	95,390
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ 6,645	\$ 6,645	\$ -

ADDITIONAL PROJECT INFORMATION

Original Authorized Cost	\$ 128,500
Additional Authorized Cost	(33,110)
Revised Authorized Cost	\$ 95,390
Percentage Increase Over Original Authorized Cost	n/a
Percentage Completion	93.03%
Original Target Completion Date	June 30, 2023

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I. Long Term Debt

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SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
 LONG-TERM DEBT ACCOUNT GROUP
 SCHEDULE OF SERIAL BONDS
 JUNE 30, 2023

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JUNE 30, 2022	BALANCE JUNE 30, 2023
			DATE	AMOUNT			
School Bond, Series 2014	9/1/14	\$ 4,521,000	09/01/23	\$ 550,000	2.250%	\$ 1,620,000	\$ 1,070,000
			09/01/24	520,000	2.250%		
Total						\$ 1,620,000	\$ 1,070,000

**SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEARS ENDED JUNE 30, 2023**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL (GAAP BASIS)	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:					
Local Sources:					
Local Tax Levy	\$ 489,158	\$ -	\$ 489,158	\$ 489,158	\$ -
Total Revenues	489,158	-	489,158	489,158	-
Expenditures:					
Regular Debt Service:					
Interest	29,919	-	29,919	29,919	-
Redemption of Principal	550,000	-	550,000	550,000	-
Total Expenditures	579,919	-	579,919	579,919	-
Excess/(Deficiency) of Revenues					
Over/(Under) Expenditures	(90,761)	-	(90,761)	(90,761)	-
Fund Balance, July 1	181,523	-	181,523	181,523	-
Fund Balance, June 30	\$ 90,762	\$ -	\$ 90,762	\$ 90,762	\$ -

SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
 LONG-TERM DEBT
 SCHEDULE OF SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENT LIABILITY
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

DESCRIPTION	DATE	TERM	INTEREST RATE PAYABLE	AMOUNT OF ORIGINAL ISSUE	BALANCE JUNE 30, 2022	ISSUED	RETIRED	BALANCE JUNE 30, 2023
Curriculum Software - ELA	7/1/2022	12 Months	0.000%	\$ 21,787	\$ -	\$ 21,787	\$ 21,787	\$ -
Curriculum Software - Math	7/1/2022	24 Months	0.000%	169,218	-	169,218	84,609	84,609
Total					\$ -	\$ 191,005	\$ 106,396	\$ 84,609

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STATISTICAL SECTION (unaudited)

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Financial Trends Information

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

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
FISCAL YEAR ENDING JUNE 30,										
Governmental Activities:										
Net Investment in Capital Assets	\$ 16,687,103	\$ 21,721,295	\$ 21,746,031	\$ 21,384,792	\$ 20,539,042	\$ 19,572,710	\$ 18,804,050	\$ 15,711,126	\$ 15,099,474	\$ 14,423,126
Restricted	3,724,123	3,316,186	2,932,244	2,101,624	1,878,451	1,861,004	1,687,156	2,979,745	795,156	970,688
Unrestricted	(849,305)	(1,327,968)	(2,110,955)	(2,638,870)	(3,047,976)	(3,203,584)	(2,978,941)	(2,832,869)	(2,778,573)	(223,116)
Total Governmental Activities	\$ 19,561,921	\$ 23,709,513	\$ 22,567,320	\$ 20,847,546	\$ 19,369,517	\$ 18,230,130	\$ 17,512,265	\$ 15,858,002	\$ 13,116,057	\$ 15,170,698
Business-Type Activities:										
Net Investment in Capital Assets	\$ 23,671	\$ 98,034	\$ 101,034	\$ 104,034	\$ 107,034	\$ 110,034	\$ 113,034	\$ 116,034	\$ 119,035	\$ 122,139
Unrestricted	119,558	98,613	14,393	14,609	36,940	26,652	16,088	1,741	1,138	9,383
Total Business-Type Activities	\$ 143,229	\$ 196,647	\$ 115,427	\$ 118,643	\$ 143,974	\$ 136,686	\$ 129,122	\$ 117,775	\$ 120,173	\$ 131,522
Government-Wide:										
Net Investment in Capital Assets	\$ 16,710,774	\$ 21,819,329	\$ 21,847,065	\$ 21,488,826	\$ 20,646,076	\$ 19,682,744	\$ 18,917,084	\$ 15,827,160	\$ 15,218,509	\$ 14,545,265
Restricted	3,724,123	3,316,186	2,932,244	2,101,624	1,878,451	1,861,004	1,687,156	2,979,745	795,156	970,688
Unrestricted	(729,747)	(1,229,355)	(2,096,562)	(2,624,261)	(3,011,036)	(3,176,932)	(2,962,853)	(2,831,128)	(2,777,435)	(213,733)
Total District Net Position	\$ 19,705,150	\$ 23,906,160	\$ 22,682,747	\$ 20,966,189	\$ 19,513,491	\$ 18,366,816	\$ 17,641,387	\$ 15,975,777	\$ 13,236,230	\$ 15,302,220

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

Unaudited

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ (3,836,214)	\$ (3,704,447)	\$ (4,077,977)	\$ (4,052,413)	\$ (4,067,284)	\$ (4,112,711)	\$ (5,675,307)	\$ (5,607,800)	\$ (5,653,289)	\$ (3,877,885)
Special Education	(1,543,706)	(1,528,009)	(1,449,354)	(1,385,534)	(1,253,158)	(1,327,812)	(1,208,338)	(1,280,612)	(1,238,381)	(1,312,127)
Other Special Education	(672,840)	(658,926)	(303,684)	(501,479)	(611,666)	(639,691)	(663,887)	(599,118)	(576,224)	(556,098)
Other Instruction	-	-	-	-	-	-	-	(6,439)	(10,647)	(7,965)
Support Services & Undistributed Costs:										
Tuition	(857,385)	(905,785)	(898,801)	(824,758)	(1,002,717)	(777,252)	(546,451)	(462,863)	(631,149)	(552,655)
Student & Instruction Related Services	(2,014,237)	(2,035,979)	(1,809,231)	(1,739,133)	(1,688,284)	(1,725,221)	(1,639,258)	(1,437,611)	(1,343,590)	(1,278,498)
General Administrative Services	(362,068)	(371,216)	(379,814)	(382,807)	(381,397)	(363,527)	(392,521)	(380,660)	(399,826)	(394,698)
Administrative Information Technology	(109,736)	(110,231)	(100,763)	(109,878)	(58,865)	(67,592)	(120,470)	(101,032)	(106,816)	(104,203)
School Administrative Services	(483,280)	(476,616)	(497,109)	(476,205)	(454,122)	(448,063)	(594,096)	(682,249)	(626,559)	(522,149)
Central Services	(269,868)	(267,998)	(253,922)	(246,711)	(270,100)	(343,225)	(342,386)	(329,608)	(321,377)	(238,955)
Plant Operations & Maintenance	(1,179,718)	(1,084,901)	(1,154,842)	(1,332,630)	(1,153,651)	(987,771)	(1,146,193)	(1,079,538)	(1,031,091)	(1,242,042)
Pupil Transportation	(924,855)	(659,748)	(608,066)	(623,571)	(709,242)	(667,771)	(622,201)	(626,309)	(571,828)	(528,380)
Business and Other Support Services	(2,328,645)	(3,410,939)	(3,515,545)	(1,647,390)	(2,887,971)	(4,030,482)	(204,158)	(3,311,844)	(2,641,319)	(3,343,829)
Unallocated Benefits	(1,197,143)	(1,062,112)	(2,780,568)	(2,394,084)	(2,496,847)	(3,060,606)	(1,574,195)	-	-	-
On Behalf TPAF Pension and Social Security Contributions	-	(27,270)	-	-	-	(10,916)	-	-	-	-
Transfer to Charter Schools	(49,828)	(61,515)	(73,203)	(84,891)	(71,938)	(112,523)	(117,591)	(174,045)	(114,093)	(141,803)
Interest & Other Charges	-	-	-	-	-	-	-	-	-	-
Increase in Compensated Absences - Unallocated	(859,062)	(867,160)	(415,390)	(321,928)	(306,188)	(306,188)	(288,141)	(12,332)	(1,467)	34,738
Unallocated Depreciation	(31,834)	-	-	-	-	-	-	(485,454)	(470,701)	(464,041)
Unallocated Amortization	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	(16,720,419)	(17,232,852)	(18,318,269)	(16,123,412)	(17,413,430)	(18,981,351)	(15,135,193)	(16,577,514)	(15,738,357)	(14,531,342)
Business-Type Activities:										
Food Service	(295,936)	(296,731)	(220,338)	(207,936)	(259,736)	(260,411)	(255,303)	(259,152)	(287,737)	(270,434)
Total Business-Type Activities Expense	(295,936)	(296,731)	(220,338)	(207,936)	(259,736)	(260,411)	(255,303)	(259,152)	(287,737)	(270,434)
Total District Expenses	\$ (17,016,355)	\$ (17,529,583)	\$ (18,538,607)	\$ (16,331,348)	\$ (17,673,166)	\$ (19,241,762)	\$ (15,390,496)	\$ (16,836,666)	\$ (16,026,094)	\$ (14,801,776)
Program Revenues:										
Governmental Activities:										
Operating Grants & Contributions	\$ 2,636,320	\$ 3,386,890	\$ 5,166,015	\$ 2,971,639	\$ 3,797,825	\$ 5,292,888	\$ 1,911,146	\$ 3,530,000	\$ 2,913,068	\$ 373,563
Total Governmental Activities Program Revenues	2,636,320	3,386,890	5,166,015	2,971,639	3,797,825	5,292,888	1,911,146	3,530,000	2,913,068	373,563

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

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Business-Type Activities:										
Changes for Services:										
Food Service	154,583	33,899	6,664	93,959	151,567	156,351	147,687	143,082	170,091	160,612
Operating Grants & Contributions	153,624	343,412	209,714	87,609	115,457	111,624	118,963	113,672	107,289	104,534
Total Business Type Activities Program Revenues	308,207	377,311	216,378	181,568	267,024	267,975	266,650	256,754	277,380	265,146
Total District Program Revenues	\$ 2,944,527	\$ 3,764,201	\$ 5,382,393	\$ 3,153,207	\$ 4,064,849	\$ 5,560,863	\$ 2,177,796	\$ 3,786,754	\$ 3,190,448	\$ 638,709
Net (Expense)/Revenue:										
Governmental Activities	\$ (14,084,099)	\$ (13,845,962)	\$ (13,152,254)	\$ (13,151,773)	\$ (13,615,605)	\$ (13,688,463)	\$ (13,224,047)	\$ (13,047,514)	\$ (12,825,289)	\$ (14,157,779)
Business-Type Activities	12,271	80,580	(3,960)	(26,368)	7,288	7,564	11,347	(2,398)	(10,357)	(5,288)
Total Government-Wide Net Expense	\$ (14,071,828)	\$ (13,765,382)	\$ (13,156,214)	\$ (13,178,141)	\$ (13,608,317)	\$ (13,680,899)	\$ (13,212,700)	\$ (13,049,912)	\$ (12,835,646)	\$ (14,163,067)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 12,491,363	\$ 12,246,434	\$ 12,006,308	\$ 11,770,890	\$ 11,540,089	\$ 11,240,283	\$ 10,802,294	\$ 10,590,484	\$ 10,456,357	\$ 10,133,516
Taxes Levied for Debt Service	489,158	591,607	603,294	603,294	893,743	889,248	881,657	849,598	469,250	820,943
Unrestricted Grants & Contributions	1,601,794	1,834,302	2,008,434	2,120,392	2,229,532	2,244,503	3,127,517	4,268,021	2,301,525	3,204,263
Investment Earnings	-	-	-	-	-	-	-	-	1	7
Miscellaneous Income	241,158	356,382	184,807	135,226	91,628	32,294	66,842	81,356	90,462	58,115
Transfers	-	-	-	-	-	-	-	-	-	1,207
Cancellation of Prior Year Accounts	-	-	-	-	-	-	-	-	-	-
Accounts Receivable	(9,249)	(13,322)	-	-	-	-	-	-	-	(30,583)
Cancellation of Current Year	-	-	-	-	-	-	-	-	-	-
Accounts Payable	-	-	-	-	-	-	-	-	-	10,940
Loss on Capital Asset Disposal	-	(27,248)	-	-	-	-	-	-	-	-
Total Governmental Activities	14,814,224	14,988,155	14,802,843	14,629,802	14,754,992	14,406,328	14,878,310	15,789,459	13,317,595	14,198,408
Business-Type Activities:										
Interest Earnings	4,331	640	744	1,037	-	-	-	-	8	366
Transfers	-	-	-	-	-	-	-	-	-	(1,207)
Total Business-Type Activities	4,331	640	744	1,037	-	-	-	-	8	(841)
Total Government-Wide	\$ 14,818,555	\$ 14,988,795	\$ 14,803,587	\$ 14,630,839	\$ 14,754,992	\$ 14,406,328	\$ 14,878,310	\$ 15,789,459	\$ 13,317,603	\$ 14,197,567
Change in Net Position:										
Governmental Activities	\$ 730,125	\$ 1,142,193	\$ 1,650,589	\$ 1,478,029	\$ 1,139,387	\$ 717,865	\$ 1,654,263	\$ 2,741,945	\$ 492,306	\$ 40,629
Business-Type Activities	16,602	81,220	(3,216)	(25,331)	7,288	7,564	11,347	(2,398)	(10,349)	(6,129)
Total District	\$ 746,727	\$ 1,223,413	\$ 1,647,373	\$ 1,452,698	\$ 1,146,675	\$ 725,429	\$ 1,665,610	\$ 2,739,547	\$ 481,957	\$ 34,500

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

Unaudited

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund:										
Restricted	\$ 3,613,563	\$ 3,120,418	\$ 2,722,589	\$ 1,903,532	\$ 1,280,100	\$ 1,681,986	\$ 1,347,042	\$ 1,224,055	\$ 827,722	\$ 957,878
Committed	-	-	-	-	-	-	-	35,575	107,347	34,131
Assigned	787,877	579,553	275,796	261,692	143,140	91,761	106,263	4,063	-	61,986
Unassigned	426,469	695,424	624,453	317,341	317,320	245,702	214,903	193,769	104,461	48,124
Total General Fund	\$ 4,827,909	\$ 4,395,395	\$ 3,622,838	\$ 2,482,565	\$ 1,740,560	\$ 2,019,449	\$ 1,668,208	\$ 1,457,462	\$ 1,039,530	\$ 1,102,119
All Other Governmental Funds:										
Restricted:										
Special Revenue Fund	19,798	14,245	11,563	-	-	-	-	-	-	-
Capital Projects Fund	6,645	-	16,570	16,570	405,142	179,017	338,145	1,802,269	4,854,533	288,728
Debt Service Fund	90,762	181,523	181,522	181,522	193,209.00	1.00	1,969.00	1,968.00	17,102	17,352.00
Total All Other Governmental Funds	\$ 117,205	\$ 195,768	\$ 209,655	\$ 198,092	\$ 598,351	\$ 179,018	\$ 340,114	\$ 1,804,237	\$ 4,871,635	\$ 306,080

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

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues:										
Tax Levy	\$ 12,980,521	\$ 12,838,041	\$ 12,609,602	\$ 12,374,184	\$ 12,433,832	\$ 12,129,531	\$ 11,683,951	\$ 11,440,082	\$ 10,925,607	\$ 10,954,459
Tuition Charges	5,700	13,300	12,210	5,400	1,800	5,060	2,160	-	3,000	-
Interest Earnings	-	-	-	-	-	-	-	-	-	1,404
Miscellaneous	272,908	366,075	222,242	144,226	116,652	73,177	83,526	81,356	87,462	56,718
State Sources	4,889,889	5,017,970	4,565,922	4,310,899	4,241,956	4,047,187	4,695,750	5,696,166	3,517,327	3,269,463
Federal Sources	807,750	576,115	463,721	331,199	275,209	327,689	324,069	337,202	305,638	308,363
Total Revenue	18,956,768	18,811,501	17,873,697	17,165,908	17,069,449	16,582,644	16,789,456	17,554,806	14,839,035	14,590,407
Expenditures:										
Instruction:										
Regular Instruction	3,836,214	3,704,447	4,077,977	4,052,413	4,067,284	4,112,711	5,675,307	5,607,800	5,653,289	3,877,885
Special Education Instruction	1,543,706	1,528,009	1,449,354	1,385,534	1,253,158	1,327,812	1,208,338	1,280,612	1,238,381	1,312,127
Other Special Instruction	672,840	658,926	303,684	501,479	611,666	639,691	663,887	599,118	576,224	556,098
Other Instruction	-	-	-	-	-	-	-	6,439	10,647	7,965
Support Services:										
Tuition	857,385	905,785	898,801	824,758	1,002,717	777,252	546,451	462,863	631,149	552,655
Student & Instruction Related Services	2,014,237	2,035,979	1,809,231	1,739,133	1,688,284	1,725,221	1,639,258	1,538,643	1,450,406	1,382,701
General Administration Services	362,068	371,216	379,814	382,807	381,397	363,527	392,521	682,249	626,559	522,149
School Administrative Services	483,280	476,616	497,109	476,205	454,122	448,063	594,096	380,660	399,826	394,698
Central Services	269,868	267,998	253,922	246,711	270,100	343,225	342,386	329,608	321,377	238,955
Other Support Services	109,736	110,231	100,763	109,878	58,865	67,592	120,470	-	-	752
Plant Operations & Maintenance	1,179,718	1,083,401	1,154,842	1,332,630	1,153,651	987,771	1,146,193	1,079,538	1,031,091	1,242,042
Pupil Transportation	924,855	659,748	608,066	623,571	709,242	667,771	622,201	626,309	571,828	528,380
Unallocated Benefits	2,169,277	2,078,540	1,835,542	1,702,072	1,918,391	1,924,322	342	20,464	20,202	2,260,086
On Behalf TPAF Pension and Social Security Contributions	3,307,677	3,194,760	2,568,513	2,190,507	2,012,424	1,806,092	1,574,195	1,417,254	1,200,789	1,083,743
Transfer to Charter Schools	-	27,270	-	-	-	-	-	-	-	-
Capital Outlay	343,592	321,172	226,629	617,678	453,960	275,512	2,611,727	5,306,016	655,801	83,272
Debt Service:										
Principal	656,396	550,000	550,000	550,000	810,000	790,000	760,000	706,000	415,000	770,000
Interest & Other Charges	53,724	65,411	77,099	88,786	83,744	125,020	145,461	160,699	54,500	129,724
Total Expenditures	18,784,573	18,039,509	16,791,346	16,824,162	16,929,005	16,381,582	18,042,833	20,204,272	14,857,069	14,943,232
Excess (Deficiency) of Revenues Over (Under) Expenditures	172,195	771,992	1,082,351	341,746	140,444	201,062	(1,253,377)	(2,649,466)	(18,034)	(352,825)

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

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Other Financing Sources/(Uses):										
Cancellation of Prior Year A/R	(9,249)	(13,322)	-	-	-	-	-	-	-	(30,583)
Cancellation of Current Year A/P	-	-	-	-	-	-	-	-	-	10,940
Transfers in	105,171	94,738	6,919	8,706	-	-	250,000	1,967	313,080	1,214
Transfers Out	(105,171)	(94,738)	(6,919)	(8,706)	-	-	(250,000)	(1,967)	(313,080)	(7)
Bond Proceeds	-	-	-	-	-	-	-	-	4,521,000	2,712,294
Deposit of Refunding Escrow	-	-	-	-	-	-	-	-	-	(2,667,493)
SBITA Proceeds (nonbudgeted)	191,005	-	-	-	-	-	-	-	-	-
Total Other Financing Sources/	181,756	(13,322)	-	-	-	-	-	-	4,521,000	26,365
(Uses)										
Net Change in Fund Balances	\$ 353,951	\$ 758,670	\$ 1,082,351	\$ 341,746	\$ 140,444	\$ 201,062	\$ (1,253,377)	\$ (2,649,466)	\$ 4,502,966	\$ (326,460)
Debt Service as a Percentage of										
Noncapital Expenditures	3.85%	3.47%	3.79%	3.94%	5.42%	5.68%	5.87%	5.82%	3.31%	6.05%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

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

FISCAL YEAR ENDING JUNE 30,	<u>INTEREST EARNINGS</u>	<u>TUITION</u>	<u>E-RATE REFUND</u>	<u>OTHR MISCELLANEOUS</u>	<u>TOTAL</u>
2023	\$ 173,080	\$ 5,700	\$ 11,280	\$ 50,566	\$ 240,626
2022	82,407	13,300	4,760	22,777	123,244
2021	108,588	12,210	-	57,090	177,888
2020	78,570	5,400	4,768	37,782	126,520
2019	-	1,800	-	59,126	60,926
2018	-	5,060	-	27,234	32,294
2017	6,067	-	34,855	23,760	64,682
2016	-	-	-	42,267	42,267
2015	-	3,000	-	72,449	75,449
2014	1,397	-	-	42,850	44,247
			-		

Source: District records

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Revenue Capacity Information

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

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SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
LAST TEN FISCAL YEARS
Unaudited

YEAR ENDED DECEMBER 31	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2023	\$ 12,195,800	\$ 829,055,500	\$ 49,060,350	\$ 6,576,100	\$ 81,957,050	\$ 10,606,500	\$ 989,451,300	\$ 1,768,991	\$ 991,220,291	2.199	\$ 1,477,544,045
2022	12,556,300	830,596,600	47,942,150	6,422,900	83,159,850	10,606,500	991,284,300	1,877,602	993,161,902	2.133	1,330,435,002
2021	12,547,500	834,522,600	47,444,100	6,398,900	83,161,350	10,606,500	994,680,950	1,960,614	996,641,564	2.074	1,260,667,517
2020	12,963,900	835,606,600	47,754,500	6,562,200	80,353,000	10,606,500	993,846,700	1,940,716	995,787,416	2.024	1,211,162,687
2019	14,001,600	835,863,700	48,500,000	6,576,000	80,575,700	10,558,500	996,075,500	2,059,854	998,135,354	1.980	1,150,222,259
2018	14,249,700	836,869,100	48,294,500	6,526,200	79,889,500	11,222,600	997,051,600	2,030,828	999,082,428	1.923	1,124,673,188
2017	15,316,800	834,322,300	49,471,000	6,513,400	80,278,900	10,739,300	996,641,700	1,979,748	998,621,448	1.933	1,107,167,513
2016	14,669,400	833,445,300	50,101,500	6,638,600	80,048,800	10,739,300	995,642,900	2,100,580	997,743,480	1.894	1,084,105,945
2015	14,303,000	834,646,800	50,823,800	6,814,200	79,209,300	9,611,500	995,408,600	2,243,724	997,652,324	1.825	1,074,955,292
2014	15,320,300	834,643,300	50,398,400	6,727,500	79,316,700	9,611,500	996,017,700	2,187,873	998,205,573	1.789	1,077,707,964

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

Total Direct School Tax Rate is a combined total of Southampton Township Board of Education and Lenape Regional High School District as detailed in Exhibit J-7

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

YEAR ENDED DECEMBER 31,	SCHOOL DISTRICT DIRECT RATE		OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE		
	SCHOOL	REGIONAL SCHOOL	TOWNSHIP OF SOUTHAMPTON	TOWNSHIP OPEN SPACE	BURLINGTON COUNTY		COUNTY LIBRARY	COUNTY OPEN SPACE
2023	1.319	0.880	0.427	0.020	0.452	0.042	0.037	3.177
2022	1.308	0.825	0.408	0.020	0.432	0.038	0.034	3.065
2021	1.280	0.794	0.408	0.020	0.432	0.038	0.026	2.998
2020	1.259	0.765	0.408	0.019	0.418	0.038	0.025	2.932
2019	1.245	0.735	0.409	0.020	0.388	0.037	0.035	2.869
2018	1.230	0.693	0.409	0.028	0.387	0.035	0.020	2.802
2017	1.200	0.733	0.408	0.044	0.372	0.035	0.020	2.812
2016	1.162	0.732	0.394	0.020	0.366	0.034	0.044	2.752
2015	1.128	0.697	0.373	0.020	0.369	0.035	0.043	2.665
2014	1.096	0.693	0.349	0.020	0.363	0.034	0.016	2.571

Source: Municipal Tax Collector

**SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS,
CURRENT YEAR AND NINE YEARS AGO**
Unaudited

	2023			2014		
TAXPAYER	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Mobile Estates of Southampton	\$ 9,951,300	1	1.00%	\$ 4,863,600	1	0.49%
Singh Real Estate Ent. Inc.	4,900,500	2	0.49%	4,547,900	2	0.46%
ARA 1869, LLC	3,764,900	3	0.38%	3,975,300	3	0.40%
Diamond M. Lumber	3,688,100	4	0.37%	3,388,700	4	0.34%
Wawa, Inc.	2,414,400	5	0.24%	2,204,732	5	0.22%
Lion Self Storage, LLC	2,196,200	6	0.22%	1,390,700	6	0.14%
Red Lion Realty, LLC	1,955,800	7	0.20%	1,314,800	7	0.13%
Verizon - NJ	1,768,991	8	0.18%	1,073,400	8	0.11%
Tax Payer #1	1,708,800	9	0.17%	1,061,600	9	0.11%
RCC Properties, LLC	1,660,400	10	0.17%	922,000	10	0.09%
Total	\$ 34,009,391		3.43%	\$ 24,742,732		2.48%

Source: Municipal Tax Assessor

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

FISCAL YEAR ENDED <u>JUNE 30,</u>	SCHOOL DISTRICT TAXES LEVIED FOR THE FISCAL YEAR		COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS	
			<u>AMOUNT</u>	<u>PERCENTAGE OF LEVY</u>		
2023	\$	12,980,521	\$	12,980,521	100.00%	\$ -
2022		12,838,041		12,838,041	100.00%	-
2021		12,609,602		12,609,602	100.00%	-
2020		12,374,184		12,374,184	100.00%	-
2019		12,433,832		12,433,832	100.00%	-
2018		12,432,264		12,432,264	100.00%	-
2017		12,129,531		12,129,531	100.00%	-
2016		11,683,951		11,683,951	100.00%	-
2015		11,440,082		11,440,082	100.00%	-
2014		10,925,607		10,925,607	100.00%	-

Source: District Records

Debt Capacity Information

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

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SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
Unaudited

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES			TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	LOANS PAYABLE				
2023	\$ 1,070,000	\$ -	\$ 1,070,000	unavailable	unavailable	
2022	1,620,000	-	1,620,000	unavailable	157	
2021	2,170,000	-	2,170,000	0.30%	211	
2020	2,720,000	-	2,720,000	0.40%	269	
2019	3,270,000	-	3,270,000	0.51%	323	
2018	4,080,000	-	4,080,000	0.66%	403	
2017	4,870,000	-	4,870,000	0.81%	479	
2016	5,630,000	-	5,630,000	0.96%	553	
2015	6,336,000	-	6,336,000	1.10%	618	
2014	2,230,000	-	2,230,000	0.40%	216	

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

SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
Unaudited

FISCAL YEAR ENDED <u>JUNE 30.</u>	<u>GENERAL BONDED DEBT OUTSTANDING</u>			NET GENERAL BONDED DEBT <u>OUTSTANDING</u>	PERCENTAGE OF NET VALUATION <u>TAXABLE</u>	<u>PER CAPITA</u>
	<u>GENERAL</u>	<u>BONDS</u>	<u>DEDUCTIONS</u>			
2023	\$	1,070,000	\$ -	\$ 1,070,000	0.11%	unavailable
2022		1,620,000	-	1,620,000	0.16%	157
2021		2,170,000	-	2,170,000	0.22%	211
2020		2,720,000	-	2,720,000	0.27%	269
2019		3,270,000	-	3,270,000	0.33%	323
2018		4,080,000	-	4,080,000	0.41%	403
2017		4,870,000	-	4,870,000	0.49%	479
2016		5,630,000	-	5,630,000	0.56%	553
2015		6,336,000	-	6,336,000	0.64%	618
2014		2,230,000	-	2,230,000	0.22%	216

SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2022
Unaudited

<u>GOVERNMENTAL UNIT</u>	NET DEBT (1)	TOWNSHIP PROPORTIONATE SHARE	NET DEBT ALLOCAED TO TOWNSHIP
Southampton Township (1)	\$ 7,194,794	100.00%	\$ 7,194,794
Burlington County (2)	161,356,421	2.57%	4,139,877
Lenape Regional High School (3)	97,078,000	6.66%	6,467,858
Southampton Township School District	1,070,000	100.00%	<u>1,070,000</u>
Total Direct & Overlapping Debt			<u>\$ 18,872,529</u>

(1) 2022 Annual Debt Statement

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

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

**SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS
*Unaudited***

	YEAR ENDING DECEMBER 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Debt Limit	\$ 40,649,004	\$ 37,976,911	\$ 36,139,233	\$ 34,785,339	\$ 33,706,716	\$ 32,886,236	\$ 32,619,364	\$ 32,613,444	\$ 33,739,545	\$ 33,776,228
Total Net Debt Applicable to Limit	1,070,000	1,620,000	2,170,000	2,720,000	3,270,000	4,545,000	5,330,000	5,630,000	6,336,000	2,230,000
Legal Debt Margin	\$ 39,579,004	\$ 36,356,911	\$ 33,969,233	\$ 32,065,339	\$ 30,436,716	\$ 28,341,236	\$ 27,289,364	\$ 26,983,444	\$ 27,403,545	\$ 31,546,228
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	2.63%	4.27%	6.00%	7.82%	9.70%	13.82%	16.34%	17.26%	18.78%	6.60%

Legal Debt Margin Calculation for Fiscal Year 2023

Equalized Valuation Basis	
2022	\$ 1,477,544,045
2021	1,331,389,305
2020	1,255,967,016
	<u>\$ 4,064,900,366</u>
	<u>\$ 1,354,966,789</u>
Average Equalized Valuation of Taxable Property	
Debt Limit (3.0 % of Average Equalization Value)	\$ 40,649,004
Net Debt Applicable to Limit	<u>1,070,000</u>
Legal Debt Margin	<u>\$ 39,579,004</u>

SOURCE: Annual Debt Statement

Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts.

Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

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

<u>YEAR</u>	<u>POPULATION</u> ^a	BURLINGTON COUNTY		<u>UNEMPLOYMENT RATE</u> ^d
		<u>PERSONAL INCOME</u> ^b	<u>PER CAPITA INCOME</u> ^c	
2022	10,346	Unavailable	Unavailable	4.1%
2021	10,286	714,835,856	69,496	6.1%
2020	10,094	677,852,476	67,154	9.6%
2019	10,115	642,585,720	63,528	3.9%
2018	10,128	619,225,920	61,140	4.6%
2017	10,159	602,134,089	59,271	5.0%
2016	10,189	586,713,187	57,583	4.0%
2015	10,260	573,790,500	55,925	5.2%
2014	10,322	552,970,184	53,572	6.4%
2013	10,347	534,350,121	51,643	9.8%

Source: NJ Dept of Labor and Workforce Development

^a NJ Dept of Labor & Workforce Development

^b Based upon the Municipal population & per capita personal income presented.

^c Provided by the NJ Department of Labor & Workforce Development

^d Provided by the NJ Department of Labor & Workforce Development

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

	2023			2014		
	EMPLOYEES	RANK (OPTIONAL)	PERCENTAGE OF TOTAL EMPLOYMENT	EMPLOYEES	RANK (OPTIONAL)	PERCENTAGE OF TOTAL EMPLOYMENT
Southampton Board of Education	105	1	84.68%	118	1	77.12%
Southampton Township	19	2	15.32%	35	2	22.88%
	<u>124</u>		<u>100.00%</u>	<u>153</u>		<u>100.00%</u>

Source: Township and Board of Education Officials

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

Unaudited

FUNCTION/PROGRAM	JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Instruction:										
Regular	42	42	47	47	48	55	55	55	55	55
Special Education	27	26	19	19	19	23	23	23	23	23
Other Special Education	-	-	2	2	2	3	3	3	3	3
Support Services:										
Student & Instruction Related Services	13	13	15	16	16	19	19	19	19	16
School Administrative Services	8	8	8	8	8	8	8	8	8	7
General Administrative Services	5	5	5	5	6	5	5	5	5	5
Plant Operations & Maintenance	10	10	9	10	10	10	10	10	9	9
Total	105	104	105	107	109	123	123	123	122	118

Source: District Personnel Records

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Operating Information

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

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**SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
*Unaudited***

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO ELEMENTARY	AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2023	687	\$ 17,730,861	\$ 25,809	7.4441%	80	8.59	684.7	645.2	-0.2813%	93.91%
2022	712	17,102,926	24,021	7.4624%	80	8.90	702.4	647.0	-3.8204%	90.87%
2021	713	15,937,618	22,353	0.7968%	82	8.70	694.4	672.7	0.0000%	94.35%
2020	702	15,567,698	22,176	0.6243%	82	8.56	694.4	672.7	1.6778%	95.83%
2019	707	15,581,301	22,039	3.4394%	82	8.62	682.4	661.6	0.0000%	93.58%
2018	713	15,191,050	21,306	7.6561%	79	9.03	682.4	661.6	-0.8096%	92.79%
2017	709	14,031,557	19,791	-0.5552%	78	9.09	688.8	667.0	-0.1796%	94.08%
2016	690	13,731,768	19,901	1.2146%	78	8.85	690.3	668.2	0.0000%	96.84%
2015	710	13,960,236	19,662	7.3618%	78	9.10	690.3	668.2	-4.6790%	94.11%
2014	723	13,241,068	18,314	7.0306%	78	9.27	710.8	701.0	-2.0836%	96.96%

Sources: District records

Note: Enrollment based on annual October district count.

a. Operating expenditures equal total expenditures less debt service and capital outlay.

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

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

**SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEAR**
Unaudited

DISTRICT BUILDINGS	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Elementary Schools:										
School #1 (1921, 1922, 1952, 1959)	35,109	35,109	35,109	35,109	35,109	35,109	35,109	35,109	35,109	35,109
Square Feet	223	223	223	223	223	223	223	223	223	223
Capacity (Students)	222	231	229	226	227	240	239	233	235	239
Enrollment										
School #2 (1962, 1969)	40,674	40,674	40,674	40,674	40,674	40,674	40,674	40,674	40,674	40,674
Square Feet	279	279	279	279	279	279	279	279	279	279
Capacity (Students)	225	228	230	227	228	232	230	224	226	231
Enrollment (a)										
Middle School:										
School # 3 (1994)	52,280	52,280	52,280	52,280	52,280	52,280	52,280	52,280	52,280	52,280
Square Feet	417	417	417	417	417	417	417	417	417	417
Capacity (Students)	240	253	254	249	252	241	240	233	249	253
Enrollment										
Total District Enrollment:	687	712	713	702	707	713	709	690	710	723
Other Buildings:										
Administration Building (1910)	4,394	4,394	4,394	4,394	4,394	4,394	4,394	4,394	4,394	4,394
Square Feet										
Storage Building - Garage (1930)	900	900	900	900	900	900	900	900	900	900
Square Feet										
Storage Building - Barn (1930)	1,520	1,520	1,520	1,520	1,520	1,520	1,520	1,520	1,520	1,520
Square Feet										
Storage Building - Stable (1930)	396	396	396	396	396	396	396	396	396	396
Square Feet										
Storage Building - Bus Garage (1938)	2,516	2,516	2,516	2,516	2,516	2,516	2,516	2,516	2,516	2,516
Square Feet										
Number of Schools at June 30, 2023:										
Elementary = 2										
Middle School = 1										
Senior High School = 0										

Source: District Facilities Office

Note: Year of original construction is shown in parentheses.
Enrollment is based on the annual October district count.
Capacity is from five year Long Range Facility Plan October 2005

SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
Unaudited

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

				DISTRICT
	<u>SCHOOL #1</u>	<u>SCHOOL #2</u>	<u>SCHOOL #3</u>	<u>TOTAL</u>
2023	\$ 30,568	\$ 20,173	\$ 17,867	\$ 68,608
2022	33,740	29,015	30,799	93,554
2021	46,935	54,374	69,890	171,199
2020	24,329	137,364	152,211	313,904
2019	122,548	14,660	16,292	153,500
2018	80,428	9,622	10,692	100,742
2017	174,715	20,901	23,227	218,843
2016	121,091	14,486	16,098	151,675
2015	24,231	37,211	31,025	92,467
2014	167,949	79,742	130,423	378,114

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

Source: District records

**SOUTHAMPTON TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
June 30, 2023
Unaudited**

	COVERAGE	DEDUCTIBLE
Burlington County Insurance Pool, Joint Insurance Fund (BCIPJIF):		
Property / Inland Marine / Automobile Physical Damages (per occurrence)	\$ 250,000	\$ 500
General Liability / Auto Liability	250,000	
Educators Legal Liability	250,000	
Workers Compensation	250,000	
Crime	250,000	500
School Pool For Excess Liability Limits		
Property / Inland Marine / Automobile Physical Damages (per occurrence)	175,000,000	
Crime	500,000	
Workers Compensation	Statutory	
Employers Liability	20,000,000	
General Liability / Auto Liability	20,000,000	
Educators' Legal Liability	20,000,000	
Travelers Insurance Company		
Boiler and Machinery	125,000,000	1,000
AIG Environmental		
Pollution Liability	3,000,000	25,000
Member District Deductible - Mold Incident		100,000-250,000
Beazley Insurance Company, Inc.		
Cyber Liability	2,000,000	50,000-100,000
Western Surety:		
Surety - Treasurer of Monies	215,000	
Surety - Board Secretary	120,000	

Excess and Reinsurance Carriers Involved **

Property and Crime.....	SPELLJIF, Great American Insurance Company Axis Surplus Insurance Company Westchester Fire Insurance Company Alterra Excess & Surplus Insurance Company Ironshore Specialty Insurance Company Steadfast Insurance Company RSUI Indemnity Company James River Insurance Company BRIT / Lloyd's of London Arch Specialty Insurance Company
General Liability and Automobile Liability.....	SPELLJIF, Great American Insurance Company
Workers Compensation.....	SPELLJIF, Great American Insurance Company, Safety National Casualty Company
Educators Legal Liability	SPELLJIF, Great American Insurance Company, General Reinsurance Corp.

Group Purchase of Primary Insurance Coverage Carrier Array

Boiler and Machinery	Travelers Insurance Company
Pollution Legal Liability	Beazley / Lloyd's of Londaon
Cyber Liability	AIG / Lexington Insurance Company, Inc.
Violent malicious Acts	Lloyd's of London
Disaster Managemnet Services	Lloyd's of London

Source: District Records

SINGLE AUDIT SECTION

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

EXHIBIT K-1

INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Southampton Township School District (the “School District”) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District’s basic financial statements, and have issued our report thereon dated March 7, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the School District’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

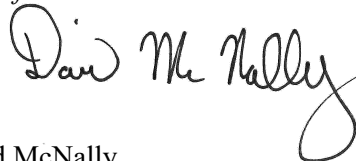
Purpose of this Report

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

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.

Certified Public Accountants & Advisors



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

Medford, New Jersey
March 7, 2024



HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

EXHIBIT K-2

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

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

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

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); New Jersey OMB’s Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School District and to meet our ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the School District’s compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individual or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted accounting standards, *Government Auditing Standards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, we:

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

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

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

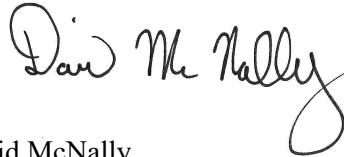
Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Purpose of this Report

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

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC
Certified Public Accountants & Advisors



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

Medford, New Jersey
March 7, 2024

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

FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM TITLE OR CLUSTER	ASSISTANCE LISTING NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE 6/30/2022	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	BALANCE, JUNE 30, 2023	
										(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE
U.S. Department of Health and Human Services											
Passed Through New Jersey Department of Human Services											
Medical Assistance Program (SEMI)	93.778	230NJ5MAP	100-054-7540-211	\$ 18,010	7/1/22-6/30/23	\$ -	\$ 18,010	\$ (18,010)	\$ -	\$ -	\$ -
Medical Assistance Program (FFCRA/SEMI)	93.778	230NJ5MAP	100-054-7540-211	1,572	1/1/21-12/31/21	-	1,572	(1,572)	-	-	-
Total U.S. Department of Health and Human Services							19,582	(19,582)	-	-	-
U.S. Department of Agriculture											
Passed Through New Jersey Department of Agriculture:											
Child Nutrition Cluster:											
School Breakfast Program	10.553	231NJ304N1099	100-010-3350-028	\$ 14,240	7/1/22-6/30/23	-	13,028	(14,240)	-	(1,212)	-
COVID-19 School Breakfast Program	10.553	221NJ304N1099	100-010-3350-028	34,139	7/1/21-6/30/22	(5,924)	5,924	-	-	(1,212)	-
						(5,924)	18,952	(14,240)	-	(1,212)	-
National School Lunch Program	10.555	231NJ304N1099	100-010-3350-026	79,210	7/1/22-6/30/23	-	73,785	(79,210)	-	(5,425)	-
COVID-19 National School Lunch Program	10.555	221NJ304N1099	100-010-3350-026	267,368	7/1/21-6/30/22	(19,660)	19,660	-	-	-	-
Healthy Hungers-Free Kids Act	10.555	231NJ304N1099	100-010-3350-026	3,482	7/1/22-6/30/23	-	3,249	(3,482)	-	(233)	-
COVID-19 Supply Chain Assistance Award	10.555	231NJ304N1099	100-010-3350-118	44,872	8/25/22-9/30/24	-	44,872	(25,263)	-	-	19,609
Food Distribution Program (Noncash Assistance)	10.555	231NJ304N1099	Unavailable	25,021	7/1/22-6/30/23	-	25,021	(20,379)	-	-	4,642
Food Distribution Program (Noncash Assistance)	10.555	221NJ304N1099	Unavailable	28,123	7/1/21-6/30/22	(12,807)	166,587	(135,187)	-	(5,658)	24,251
Total Child Nutrition Cluster						(18,731)	185,539	(149,427)	-	(6,870)	24,251
Total U.S. Department of Agriculture						(18,731)	185,539	(149,427)	-	(6,870)	24,251
U.S. Department of Education											
Passed Through New Jersey Department of Education:											
I.D.E.A. Part B (Special Education Cluster)											
Basic	84.027	H027A220100	100-034-5065-016	201,986	7/1/22-9/30/23	-	161,584	(201,986)	-	(40,402)	-
Basic	84.027	H027A210100	100-034-5065-016	199,454	7/1/21-9/30/22	(19,948)	19,948	-	-	-	-
COVID-19 ARP - IDEA Basic	84.027X	H027X210100	100-034-5065-094	31,812	7/1/21-9/30/22	(3,183)	3,183	-	-	-	-
						(23,131)	184,715	(201,986)	-	(40,402)	-
Preschool	84.173	H173A220114	100-034-5065-020	13,603	7/1/22-9/30/23	-	10,880	(13,603)	-	(2,723)	-
Preschool	84.173	H173A210114	100-034-5065-020	12,960	7/1/21-9/30/22	(1,296)	1,296	-	-	-	-
COVID-19 ARP - IDEA Preschool	84.173X	H173X210114	100-034-5065-095	2,711	7/1/21-9/30/22	(271)	271	-	-	-	-
						(1,567)	12,447	(13,603)	-	(2,723)	-
Total Special Education Cluster						(24,698)	197,162	(215,589)	-	(43,125)	-
Title I - Part A	84.010	S010A220030	100-034-5064-194	69,789	7/1/22-9/30/23	-	59,841	(87,524)	-	(27,683)	-
Title I - Part A	84.010	S010A210030	100-034-5064-194	72,648	7/1/21-9/30/22	(15,230)	15,230	-	-	-	-
						(15,230)	75,071	(87,524)	-	(27,683)	-
Title II - Part A, Supporting Effective Instruction	84.367	S367A220029	100-034-5063-290	15,330	7/1/22-9/30/23	-	9,158	(19,280)	-	(10,122)	-
Title II - Part A, Supporting Effective Instruction	84.367	S367A210029	100-034-5063-290	14,890	7/1/21-9/30/22	(4,183)	4,183	-	-	-	-
						(4,183)	13,341	(19,280)	-	(10,122)	-
Title IV - Student Support and Academic Enrichment						-	-	(9,000)	-	(9,000)	-
	84.424	S424A220031	100-034-5063-290	9,065	7/1/22-9/30/23	-	-	(9,000)	-	(9,000)	-
Education Stabilization Fund											
COVID-19 C.R.R.S.A. Act:											
E.S.S.E.R. II	84.425D	S425D210027	100-034-5120-518	280,799	3/13/20-9/30/23	(17,718)	15,275	(78,483)	-	(80,926)	-
Learning Acceleration	84.425D	S425D210027	100-034-5120-518	25,000	3/13/20-9/30/23	-	-	(3,666)	-	(3,666)	-
Mental Health	84.425D	S425D210027	100-034-5120-518	45,000	3/13/20-9/30/23	(2,400)	4,409	(9,508)	-	(7,499)	-
COVID-19 American Rescue Plan:											
E.S.S.E.R. III	84.425U	S425U210027	100-034-5120-523	631,077	3/13/20-9/30/24	-	148,752	(291,400)	-	(142,648)	-
Accelerated Learning	84.425U	S425U210027	100-034-5120-523	8,000	3/13/20-9/30/24	-	8,000	(16,000)	-	(8,000)	-
Summer Learning	84.425U	S425U210027	100-034-5120-523	40,000	3/13/20-9/30/24	-	25,455	(25,455)	-	-	-
Beyond the School Day	84.425U	S425U210027	100-034-5120-523	40,000	3/13/20-9/30/24	-	10,367	(3,800)	-	(3,800)	-
Mental Health	84.425U	S425U210027	100-034-5120-523	45,000	3/13/20-9/30/24	(20,118)	212,258	(459,119)	-	(266,979)	-
Total U.S. Department of Education						(64,229)	497,832	(790,512)	-	(356,909)	-
Total Expenditures of Federal Awards						\$ (82,960)	\$ 702,953	\$ (959,521)	\$ -	\$ (363,779)	\$ 24,251

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

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

STATE GRANTOR/PROGRAM TITLE OR CLUSTER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2022	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	BALANCE JUNE 30, 2023 ACCOUNTS RECEIVABLE	MEMO	
									BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
<u>New Jersey Department of Education:</u>										
General Fund:										
State Aid Public:										
Equalization Aid	495-034-5120-078	\$ 332,880	7/1/22-6/30/23	\$ -	\$ 332,880	\$ (332,880)	\$ -	\$ -	\$ 23,047	\$ 332,880
Security Aid	495-034-5120-084	94,037	7/1/22-6/30/23	-	94,037	(94,037)	-	-	6,510	94,037
Special Education Categorical Aid	495-034-5120-089	489,699	7/1/22-6/30/23	-	489,699	(489,699)	-	-	33,904	489,699
Total State Aid Public					916,616	(916,616)	-	-	63,461	916,616
Transportation Aid	495-034-5120-014	420,886	7/1/22-6/30/23	-	420,886	(420,886)	-	-	29,140	420,886
Additional Nonpublic School Transportation Aid	495-034-5120-014	13,416	7/1/22-6/30/23	-	-	(13,416)	-	(13,416)	-	13,416
Additional Nonpublic School Transportation Aid	495-034-5120-014	9,469	7/1/21-6/30/22	(9,469)	9,469	-	-	-	-	-
Extraordinary Aid	495-034-5120-044	191,564	7/1/22-6/30/23	-	-	(191,564)	-	(191,564)	-	191,564
Extraordinary Aid	495-034-5120-044	242,596	7/1/21-6/30/22	(242,596)	242,596	-	-	-	-	-
Supplemental Stabilization Aid	495-034-5120-148	36,053	7/1/22-6/30/23	-	36,053	(36,053)	-	-	-	36,053
State Reimb. For Lead Testing of Drinking Water	495-034-5120-104	2,151	7/1/22-6/30/23	-	2,151	(2,151)	-	-	-	2,151
Reimbursed TPAF Social Security Contributions	495-034-5094-003	453,513	7/1/22-6/30/23	-	408,706	(453,513)	-	(44,807)	-	453,513
Reimbursed TPAF Social Security Contributions	495-034-5094-003	439,456	7/1/21-6/30/22	(21,358)	21,358	-	-	-	-	-
TPAF - Post Retirement										
Medical (Noncash Assistance)	495-034-5094-001	593,574	7/1/22-6/30/23	-	593,574	(593,574)	-	-	-	593,574
TPAF Pension										
Contributions (Noncash Assistance)	495-034-5094-002	2,259,532	7/1/22-6/30/23	-	2,259,532	(2,259,532)	-	-	-	2,259,532
TPAF - Long-Term Disability										
Insurance (Noncash Assistance)	495-034-5094-004	1,058	7/1/22-6/30/23	-	1,058	(1,058)	-	-	-	1,058
Total General Fund				(273,423)	4,911,999	(4,888,363)	-	(249,787)	92,601	4,888,363
<u>New Jersey Department of Agriculture:</u>										
Enterprise Fund:										
National School Lunch Program	495-010-3350-001	2,743	7/1/22-6/30/23	-	2,559	(2,743)	-	(184)	-	2,743
National School Lunch Program	495-010-3350-001	7,097	7/1/21-6/30/22	(453)	453	-	-	-	-	-
School Lunch & Breakfast Program - Reduced (State)	495-010-3350-002	1,454	7/1/22-6/30/23	-	1,341	(1,454)	-	(113)	-	1,454
Total Enterprise Fund				(453)	4,353	(4,197)	-	(297)	-	4,197
Total State Financial Assistance				\$ (273,876)	\$ 4,916,352	\$ (4,892,560)	\$ -	\$ (250,084)	\$ 92,601	\$ 4,892,560

State Financial Assistance Programs not subject to Calculation for Major Program Determination:

TPAF - Post Retirement										
Medical (Noncash Assistance)	495-034-5094-001	593,574	7/1/22-6/30/23	-	-	593,574	-	-	-	593,574
TPAF Pension										
Contributions (Noncash Assistance)	495-034-5094-002	2,259,532	7/1/22-6/30/23	-	-	2,259,532	-	-	-	2,259,532
TPAF - Long-Term Disability										
Insurance (Noncash Assistance)	495-034-5094-004	1,058	7/1/22-6/30/23	-	-	1,058	-	-	-	1,058
Total State Financial Assistance subject to Calculation for Major Program Determination						\$ (2,038,396)				\$ (2,038,396)

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

Note 1. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Southampton Township School District. The School District is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2. Summary of Significant Accounting Policies

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

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

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2023. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2023.

Note 3. Relationship to Basic Financial Statements

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

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

Note 3. Relationship to Basic Financial Statements (continued)

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$1,526 for the general fund and (\$2,344) for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 19,582	\$ 4,889,889	\$ 4,909,471
Special Revenue Fund	788,168	-	788,168
Food Service Fund	<u>149,427</u>	<u>4,197</u>	<u>153,624</u>
Total Awards & Financial Assistance	<u>\$ 957,177</u>	<u>\$ 4,894,086</u>	<u>\$ 5,851,263</u>

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Federal and State Loans Outstanding

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

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

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued		<u>Unmodified</u>
Internal control over financial reporting:		
1) Material weakness(es) identified?	_____ yes	_____ <u>X</u> no
2) Significant deficiency(ies) identified?	_____ yes	_____ <u>X</u> none reported
Noncompliance material to financial statements noted?	_____ yes	_____ <u>X</u> no

Federal Awards

Internal control over major programs:		
1) Material weakness(es) identified?	_____ yes	_____ <u>X</u> no
2) Significant deficiency(ies) identified?	_____ yes	_____ <u>X</u> none reported
Type of auditor's report issued on compliance for major programs		<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of Uniform Guidance?	_____ yes	_____ <u>X</u> no

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____	_____	Education Stabilization Fund:
84.425D	S425D210027	COVID-19 C.R.R.S.A.
84.425U	S425U210027	COVID-19 A.R.P.

Dollar threshold used to determine Type A programs		<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	_____ yes	_____ <u>X</u> no

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

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

State Financial Assistance

Dollar threshold used to determine Type A programs	_____	\$ 750,000
Auditee qualified as low-risk auditee?	<u> X </u> yes	_____ no
Internal control over major programs:		
1) Material weakness(es) identified?	_____ yes	<u> X </u> no
2) Significant deficiency(ies) identified?	_____ yes	<u> X </u> no
Type of auditor's report issued on compliance for major programs	_____	Unmodified
Any audit findings disclosed that are required to be reported in accordance with New Jersey OMB's Circular 15-08?	_____ yes	<u> X </u> no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
_____	State Aid Public: _____
495-034-5120-078	Equalization Aid _____
495-034-5120-084	Security Aid _____
495-034-5120-089	Special Education Categorical Aid _____
_____	_____
_____	_____

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

Section II – Financial Statement Findings

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

None.

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

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

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE

None.

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

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

Financial Statement Findings – N/A

Federal Awards – N/A

State Financial Assistance – N/A