

TOWN OF HAMMONTON SCHOOL DISTRICT

Hammonton, New Jersey

County of Atlantic

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2025**

ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE
TOWN OF HAMMONTON SCHOOL DISTRICT
HAMMONTON, NEW JERSEY

YEAR ENDED JUNE 30, 2025

PREPARED BY DISTRICT FINANCE OFFICER
SCHOOL BUSINESS ADMINISTRATOR/BOARD SECRETARY
TERI WEEKS

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INTRODUCTORY SECTION

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Hammonton Board of Education

566 Old Forks Road
Hammonton, NJ 08037
Phone 609-567-7000 + Fax 609-561-4420
Website: www.hammontonps.org

Thomas Ramsay
Superintendent of Schools

Teri Weeks
Business Administrator/Board Secretary

January 15, 2026

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

Dear Board Members:

The annual comprehensive financial report of the Town of Hammonton School District for the fiscal year ended June 30, 2025, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

1) REPORTING ENTITY AND ITS SERVICES:

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

The District provides a full range of educational services appropriate to grade levels Pre-K through twelve. These include regular as well as special education for handicapped children. The District completed the 2024-2025 fiscal year with an average daily enrollment of 3,062 students, which is 210 students below the previous year's average daily enrollment. The following details the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2024-2025	3,062	(18.18)
2023-2024	3,272	(2.07)
2022-2023	3,341	.57
2021-2022	3,322	(1.51)
2020-2021	3,373	(3.02)
2019-2020	3,478	(1.05)
2018-2019	3,515	.57
2017-2018	3,495	(2.40)
2016-2017	3,581	(1.02)
2015-2016	3,627	1.01

2) ECONOMIC CONDITION AND OUTLOOK:

The NJ Department of Education provides an analysis of 2024-2025 Budgeted Costs Amount Per Pupil. Hammonton spends \$17,899 and is one of the lower budgeted cost in the state. The cost per pupil has increased over the past few years due to increased costs in medical insurances, energy costs, and overall increases in supplies and services. It continues to be a struggle to find qualified applicants to replace retiring staff.

With a student population of approximately 3,300 students in combination with our sending districts of Waterford and Folsom, the Hammonton School District in partnership with the community continues to provide educational opportunities that inspire students to achieve their full academic, social, and civic potential as they meet the expectations of the New Jersey Student Learning Standards at all grade levels. Our professional staff continuously researches and implements best practices to provide a well-rounded educational experience. The ability to achieve this goal is through the commitment of all stakeholders to promote the mission of our school district.

3) MAJOR INITIATIVES:

For the 2025-2026 school year, Hammonton continues to maintain the 1:1 initiative for students to devices as part of our regular instructional program by maintaining Chromebooks for instruction. All staff utilize Google Classroom to post assignments and to reduce the amount of paper copies required. In addition, teaching staff incorporate various technology tools such as Pear Deck, IXL, and Edpuzzle to enhance instruction. LinkIt continues to be utilized to measure student growth through benchmarking as well as the Intervention Manager as a component of MTSS. PBSIS continues to be successful at High School and Middle School to improve school climate.

A mental health counselor is shared between the Warren E. Sooy, Jr. Elementary School and the Hammonton Early Childhood Education Center to continue Tier 3 mental health interventions.

As part of the expansion of universal preschool for all students, a cohort of 3-year-olds was added to the Early Childhood Education Center. Construction on a second-floor addition to the Early Childhood Education Center began September of 2025 to accommodate the increased student population.

Curriculum: The Hammonton School District is committed to the goal that all students can learn. Each grade level builds on the foundations set by the previous one. Throughout the school year and through the summer months, we devote resources to articulate our district curriculum vertically and horizontally to continuously improve our educational programs. To accommodate any revisions needed, Atlas Curriculum Mapping is utilized for all content areas. Numerous staff members worked in PLC structures to revise and develop units of study along with curriculum maps. LinkIt Benchmarks are used to measure student growth and to identify areas of need. IXL is used to provide targeted skill reinforcement to assist students in acquiring necessary mastery in ELA and Math. Additional courses College Prep Forensics II, Zoology, Agriculture: Sustainable Systems and Local Environment, Small Engine Repair, Criminal Justice were also recently added to the high school program of studies to expand learning opportunities for students. Common Lit, Actively Learn, Mystery Science and Studies Weekly are used to address skills needed to analyze informational text for students in grades K-12.

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

Professional Development: The Hammonton School District is committed to providing teachers with resources to refine subject matter mastery and expertise needed to allow students to function as independent learners and problem-solvers. Three professional development days are used to begin the school year for additional opportunities to enhance skills and incorporate new materials into classroom instructional practices along with a CPI training for designated staff. Teacher-led teams are supported by supervisors and principals to provide professional development that is aligned to the district's mission and goals of providing educational opportunities that inspire students to achieve their full academic, social and civic potential. Our professional development committees survey our teachers and identify areas of interest and concerns. Based on these findings, highly effective in-service training has been implemented to meet the needs of our professional staff. Throughout the 2025-2026 school year, training will be provided on mental health and wellness, student engagement, implementation of IXL, and Go Math. ELA teachers in grades 6-12 will also participate in the Literacy Consortium at Rowan University. In addition, building level teams have been established to implement student-support instructional practices throughout the district to better meet student needs and to include equity awareness.

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

4) INTERNAL ACCOUNTING CONTROLS:

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

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

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

5) BUDGETARY CONTROLS:

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2025.

6) ACCOUNTING SYSTEM AND REPORTS:

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

7) DEBT ADMINISTRATION:

At June 30, 2025, the District's outstanding debt issues included \$11,440,000 of general obligation bonds. The proceeds of the bond issues were used to provide funds for the construction of the High School and Early Childhood Center and also for capital improvements to the W.E.S. Elementary School.

8) CASH MANAGEMENT:

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

9) RISK MANAGEMENT:

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

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

10) OTHER INFORMATION:

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

11) ACKNOWLEDGMENTS:

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

Respectfully submitted,



Thomas Ramsay
Superintendent



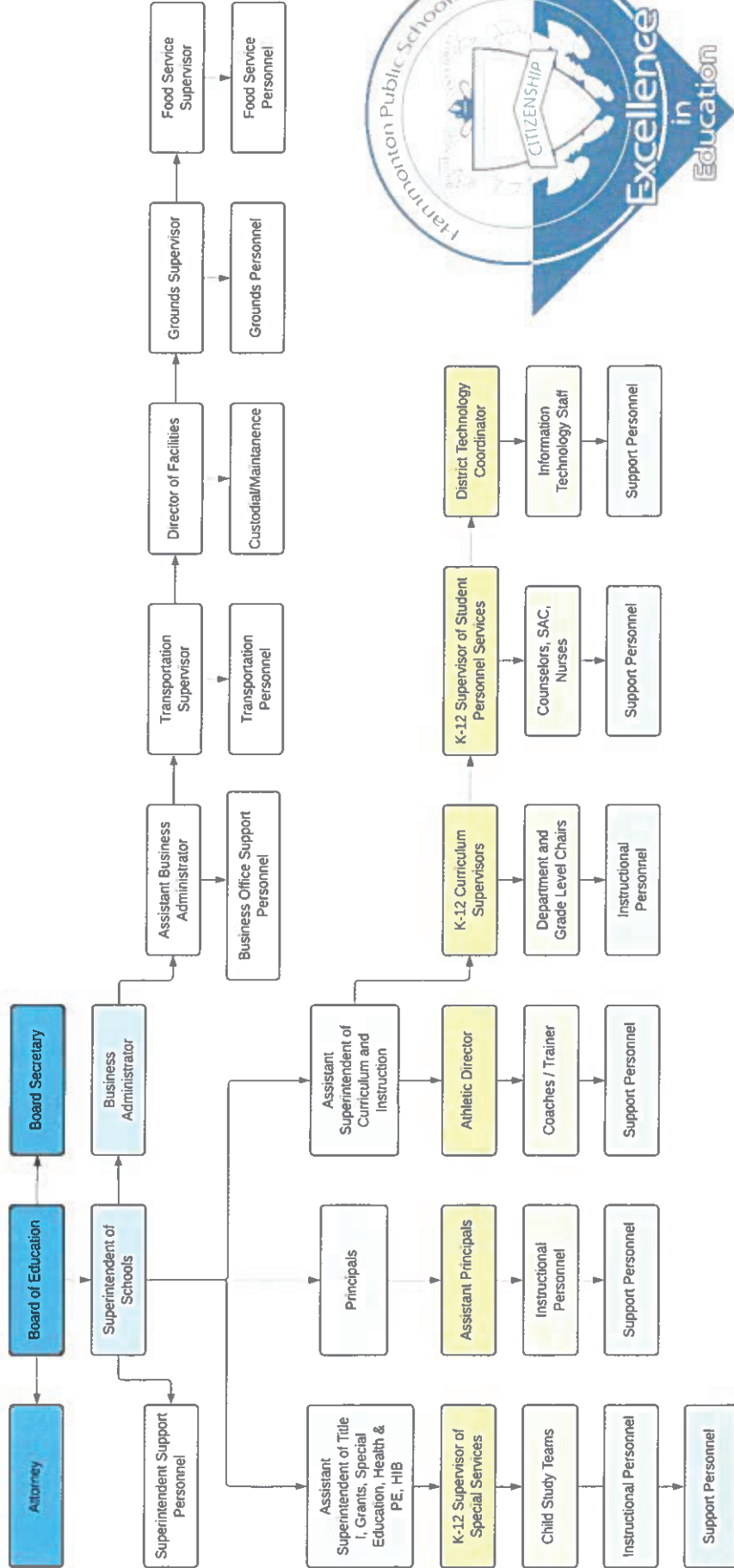
Teri Weeks
Interim School Business Administrator/Board Secretary

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HAMMONTON PUBLIC SCHOOLS

566 Old Forks Road, Hammononton, New Jersey, 08037

www.hammontonschools.org



**TOWN OF HAMMONTON SCHOOL DISTRICT
HAMMONTON, NEW JERSEY
ROSTER OF OFFICIALS
JUNE 30, 2025**

Members of the Board of Education

TERM EXPIRES

John Lyons, President	2025
Luke Coia, Vice President	2027
Barbara Berenato	2025
Kelly Donio	2027
Kelli Fallon	2026
Roe Hunter, Waterford Representative	2025
Mickey Pullia	2026
John Thomas, Folsom Representative	2025
Christine Scola	2027
Raymond Scipione	2026
Linda Byrnes	2025
Sean Fudala, Student Representative	2025

Other Officials

Thomas Ramsay, Superintendent of Schools

Barbara Prettyman, School Business Administrator/Board Secretary, Retired
June 1, 2025

Carissa Rose, School Business Administrator/Board Secretary, Effective June
1, 2025

William Donio, Board Attorney

**TOWN OF HAMMONTON SCHOOL DISTRICT
HAMMONTON, NEW JERSEY
CONSULTANTS AND ADVISORS
JUNE 30, 2025**

AUDITOR/AUDIT FIRM

Holman Frenia Allison, P. C.
1985 Cedar Bridge Ave, Suite 3
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Copper Levenson
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OceanFirst
702 12th Street
Hammonton, NJ 08037

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Hammonton School District (hereafter referred to as the "School District"), County of Atlantic, State of New Jersey, as of and for the fiscal year ended, June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the School District as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2025 the District adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2026 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read 'J. Conaty', with a stylized flourish at the end.

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

Lakewood, New Jersey
January 15, 2026

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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TOWN OF HAMMONTON SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2025

This section of the Town of Hammonton School Districts's Annual Comprehensive Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2025. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 - *Basic Financial Statements-Management's Discussion and Analysis-for State and Local Governments* issued in June 1999 that is also required by the New Jersey State Department of Education. Certain comparative information between the current fiscal year (2024-2025) and the prior fiscal year (2023-2024) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2025 are as follows:

- In total, net position of governmental activities increased \$2,580,541, which represents a 16.51% increase from 2024. Total net position of business-type activities decreased \$314,602, which represents an 28.60% decrease from 2024.
- General revenues accounted for \$67,504,835 in revenue or 72.46% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$25,654,207 or 27.54% of total revenues of \$93,159,042.
- Total assets of governmental activities increased by \$2,062,557 as cash and cash equivalents increased by \$1,970,279, receivables increased by \$783,493, restricted cash and cash equivalents decreased by \$979,911, and total capital assets increased by \$164,031.
- Total liabilities of governmental activities increased by \$10,907,083 as non-current liabilities due beyond one year increased by \$18,775,221.
- The District had \$88,715,720 in governmental activity expenses; only \$23,791,426 of these expenses were offset by program specific charges for services, grants, or contributions.
- In the governmental funds, the general fund had \$76,574,923 in revenues and other financing sources and \$79,359,674 in expenditures and other financing uses. The general fund's fund balance decreased by \$2,784,751 over 2024.

USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)

This annual report consists of a series of financial statements and notes to these financial statements. These statements are organized in a way to allow the reader to understand the Town of Hammonton School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with an overview of the District's finances, in a manner similar to a private-sector business.

The Statement of Net Position (A-1) presents information on the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Changes in Net Position (A-2) presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods of the district.

The government-wide financial statements can be found as Exhibits A-1 and A-2 in this report.

Fund Financial Statements. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance for the general fund, special revenue fund, capital projects fund, and debt service fund, all of which are considered to be major funds.

The general and special revenue funds utilize a legally adopted annual budget. A budgetary comparison statement has been provided for the general fund and special revenue fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found as Exhibits B-1 through B-3 in this report.

Proprietary Funds

The District maintains one proprietary fund type, an enterprise fund. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the District is that the costs of providing goods or services be financed through user charges. The food service fund is the major enterprise fund and provides for the operation of food services in all schools within the District.

The basic enterprise funds financial statements can found on Exhibits B-4 through B-6 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the district-wide financial statement because the resources of those funds are not available to support the District's own programs.

Notes to the Financial Statements. The notes provide additional information that is essential for a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found after the fund financial statements in this report.

Other Information. The combining and individual fund statements referred to earlier in connection with governmental and enterprise funds are presented immediately following the notes to the financial statements.

Government-Wide Financial Analysis

The District's financial position is the result of several types of financial transactions, including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. The following table provides a summary of net position for June 30, 2025 and 2024, respectively:

Net Position
June 30, 2025

	Governmental Activities		Business-Type Activities	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Assets				
Current and Other				
Assets	\$ 20,132,557	\$ 18,234,031	\$ 557,345	\$ 700,363
Capital Assets, Net	37,480,251	37,316,220	534,548	577,647
Total Assets	57,612,808	55,550,251	1,091,893	1,278,010
Deferred Outflows of Resources				
Deferred Outflows				
Relating to Pension	1,196,814	1,352,867	-	-
Total Deferred Outflows of Resources	1,196,814	1,352,867	-	-
Liabilities				
Long-Term Liabilities*	36,244,328	17,469,107	163,158	49,594
Other Liabilities	3,451,860	11,319,998	143,286	34,720
Total Liabilities	39,696,188	28,789,105	306,444	84,314
Deferred Inflows of Resources				
Deferred Inflows				
Relating to Pension	902,832	1,131,869	-	-
Total Deferred Inflows of Resources	902,832	1,131,869	-	-
Net Position				
Net Investment in				
Capital Assets	25,709,048	24,048,995	534,548	577,647
Restricted	18,960,838	14,033,108	-	-
Unrestricted*	(26,459,284)	(11,099,959)	250,901	616,049
Total Net Position	\$ 18,210,602	\$ 26,982,144	\$ 785,449	\$ 1,193,696

*For the year ended June 30, 2024, Net Position and Long-Term Liabilities are restated for GASB 101 (See Note 20 for further details).

The largest portion of the District's net position is its net investment in capital assets (e.g., land and land improvements, buildings and building improvements and machinery and equipment) less any related debt (general obligations, leases, and notes payable) used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position decreased \$4,927,730 from the prior year to \$18,960,838 at June 30, 2025.

Unrestricted net position may be used to meet the District's ongoing operating obligations to vendors, debtors and employees. The unrestricted net position includes the unassigned General Fund balance netted with the amount of long-term obligations that are not invested in capital assets. The (\$26,459,284) is shown as unrestricted net position for Governmental Activities.

The following table provides a summary of revenues and expenses for the District's governmental and business-type activities and the change in net position for June 30, 2025 and 2024. Significant variances in revenues and expenditures from year to year, and explanations thereof, are detailed in the 'Financial Analysis of the District's Funds' section later in this report.

	<u>June 30, 2025</u>		
	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
Revenues:			
Program Revenues:			
Charges for Services	\$ -	\$ 1,258,123	\$ 1,258,123
Operating Grants and Contributions	23,791,426	604,658	24,396,084
General Revenues:			
Property Taxes	20,288,454	-	20,288,454
Federal and State Aid	33,629,058	-	33,629,058
Miscellaneous	13,587,323	-	13,587,323
Total Revenues	91,296,261	1,862,781	93,159,042
Expenses:			
Instructional Services	54,218,927	-	54,218,927
Support Services	34,037,216	2,177,383	36,214,599
Interest and Other Charges	459,577	-	459,577
Total Expenses	88,715,720	2,177,383	90,893,103
Change in Net Position	2,580,541	(314,602)	2,265,939
Net Position, Beginning As Restated (Note 20)	15,630,061	1,100,051	16,730,112
Net Position, Ending	\$ 18,210,602	\$ 785,449	\$ 18,996,051

	<u>June 30, 2024</u>		
	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
Revenues:			
Program Revenues:			
Charges for Services	\$ 11,502,466	\$ 652,545	\$ 12,155,011
Operating Grants and Contributions	11,529,516	1,159,166	12,688,682
General Revenues:			
Property Taxes	20,149,897	-	20,149,897
Federal and State Aid	45,211,143	-	45,211,143
Miscellaneous	1,011,210	12,706	1,023,916
Total Revenues	89,404,232	1,824,417	91,228,649
Expenses:			
Instructional Services	33,010,089	-	33,010,089
Support Services	48,889,659	-	48,889,659
Interest and Other Charges	460,651	2,021,940	2,482,591
Total Expenses	82,360,399	2,021,940	84,382,339
Change in Net Position	7,043,833	(197,523)	6,846,310
Net Position, Beginning	19,938,311	1,391,219	21,329,530
Net Position, Ending	\$ 26,982,144	\$ 1,193,696	\$ 28,175,840

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. The unassigned fund balance is divided between designated balances and undesignated balances. The capital projects fund is restricted by state law to be spent for the purpose of the fund and is not available for spending at the District's discretion.

Financial Information at Fiscal Year-End

The following schedule presents a summary of the general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2025 and 2024 and the amount and percentage of increases and (decreases) in relation to prior year revenues.

<u>June 30, 2025</u>				
	Amount	Percent Of Total	Increase (Decrease) From 2024	Percent of Increase (Decrease)
Current Expenditures:				
Instruction	\$ 28,996,833	34.19%	\$ 1,748,175	6.42%
Undistributed	50,275,843	59.27%	2,928,746	6.19%
Capital Outlay	3,356,230	3.96%	970,750	40.69%
Debt Service:				
Principal	1,615,000	1.90%	45,000	2.87%
Interest	574,438	0.68%	100,156	21.12%
Total	<u>\$ 84,818,344</u>	<u>100%</u>	<u>\$ 5,792,827</u>	<u>7.33%</u>

<u>June 30, 2024</u>				
	Amount	Percent Of Total	Increase (Decrease) From 2023	Percent of Increase (Decrease)
Current Expenditures:				
Instruction	\$ 27,248,658	34.48%	\$ 1,352,999	5.22%
Undistributed	47,347,097	59.91%	2,246,874	4.98%
Capital Outlay	2,385,480	3.02%	(3,527,778)	-59.66%
Debt Service:				
Principal	1,570,000	1.99%	40,000	2.61%
Interest	474,282	0.60%	(56,874)	-10.71%
Total	<u>\$ 79,025,517</u>	<u>100%</u>	<u>\$ 55,221</u>	<u>0.07%</u>

General Fund Budgetary Highlights

Throughout the year, as necessary, budget transfers were effectuated between budget accounts to re-align the 2024-2025 budget. Budget transfers were effectuated based on expected positive and negative budget variances. The budget is continually managed and revised with budget transfers as necessary or practical to do so.

Significant Budget Transfers and Variations:

- TPAF, which is the state's contribution to the pension fund, is an "on-behalf" revenue and expenditure item to the district and is required to be reflected in the financial statements.
- Reallocations were made among the various salary budget accounts to reflect changes in the personnel budget for the 2024-2025 year.

Proprietary Funds. The District's proprietary fund provides the same type of information found in the district-wide financial statements, but in more detail.

The Food Services Enterprise Fund showed an decrease in net position of \$306,641 in 2024-2025 as compared to a decrease in net position of \$189,966 in 2023-2024.

The Latchkey Program showed an decrease in net position of \$7,961 in 2024-2025 as compared to a decrease in net position of \$7,557 in 2023-2024.

Capital Assets

At June 30, 2025 the District has capital assets of \$20,563,721, net of depreciation, which includes land, buildings/construction, machinery and equipment.

	<u>June 30, 2025</u>	
	Governmental Activities	Business-Type Activities
Land	\$ 324,908	\$ -
Construction In Progress	5,467,805	-
Site Improvements	2,599,537	-
Buildings	26,624,212	-
Machinery and Equipment	2,463,789	534,548
Leased Equipment and Vehicles	82,772	-
Total	<u>\$ 37,563,023</u>	<u>\$ 534,548</u>
	<u>June 30, 2024</u>	
	Governmental Activities	Business-Type Activities
Land	\$ 324,908	\$ -
Construction In Progress	5,454,515	-
Site Improvements	2,869,692	-
Buildings	25,814,777	-
Machinery and Equipment	2,730,769	577,647
Leased Equipment and Vehicles	121,559	-
Total	<u>\$ 37,316,220</u>	<u>\$ 577,647</u>

Additional information on the District's capital assets can be found in Note 5 to the basic financial statements.

Debt Administration and Other Obligations

At June 30, 2025, the District's outstanding debt issues included \$11,530,000 of general obligation bonds, \$78,428 of lease obligations, \$245,547 of unamortized bond premiums, and \$16,428,299 in compensated absences payable.

Additional information on the District's debt administration and other obligations can be found in Note 7 to the basic financial statements.

Economic Factors and Subsequent Year's Budgets

Mitigation of pandemic risks have resulted in a significant strain on the school district and the local taxpayers. The 2025-2026 state aid funding increase was significant however, based on the current state of the economy, we are unable to predict what the future holds as far as future state aid allocations.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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TOWN OF HAMMONTON SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash & Cash Equivalents	\$ 10,042,509	\$ 464,408	\$ 10,506,917
Receivables, Net (Note 4)	3,736,486	87,112	3,823,598
Inventory	-	5,825	5,825
Restricted Cash & Cash Equivalents	6,270,790	-	6,270,790
Capital Assets, Net (Note 5):			
Non-Depreciable	5,792,713	-	5,792,713
Depreciable	31,687,538	534,548	32,222,086
Right to Use Leased Assets, Net	82,772	-	82,772
Total Assets	57,612,808	1,091,893	58,704,701
DEFERRED OUTFLOWS OF RESOURCES			
Related to Pensions (Note 8)	1,196,814	-	1,196,814
Total Deferred Outflow of Resources	1,196,814	-	1,196,814
LIABILITIES			
Accounts Payable	1,540,009	33,491	1,573,500
Due to Other Governments	834,255	-	834,255
Payroll Deductions and Withholdings Payable	2,729	-	2,729
Unemployment Trust Fund Liability	47,440	-	47,440
Unearned Revenue	961,652	1,040	962,692
Accrued Interest	162,030	-	162,030
Interfund (Receivable)/Payable	(108,755)	108,755	-
Other Liabilities	12,500	-	12,500
Noncurrent Liabilities (Note 7):			
Due Within One Year	1,740,460	-	1,740,460
Due in More Than One Year	34,503,868	163,158	34,667,026
Total Liabilities	39,696,188	306,444	40,002,632
DEFERRED INFLOWS OF RESOURCES			
Related to Pensions (Note 8)	902,832	-	902,832
Total Deferred Inflow of Resources	902,832	-	902,832
NET POSITION			
Net Investment in Capital Assets	25,709,048	534,548	26,243,596
Restricted for:			
Capital Projects (Note 3)	7,642,972	-	7,642,972
Debt Service	1	-	1
Emergency Reserve (Note 3)	351,330	-	351,330
Maintenance Reserve (Note 3)	2,514,642	-	2,514,642
Unemployment Reserve	538,933	-	538,933
Excess Surplus	7,290,934	-	7,290,934
Student Activities	485,309	-	485,309
Scholarship	136,717	-	136,717
Unrestricted (Deficit)	(26,459,284)	250,901	(26,208,383)
Total Net Position	\$ 18,210,602	\$ 785,449	\$ 18,996,051

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

**TOWN OF HAMMONTON SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025**

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	\$ 40,697,421	\$ -	\$ 15,084,259	\$ (25,613,162)	\$ -	\$ (25,613,162)
Special Education Instruction	8,323,034	-	1,752,288	(6,570,746)	-	(6,570,746)
Other Instruction	5,198,472	-	1,599,519	(3,598,953)	-	(3,598,953)
Support Services:						
Tuition	4,758,247	-	623,404	(4,134,843)	-	(4,134,843)
Student & Instruction Related Services	12,401,213	-	3,244,898	(9,156,315)	-	(9,156,315)
General Administrative	1,190,707	-	156,331	(1,034,376)	-	(1,034,376)
School Administrative Services	2,782,138	-	364,451	(2,417,687)	-	(2,417,687)
Central Services	928,633	-	121,804	(806,829)	-	(806,829)
Administrative Info. Technology	682,115	-	44,597	(637,518)	-	(637,518)
Plant Operations & Maintenance	6,630,331	-	494,407	(6,135,924)	-	(6,135,924)
Pupil Transportation	4,663,832	-	305,468	(4,358,364)	-	(4,358,364)
Interest & Other Charges	459,577	-	-	(459,577)	-	(459,577)
Total Governmental Activities	88,715,720	-	23,791,426	(64,924,294)	-	(64,924,294)
Business-Type Activities:						
Food Service	2,168,569	604,658	1,257,270	-	(306,641)	(306,641)
Latchkey Program	8,814	-	853	-	(7,961)	(7,961)
Total Business-Type Activities	2,177,383	604,658	1,258,123	-	(314,602)	(314,602)
Total Primary Government	\$ 90,893,103	\$ 604,658	\$ 25,049,549	\$ (64,924,294)	\$ (314,602)	\$ (65,238,896)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes				18,626,279	-	18,626,279
Property Taxes, Levied for Debt Service				1,662,175	-	1,662,175
Federal & State Aid Restricted				261,078	-	261,078
Federal & State Aid Not Restricted				33,367,980	-	33,367,980
Tuition Charges				11,597,604	-	11,597,604
Transportation Charges				98,066	-	98,066
Miscellaneous				1,810,153	-	1,810,153
Financing Agreement Income				81,500	-	81,500
Total General Revenues				67,504,835	-	67,406,769
Change In Net Position				2,580,541	(314,602)	2,167,873
Net Position - Beginning, As Restated (See Note 20)				15,630,061	1,100,051	16,730,112
Net Position - Ending				\$ 18,210,602	\$ 785,449	\$ 18,897,985

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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**TOWN OF HAMMONTON SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2025**

	MAJOR FUNDS				
	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash & Cash Equivalents	\$ 6,723,878	\$ 1,202,873	\$ 2,115,757	\$ 1	\$ 10,042,509
Receivables, Net:					
Interfund Receivable	113,855	-	-	-	113,855
Due from Other Governments:					
Federal	-	264,026	-	-	264,026
State	577,629	80,000	2,757,805	-	3,415,434
Other	8,095	1,741	-	-	9,836
Other Accounts Receivable	46,329	861	-	-	47,190
Restricted Cash & Cash Equivalents	6,270,790	-	-	-	6,270,790
Total Assets	\$ 13,740,576	\$ 1,549,501	\$ 4,873,562	\$ 1	\$ 20,163,640
LIABILITIES & FUND BALANCES					
Accounts Payable	1,280,308	168,326	91,375	-	1,540,009
Intergovernmental Payable:					
State	-	15,331	-	-	15,331
Interfund Payable	-	-	5,100	-	5,100
Payroll Deductions and Withholdings Payable	2,729	-	-	-	2,729
Unemployment Trust Fund Liability	47,440	-	-	-	47,440
Unearned Revenue	42,500	919,152	-	-	961,652
Other Liabilities	12,500	-	-	-	12,500
Total Liabilities	1,385,477	1,102,809	96,475	-	2,584,761
Fund Balances:					
Restricted for:					
Capital Reserve	2,865,885	-	-	-	2,865,885
Maintenance Reserve	2,514,642	-	-	-	2,514,642
Emergency Reserve	351,330	-	-	-	351,330
Unemployment Reserve	538,933	-	-	-	538,933
Excess Surplus	4,551,238	-	-	-	4,551,238
Excess Surplus Designated for Subsequent Year	2,739,696	-	-	-	2,739,696
Student Activities	-	485,309	-	-	485,309
Scholarship	-	136,717	-	-	136,717
Capital Projects	-	-	4,777,087	-	4,777,087
Debt Service	-	-	-	1	1
Unassigned	(1,206,625)	(175,334)	-	-	(1,381,959)
Total Fund Balances	12,355,099	446,692	4,777,087	1	17,578,879
Total Liabilities & Fund Balances	\$ 13,740,576	\$ 1,549,501	\$ 4,873,562	\$ 1	
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 \$79,715,075 and the accumulated depreciation is \$42,234,824.					37,480,251
Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of assets is \$271,800 and the accumulated amortization is \$189,028.					82,772
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					1,196,814
Deferred Inflows Related to Pensions					(902,832)
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.					(162,030)
Accrued pension contributions for the June 30, 2025 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.					(818,924)
Long-term liabilities, including net pension liability and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.					(36,244,328)
Net Position of Governmental Activities					\$ 18,210,602

**TOWN OF HAMMONTON SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2025**

	MAJOR FUNDS				
	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
Revenues:					
Local Sources:					
Local Tax Levy	\$ 18,626,279	\$ -	\$ -	\$ 1,662,175	\$ 20,288,454
Tuition Charges	11,695,670	-	-	-	11,695,670
Miscellaneous	918,350	886,703	5,100	-	1,810,153
Total Local Sources	31,240,299	886,703	5,100	1,662,175	33,794,277
State Sources	45,171,792	2,159,849	2,757,805	261,078	50,350,524
Federal Sources	76,232	2,535,377	-	-	2,611,609
Total Revenues	76,488,323	5,581,929	2,762,905	1,923,253	86,756,410
Expenditures:					
Instruction:					
Regular Instruction	20,308,061	2,565,064	-	-	22,873,125
Special Education Instruction	3,201,893	-	-	-	3,201,893
Other Instruction	2,921,815	-	-	-	2,921,815
Support Services:					
Tuition	3,609,778	-	-	-	3,609,778
Attendance & Social Work Services	145,963	-	-	-	145,963
Health Services	575,089	-	-	-	575,089
Student & Instruction Related Services	5,696,600	2,988,708	-	-	8,685,308
General Administrative	902,706	-	-	-	902,706
School Administrative Services	2,110,726	-	-	-	2,110,726
Central Services	704,240	-	-	-	704,240
Administrative Information Technology	517,796	-	-	-	517,796
Plant Operations & Maintenance	5,723,515	-	-	-	5,723,515
Pupil Transportation	3,538,333	-	-	-	3,538,333
Unallocated Benefits	10,396,510	-	-	-	10,396,510
On Behalf TPAF Pension and Social Security Contributions	13,365,879	-	-	-	13,365,879
Capital Outlay	2,762,052	150,888	443,290	-	3,356,230
Debt Service:					
Principal	-	-	-	1,615,000	1,615,000
Interest & Other Charges	163,157	-	-	411,281	574,438
Total Expenditures	76,644,113	5,704,660	443,290	2,026,281	84,818,344
Excess/(Deficiency) of Revenues Over Expenditures	(155,790)	(122,731)	2,319,615	(103,028)	1,938,066
Other Financing Sources/(Uses):					
Transfers In	5,100	149,960	2,462,572	103,029	2,720,661
Transfers Out	(2,626,061)	-	-	-	(2,626,061)
Financing Agreement Income	81,500	-	-	-	81,500
Transfer to Cover Deficit (Student Activities)	(89,500)	-	-	-	(89,500)
Transfer to General Fund	-	-	(5,100)	-	(5,100)
Total Other Financing Sources/(Uses)	(2,628,961)	149,960	2,457,472	103,029	81,500
Net Changes in Fund Balances	(2,784,751)	27,229	4,777,087	1	2,019,566
Fund Balance, July 1	15,139,850	419,463	-	-	15,559,313
Fund Balance, June 30	\$ 12,355,099	\$ 446,692	\$ 4,777,087	\$ 1	\$ 17,578,879

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

**TOWN OF HAMMONTON SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025**

Total Net Changes in Fund Balances - Governmental Funds (B-2)	\$ 2,019,566
Amounts reported for governmental activities in the statement of activities (A-2) are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the period.	
Depreciation Expense	\$ (2,199,604)
Capital Outlay	<u>2,485,194</u>
	285,590
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.	(238,433)
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.	1,658,797
Governmental funds recognize the right to use leased assets as a revenue when lease 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 of Right to Use Leased Assets	(38,787)
Governmental funds report the effect of premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these transactions is as follows:	
Amortization of Premium on Bonds	101,172
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 (+).	13,689
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).	<u>(1,221,053)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 2,580,541</u></u>

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Proprietary Funds

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**TOWN OF HAMMONTON SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2025**

	MAJOR FUNDS		
	BUSINESS-TYPE		
	ACTIVITIES -		
	ENTERPRISE		
	FUNDS		
	FOOD	LATCHKEY	TOTALS
	SERVICE	PROGRAM	
ASSETS			
Current Assets:			
Cash & Cash Equivalents	\$ 407,711	\$ 56,697	\$ 464,408
Accounts Receivable:			
State	6,344	-	6,344
Federal	75,860	-	75,860
Other Receivables	4,908	-	4,908
Inventories	5,825	-	5,825
Total Current Assets	500,648	56,697	557,345
Noncurrent Assets:			
Capital Assets	1,361,026	137,816	1,498,842
Less: Accumulated Depreciation	(855,608)	(108,686)	(964,294)
Total Noncurrent Assets	505,418	29,130	534,548
Total Assets	\$ 1,006,066	\$ 85,827	\$ 1,091,893
LIABILITIES			
Current Liabilities:			
Accounts Payable	33,491	-	33,491
Unearned Revenue	1,040	-	1,040
Interfund Payable	108,755	-	108,755
Total Current Liabilities	143,286	-	143,286
Noncurrent Liabilities:			
Compensated Absences Payable	163,158	-	163,158
Total Noncurrent Liabilities	163,158	-	163,158
Total Liabilities	306,444	-	306,444
NET POSITION			
Net Investment in Capital Assets	505,418	29,130	534,548
Unrestricted	194,204	56,697	250,901
Total Net Position	\$ 699,622	\$ 85,827	\$ 785,449

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

**TOWN OF HAMMONTON SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
YEAR ENDED JUNE 30, 2025**

	MAJOR FUNDS		
	BUSINESS-TYPE		
	ACTIVITIES -		
	ENTERPRISE		
	FUNDS		
	FOOD	LATCHKEY	
	SERVICE	PROGRAM	TOTALS
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs:			
Program Fees	\$ 348,279	\$ -	\$ 348,279
Daily Sales - Non-Reimbursable Programs:			
Program Fees	224,767	-	224,767
Special Functions	14,831	-	14,831
Miscellaneous	16,781	-	16,781
Total Operating Revenues	604,658	-	604,658
Operating Expenses:			
Cost of Sales - Reimbursable Programs	783,029	-	783,029
Cost of Sales - Non-Reimbursable Programs	89,648	-	89,648
Salaries	801,037	-	801,037
Employee Benefits	328,006	-	328,006
Supplies and Materials	88,448	-	88,448
Other Costs	31,532	150	31,682
Depreciation	46,869	8,664	55,533
Total Operating Expenses	2,168,569	8,814	2,177,383.00
Operating Gain/(Loss)	(1,563,911)	(8,814)	(1,572,725.00)
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	58,176	-	58,176
State School Breakfast Program	12,589	-	12,589
S-EBT Administrative Cost	1,501	-	1,501
Federal Sources:			
National School Lunch Program	873,342	-	873,342
National School Breakfast Program	217,510	-	217,510
S-EBT Administrative Costs	1,502	-	1,502
Food Distribution Program	84,559	-	84,559
Interest Revenue	8,091	853	8,944
Total Nonoperating Revenues/(Expenses)	1,257,270	853	1,258,123
Change in Net Position	(306,641)	(7,961)	(314,602)
Total Net Position - Beginning, As Restated (See Note 20)	1,006,263	93,788	1,100,051
Total Net Position - Ending	\$ 699,622	\$ 85,827	\$ 785,449

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

**TOWN OF HAMMONTON SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2025**

	MAJOR FUNDS		
	BUSINESS-TYPE		
	ACTIVITIES -		
	ENTERPRISE		
	FUNDS		
	FOOD	LATCHKEY	TOTALS
	SERVICE	PROGRAM	
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 729,108	\$ -	\$ 729,108
Payments to Employees	(1,092,329)	-	(1,092,329)
Payments to Suppliers	(904,178)	(150)	(904,328)
Net Cash Provided by Operating Activities	(1,267,399)	(150)	(1,267,549)
Cash Flows From Noncapital Financing Activities:			
Cash received from state and federal reimbursements	1,136,711	-	1,136,711
Net Cash Provided by/(Used for) Noncapital Financing Activities	1,136,711	-	1,136,711
Cash Flows From Capital & Related Financing Activities:			
Purchases of Capital Assets	(12,434)	-	(12,434)
Net Cash Used for Capital & Related Financing Activities	(12,434)	-	(12,434)
Cash Flows From Investing Activities			
Interest on investments	8,091	853	8,944
Net Cash Provided by/(Used for) Investing Activities	8,091	853	8,944
Net Increase/(Decrease) in Cash & Cash Equivalents	(135,031)	703	(134,328)
Balances - Beginning of Year	542,742	55,994	598,736
Balances - End of Year	\$ 407,711	\$ 56,697	\$ 464,408

**Reconciliation of Operating Loss to Net Cash
Provided by Operating Activities:**

Operating Gain/(Loss)	\$ (1,657,556)	\$ (8,814)	\$ (1,666,370)
to Net Cash Provided by Operating Activities			
Depreciation	46,869	8,664	55,533
Federal Commodities	84,559	-	84,559
(Increase)/Decrease in Accounts Receivable, Net	128,944	-	128,944
(Increase)/Decrease in Inventories	(386)	-	(386)
Increase/(Decrease) in Compensated Absences Payable	113,564		113,564
Increase/(Decrease) in Interfunds	16,795		16,795
(Decrease)/Increase in Unearned Revenue	(4,494)	-	(4,494)
(Decrease)/Increase in Accounts Payable	4,306	-	4,306
Total Adjustments	390,157	8,664	398,821
Net Cash Provided by Operating Activities	\$ (1,267,399)	\$ (150)	\$ (1,267,549)

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

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Fiduciary Fund
Not Applicable

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TOWN OF HAMMONTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

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TOWN OF HAMMONTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Town of Hammonton School District (hereafter referred to as the “School District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

Reporting Entity

The School District is a Type II district located in the County of Ocean, 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 appointed to three-year terms. These terms are staggered so that three members’ terms expire each year. The District provides a full range of educational services appropriate to grades levels kindergarten through twelfth grade. These include regular, vocational, as well as special education for handicapped youngsters. The School District has an approximate enrollment at June 30, 2025 of 3,062 students.

The primary criterion for including activities within the School 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 School District holds the corporate powers of the organization;
- ◆ the School District appoints a voting majority of the organization’s board
- ◆ the School District is able to impose its will on the organization;
- ◆ the organization has the potential to impose a financial benefit/burden on the School District; and
- ◆ there is a fiscal dependency by the organization on the School District.

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School 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* , and GASB Statement No. 61, *The Financial Reporting Entity: Omnis – an Amendment of GASB Statements No. 14 and No. 34* , GASB Statement No. 80, *Blending Requirements for certain component Units - an Amendment of GASB Statement No. 14* and GASB Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plan- an Amendment of GASB Statements No. 14 and No. 84* . The School District had no component units as of for the year ended June 30, 2025.

TOWN OF HAMMONTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Basis of Accounting, Measurement Focus and Financial Statement Presentation

The accounts of the School District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

A. Government-Wide Financial Statements

The School 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 School District accompanied by a total column. Fiduciary activities of the School District are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the 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 School District are reported in three categories: 1) charges for services, 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 property taxes.

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.

B. 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. The School District has presented all major funds that met those qualifications.

TOWN OF HAMMONTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

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 School 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 School District, are property tax and intergovernmental revenues. Expenditures are recorded in the accounting period in which the related fund liability is incurred. 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 asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized in the period in which the expenditures are recorded. All other revenue items are considered to be measurable and available only when cash is received by the School District. Transfers between governmental funds are recorded when the related liability is incurred. These transfers do not represent revenues (expenditures) to the School District and are, therefore, reported as other financing sources (uses) in the governmental fund financial statements.

Since the fund level statements are presented using a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each fund level statement that summarizes the adjustments necessary to convert the fund level statements into the government-wide presentations.

The School District funds outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted resources are available for use, it is the School District’s policy to use restricted resources first, then unrestricted resources as they are needed. In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District’s policy to consider restricted fund balance to have been depleted before any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

TOWN OF HAMMONTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

The School District reports the following major governmental funds:

General Fund – The general fund is the general operating fund of the School 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 noninstructional equipment which are classified in the capital outlay sub-fund.

As required by the New Jersey Department of Education the School 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.

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 proprietary funds, and local appropriations that are restricted or committed to expenditures for specified purposes.

Capital Projects Fund – The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the acquisition of construction of major capital facilities, other than those financed by proprietary funds. The financial resources are derived from New Jersey School Development Authority grants, temporary notes, capital leases, or serial bonds that are specially authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund – The debt service fund is used to account for the accumulation of financial resources that are restricted, committed, or assigned to an expenditure for the payment of general long-term debt principal, interest and related costs of governmental funds.

C. 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.

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 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.

TOWN OF HAMMONTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

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.

The School District reports the following major proprietary funds:

Food Service Fund – The food service fund accounts for the financial transactions related to the food service operations of the School District.

Latchkey Program - The Latchkey Program fund accounts for the financial transactions related the before and after school care for school aged children in grades Pre-K through 5 of the School District.

D. Fiduciary Fund Financial Statements

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

The School District reports no fiduciary funds.

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 School 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*.

TOWN OF HAMMONTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

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 one or more June 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-2, 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 School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

Encumbrances

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

Open encumbrances in the special revenue fund for which the School 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.

TOWN OF HAMMONTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Cash, Cash Equivalents and Investments

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

Investments are stated at fair value in accordance with Governmental Accounting Standards Board (GASB). 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.

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 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. 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.

For purposes of the statement of cash flows, the School District considers all highly liquid investments (including restricted assets) with a maturity when purchased of twelve months or less and all local government investment pools to be cash equivalents.

Tuition Receivable/Payable

Tuition rates were established by the receiving School District based on estimated costs. The charges are subject to adjustment when the actual costs are determined.

Inventories

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

Interfund Receivables/Payables

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the School District and that are due within one year. As previously mentioned, these amounts are eliminated in the governmental and business-type columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are presented as Internal Balances in the Statement of Net Position.

TOWN OF HAMMONTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

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 acquisition value. All reported capital assets except land and construction in progress are depreciated. 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. The School District does not possess any infrastructure. The School District has established a threshold of \$2,000 for capitalization of depreciable assets.

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

Description:	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land Improvements	10-20 Years	N/A
Building and improvements	10-50 Years	N/A
Furniture and Equipment	5-20 Years	5-12 Years
Vehicles	5-10 Years	4-6 Years

Right to Use Assets

The School District has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave and sabbatical leave. In accordance with GASB Statement No. 101, *Compensated Absences*, liabilities for compensated absences are recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. The liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

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

Unearned Revenue

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

TOWN OF HAMMONTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

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.

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.

Bond Premiums, Discounts and Issuance Costs

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

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

TOWN OF HAMMONTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Pension & Other Post-Employment Benefits

For purposes of measuring the net pension and other post-employment benefits liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and other post-employment benefits, and pension and other post-employment benefits expenses, information about the fiduciary net position of the Public Employees' Retirement System (PERS), the Teacher's Pension and Annuity Fund (TPAF), the Other Post-Employment Benefits (OPEB) and additions to/deductions from the PERS's, TPAF's and OPEB's fiduciary net position have been determined on the same basis as they are reported by the plan. For these purposes, 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.

Fund Balance

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances in the governmental funds financial statements are classified into the following five categories, as defined below:

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

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

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

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.

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.

TOWN OF HAMMONTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the School 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 School 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 into 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 – This component of net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted – This component of net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2025 and January 15, 2026, 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.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2025:

- Statement No. 101, *Compensated Absences*. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. Implementation of this Statement resulted in a prior period adjustment and additional footnotes. See Note 14 and Note 20 for further detail.
- Statement No. 102, *Certain Risk Disclosures*. Management has determined the implementation of this statement did not have a significant impact on the District's financial statements.

Accounting Pronouncements Effective in Future Reporting Periods

- Statement No. 103, *Financial Reporting Model Improvements*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.
- Statement No. 104, *Disclosure of Certain Capital Assets*. The requirement of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

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

**TOWN OF HAMMONTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 2. Deposits and Investments

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 fund or other funds that 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, 2025, the School District’s bank balance of \$18,228,319 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 16,038,508
Uninsured and Uncollateralized	<u>2,189,811</u>
Total	<u><u>\$ 18,228,319</u></u>

Investments

The School District had no investments at June 30, 2025.

Note 3. Reserve Accounts

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 School District’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a School 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 School 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.

TOWN OF HAMMONTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 3. Reserve Accounts (Continued)

Capital Reserve (continued)

The activity of the capital reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Beginning Balance, July 1, 2024	\$	7,250,701
Increased by:		
Interest Earnings		88,983
		7,339,684
Decreased by:		
Budget Withdrawals		(266,186)
Withdrawals per Resolution		(4,207,613)
		(4,473,800)
Ending Balance June 30, 2025	\$	2,865,885

Emergency Reserve

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

The activity of the emergency reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Beginning Balance, July 1, 2024	\$	341,445
Increased by:		
Interest Earnings		9,885
		9,885
Ending Balance, June 30, 2025	\$	351,330

Maintenance Reserve

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

The activity of the maintenance reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Beginning Balance, July 1, 2024	\$	2,582,478
Increased by:		
Interest Earnings		72,894
		72,894
		2,655,372
Decreased by:		
Budget Withdrawals		(140,730)
		(140,730)
Ending Balance, June 30, 2025	\$	2,514,642

Unemployment Reserve

Unemployment reserve funds are restricted pursuant to *N.J.S.A. 43:21-7.3(g)*, which requires that employer and employee contributions be held in a trust fund maintained by the governmental entity or instrumentally for unemployment benefit cost purposes and any surplus remaining in this trust fund must be retained in reserve for payment of benefit costs in subsequent years.

The activity of the unemployment reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Beginning Balance, July 1, 2024	\$	530,750
Increased by:		
Interest		8,183
		8,183
Ending Balance, June 30, 2025	\$	538,933

TOWN OF HAMMONTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 4. Accounts Receivable

Accounts receivable at June 30, 2025 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state and federal programs, the current fiscal year guarantee of federal funds and the budgetary control of New Jersey governmental entities. Accounts receivable in the School District's governmental and business-type activities as of June 30, 2025, consisted of the following:

Description:	Governmental Funds			Total Governmental Activities
	General Fund	Special Revenue Fund	Capital Projects Fund	
Federal Awards	\$ -	\$ 264,026	\$ -	\$ 264,026
State Awards	577,629	80,000	2,757,805	3,415,434
Other	54,424	2,602	-	57,026
Total	\$ 632,053	\$ 346,628	\$ 2,757,805	\$ 3,736,486

Description:	Proprietary Funds	Total
	Food Service Fund	Business-Type Activities
Federal Awards	\$ 6,344	\$ 6,344
State Awards	75,860	75,860
Other	4,908	4,908
Total	\$ 87,112	\$ 87,112

TOWN OF HAMMONTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2025 was as follows:

	Governmental Activities			
	Balance July 1, 2024	Additions	Retirements and Transfers	Balance June 30, 2025
Governmental Activities:				
Capital Assets not Being Depreciated:				
Land	\$ 324,908	\$ -	\$ -	\$ 324,908
Construction in Progress	5,454,515	375,995	(362,705)	5,467,805
Total Capital Assets not Being Depreciated	5,779,423	375,995	(362,705)	5,792,713
Capital Assets Being Depreciated:				
Site Improvements	6,598,548	-	-	6,598,548
Buildings	56,801,664	1,734,774	-	58,536,438
Machinery and Equipment	8,050,246	737,130	-	8,787,376
Leased Equipment and Vehicles	271,800	-	-	271,800
Total Capital Assets Being Depreciated	71,722,258	2,471,904	-	74,194,162
Less: Accumulated Depreciation:				
Site Improvements	(3,728,856)	(270,155)	-	(3,999,011)
Buildings	(30,986,887)	(925,339)	-	(31,912,226)
Machinery and Equipment	(5,319,477)	(1,004,110)	-	(6,323,587)
Leased Equipment and Vehicles	(150,241)	(38,787)	-	(189,028)
Total Accumulated Depreciation	(40,185,461)	(2,238,391)	-	(42,423,852)
Total Capital Assets Being Depreciated, Net	31,536,797	233,513	-	31,770,310
Total Governmental Activities Capital Assets, Net	\$ 37,316,220	\$ 609,508	\$ (362,705)	\$ 37,563,023
	Business-Type Activities			
	Balance July 1, 2024	Additions	Retirements and Transfers	Balance June 30, 2025
Business-Type Activities:				
Capital Assets Being Depreciated:				
Machinery & Equipment	\$ 1,491,141	\$ 7,701	\$ -	\$ 1,498,842
Total Capital Assets Being Depreciated	1,491,141	7,701	-	1,498,842
Less: Accumulated Depreciation:				
Machinery & Equipment	(913,494)	(50,800)	-	(964,294)
Total Capital Assets being depreciated, net	(913,494)	(50,800)	-	(964,294)
Total Business-Type Activities Capital Assets, Net	\$ 577,647	\$ (43,099)	\$ -	\$ 534,548

TOWN OF HAMMONTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 5. Capital Assets (Continued)

Depreciation/Amortization expense was charged to functions/programs of the School District as follows:

Governmental Activities:

Instruction:	
Regular Instruction	\$ 922,441
Special Education Instruction	129,155
Other Instruction	117,739

Support Services:

Tuition	145,495
Student & Instruction Related Services	379,407
General Administrative	36,486
School Administrative Services	85,059
Central Services	28,428
Administrative Info. Technology	20,817
Plant Operations & Maintenance	230,778
Pupil Transportation	142,586

Total Depreciation/Amortization Expense - Governmental Activities	\$ 2,238,391
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Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2025 are as follows:

Fund:	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 113,855	\$ -
Capital Projects Fund	-	5,100
Enterprise Fund	-	108,755
	<u>\$ 113,855</u>	<u>\$ 113,855</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.

The summary of interfund transfers follows:

Fund:	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 5,100	\$ 2,715,561
Special Revenue Fund	149,960	-
Capital Projects Fund	2,462,572	5,100
Debt Service Fund	103,029	-
	<u>\$ 2,720,661</u>	<u>\$ 2,720,661</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them (i.e. interest earning), (2) provide cash flow to other funds to temporary finance expenditures that are on a reimbursable basis (i.e. grants), (3) when no bank account exists for a fund, and (4) utilizing surplus or fund balance from one fund as budgeted revenue in another.

TOWN OF HAMMONTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2025 the following changes occurred in long-term obligations for the governmental and business-type activities:

	Balance			Balance		
	June 30, 2024	Additions	Reductions	June 30, 2025	Balance Due Within One Year	
Governmental Activities:						
General Obligation Bonds	\$ 13,145,000	\$ -	\$ 1,615,000	\$ 11,530,000	\$ 1,705,000	
Lease Obligations	122,225	-	43,797	78,428	35,460	
Unamortized Bond Premiums	346,719	-	101,172	245,547	-	
Compensated Absences (as Restated, Note 20)	15,207,246	1,221,053	-	16,428,299	-	
Net Pension Liability	8,469,561	1,509,759	2,017,266	7,962,054	-	
Total	\$ 37,290,751	\$ 2,730,812	\$ 3,777,235	\$ 36,244,328	\$ 1,740,460	
Business-Type Activities:						
Compensated Absences (as Restated, Note 20)	\$ 143,239	\$ 19,919	\$ -	\$ 163,158	\$ -	
	\$ 143,239	\$ 19,919	\$ -	\$ 163,158	\$ -	

For governmental activities, the bonds payable are liquidated from the School District's debt service fund. Compensated absences, lease obligations, financed purchases payable, unamortized bond premiums and the net pension liability are liquidated by the general fund.

Bonds Payable

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

\$4,175,000 Refunding School Bonds dated 6/18/2020 payable in annual installments through August 1, 2025. Interest is paid semiannually at varying rates between 3.00% and 4.00% per annum. The balance as of June 30, 2025 was \$510,000.

\$7,050,000 Refunding School Bonds dated 5/11/2016 payable in annual installments through August 1, 2030. Interest is paid semiannually at varying rates between 2.00% and 3.25% per annum. The balance as of June 30, 2025 was \$6,745,000.

\$6,695,000 Refunding School Bonds dated 12/20/17 payable in annual installments through July 1, 2030. Interest is paid semiannually at varying rates between 3.00% and 4.00% per annum. The balance as of June 30, 2025 was \$4,275,000.

Debt service requirements on serial bonds payable at June 30, 2025 are as follows:

Fiscal Year Ending			
June 30,	Principal	Interest	Total
2026	\$ 1,705,000	\$ 347,906	\$ 2,052,906
2027	1,830,000	285,731	2,115,731
2028	1,915,000	222,707	2,137,707
2029	1,950,000	160,403	2,110,403
2030	2,035,000	98,246	2,133,246
2031	2,095,000	33,056	2,128,056
	\$ 11,530,000	\$ 1,148,049	\$ 12,678,049

Bonds Authorized but not Issued

As of June 30, 2025, the School District had no bonds authorized but not issued.

TOWN OF HAMMONTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 7. Long-Term Obligations (Continued)

Lease Obligations

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

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

A finance purchased asset is initially measured as the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. The asset is depreciated on a straight-line basis over the life of the lease which is considered the asset's useful life.

The asset is reported with the District capital assets as land, land improvements, buildings and improvements or furniture and equipment.

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

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

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

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

The District has determined all of their lease agreements qualify as right-to-use assets. As of June 30, 2025, total future minimum lease payments are as follows:

Fiscal Year Ending

June 30,

	Principal	Interest	Total
2026	\$ 35,460	\$ 3,921	\$ 39,381
2027	24,581	2,148	26,729
2028	18,387	919	19,306
	<u>\$ 78,428</u>	<u>\$ 6,988</u>	<u>\$ 85,416</u>

TOWN OF HAMMONTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

Plan Description – The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Annual Comprehensive Financial Report (ACFR) which can be found at <http://www.nj.gov/treasury/pensions/financial-reports.shtml>.

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

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.

Basis of Presentation - The schedule of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS, its participating employers or the State of New Jersey (the State) as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS, its participating employers, or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS 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.

Contributions – The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2024, the State's pension contribution was than the actuarial determined amount.

TOWN OF HAMMONTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 8. Pension Plans (Continued)

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.

Components of Net Pension Liability - At June 30, 2025, the School District's proportionate share of the net pension liability was \$7,962,054. The net pension liability was measured as of June 30, 2024. 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, 2023, which was rolled forward to June 30, 2024. 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, 2024. The School District's proportion measured as of June 30, 2024, was 0.0585960171%, which was an increase of 0.00012238% from its proportion measured as of June 30, 2023.

Pension Expense/(Credit) and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2025, the School District's proportionate share of the PERS expense/(credit), calculated by the plan as of June 30, 2024 is \$238,424. This expense/(credit) is recognized by the School District in the government-wide financial statements.

At June 30, 2025 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 159,495	\$ 21,197
Changes of Assumptions	9,891	90,590
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	369,179
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	208,504	421,866
School District contributions subsequent to measurement date	818,924	-
	<u>\$ 1,196,814</u>	<u>\$ 902,832</u>

\$818,924 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2024-2025 total salaries for PERS employees multiplied by an employer pension contribution rate of 16.36%. The payable is due on April 1, 2026 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. 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:

TOWN OF HAMMONTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 8. Pension Plans (Continued)

Year Ending June 30,	
2026	\$ (380,721)
2027	218,900
2028	(193,160)
2029	(129,548)
2030	(40,413)
	\$ (524,9 2)

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.

Additionally, the State has no proportionate share of the PERS net pension liability attributable to the District as of June 30, 2025. At June 30, 2025, the State's proportionate share of the PERS expense, associated with the District, calculated by the plan as of the June 30, 2024 measurement date was \$25,670.

Actuarial Assumptions – The collective total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following assumptions:

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

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

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

TOWN OF HAMMONTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 8. Pension Plans (Continued)

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024) 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, 2024 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	28.00%	8.63%
Non-U.S. Developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net pension liability as of June 30, 2024, calculated using the discount rate as disclosed above as well as what the collective net pension 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:

TOWN OF HAMMONTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 8. Pension Plans (Continued)

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
School District's Proportionate Share of the Net Pension Liability	\$ 10,668,666	\$ 7,962,054	\$ 5,782,797

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

	<u>6/30/2025</u>	<u>6/30/2024</u>
Actuarial Valuation Date	June 30, 2024	June 30, 2023
Collective Deferred Outflows of Resources	\$ 377,890	\$ 555,531
Collective Deferred Inflows of Resources	902,832	1,131,869
Collective Net Pension Liability	7,962,054	8,469,561
School District's portion	0.05860%	0.05847%

B. Teachers' Pension and Annuity Fund (TPAF)

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

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

The following represents the membership tiers for TPAF:

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

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.

TOWN OF HAMMONTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 8. Pension Plans (Continued)

Basis of Presentation - The schedule of employer and nonemployer allocations and the schedule of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of TPAF and the State as an employer/nonemployer entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of TPAF or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of TPAF 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.

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 2024, 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.

Components of Net Pension Liability - At June 30, 2025, the State's proportionate share of the TPAF net pension liability, attributable to the School District was \$103,887,533. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2024, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.2101918238%, which was an increase of 0.00638 761% from its proportion measured as of June 30, 2023.

For the fiscal year ended June 30, 2025, the State of New Jersey recognized a pension expense in the amount of (\$378966) for the State's proportionate share of the TPAF pension expense attributable to the School District. This pension expense was based on the pension plans June 30, 2024 measurement date.

**TOWN OF HAMMONTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 8. Pension Plans (Continued)

Actuarial Assumptions –The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75% - 3.25% Based on Years of Service
Investment Rate of Return	7.00%

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

The actuarial assumption used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2024 are summarized in the following table:

TOWN OF HAMMONTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 8. Pension Plans (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	3.00%	8.20%
Real Assets	8.00%	10.95%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

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

	<u>At 1% Decrease (6.00%)</u>	<u>At Current Discount Rate (7.00%)</u>	<u>At 1% Increase (8.00%)</u>
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	\$ 123,485,040	\$ 103,887,533	\$ 87,382,727

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

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

	<u>6/30/2025</u>	<u>6/30/2024</u>
Actuarial Valuation Date	June 30, 2024	June 30, 2023
Collective Deferred Outflows of Resources	\$ 1,178,433,819	\$ 2,502,380,838
Collective Deferred Inflows of Resources	10,615,423,132	14,830,205,473
Collective Net Pension Liability	49,492,072,325	51,109,961,824
School District's portion	0.21019%	0.20381%

TOWN OF HAMMONTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 8. Pension Plans (Continued)

C. Defined Contribution Retirement Plan (DCRP)

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

Individuals eligible for membership in the DCRP include:

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

Contributions – The contribution policy is set by *N.J.S.A. 43:15C-3* and requires 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, 2025, employee contributions totaled \$201,932, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$110,152.

TOWN OF HAMMONTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 9. Other Post-Retirement Benefits

General Information about the OPEB Plan

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

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

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

Basis of Presentation

The Schedule presents the State of New Jersey's obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

TOWN OF HAMMONTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 9. Other Post-Retirement Benefits (continued)

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability of \$59,650,630,530 as of June 30, 2024 was determined by an actuarial valuation as of June 30, 2023, which was rolled forward to June 30, 2024. 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:

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

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of TPAF, PERS and PFRS experience studies prepared for the periods 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, 2024 was \$129,882,934. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2024, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. 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, 2024, the State proportionate share of the OPEB Obligation attributable to the School District was 0.21773942%, which was a decrease of 0.00076531% from its proportion measured as of June 30, 2023.

For the fiscal year ended June 30, 2025, the State of New Jersey recognized an OPEB expense in the amount of \$4,795,414 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, 2024 measurement date.

TOWN OF HAMMONTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 9. Other Post-Retirement Benefits (continued)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend rate is increasing to 19.36% in fiscal year 2027, and decreases to 4.50% in fiscal year 2034. For HMO, the trend rate is increasing to 22.88% in fiscal year 2027, and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.50% long-term trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.93%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

The following presents the total nonemployer OPEB liability as of June 30, 2024, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2024		
	At 1% Decrease (2.93%)	At Discount Rate (3.93%)	At 1% Increase (4.93%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 152,120,732	\$ 129,882,934	\$ 111,999,128
State of New Jersey's Total Nonemployer OPEB Liability	\$ 69,863,663,542	\$ 59,650,630,530	\$ 51,437,232,141

TOWN OF HAMMONTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 9. Other Post-Retirement Benefits (continued)

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, 2024, respectively, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2024		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 108,193,430	\$ 129,882,934	\$ 158,134,945
State of New Jersey's Total Nonemployer OPEB Liability	\$ 49,689,409,509	\$ 59,650,630,530	\$ 72,625,778,279

* See Healthcare Cost Trend Assumptions for details of rates.

Additional Information

Collective balances of the Local Group at June 30, 2024 are as follows:

	Deferred Outflows of	Deferred Inflows of
Differences between Expected & Actual Experience	\$ 6,378,932,312	\$ 11,139,706,892
Change in Assumptions	10,004,978,073	11,662,607,882
Contributions Made in Fiscal Year Year Ending June 30, 202 After Measurement Date **	TBD	N/A
	<u>\$ 16,383,910,385</u>	<u>\$ 22,802,314,774</u>

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

Fiscal Year Ending June 30,	
2025	\$ (2,115,887,508)
2026	(1,774,175,666)
2027	(842,677,045)
2028	221,470,185
2029	(1,537,725,697)
Thereafter	(369,418,659)
	<u>\$ (6,418,414,390)</u>

** Employer Contributions made after June 30, 2024 are reported as deferred outflow of resources, but are not amortized in expense.

**TOWN OF HAMMONTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 9. Other Post-Retirement Benefits (continued)

Plan Membership

At June 30, 2023, the Program membership consisted of the following:

Active Plan Members	219,185
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	<u>105,130</u>
	<u><u>324,315</u></u>

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2025 (measurement date June 30, 2024) is as follows:

Total OPEB Liability

Service Cost	\$ 2,152,062,729
Interest Cost	1,963,557,443
Differences Between Expected and Actual Experiences	158,934,425
Changes of Assumptions	4,462,660,491
Contributions: Member	51,347,810
Gross Benefit Payments	<u>(1,499,600,607)</u>
Net Change in Total OPEB Liability	7,288,962,291
Total OPEB Liability (Beginning)	<u>52,361,668,239</u>
Total OPEB Liability (Ending)	<u><u>\$ 59,650,630,530</u></u>
Total Covered Employee Payroll	\$ 15,845,935,573
Net OPEB Liability as a Percentage of Payroll	376%

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

As previously mentioned, the School District receives on-behalf payments from the State for normal costs and post-retirement medical costs related to the 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, 2025, the on-behalf payments for pension, social security, post-retirement medical costs, and long-term disability were \$8,815,383, \$1,971,240, \$2,575,862, and \$3,394, respectively.

TOWN OF HAMMONTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 11. Risk Management

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

New Jersey Unemployment Compensation Insurance – The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan the School 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 School 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:

Fiscal Year Ended June 30,				Ending Balance		
	Employee Contributions	Interest	Amount Reimbursed	<u>Restricted for:</u>		
				Unemployment Reserve	Unemployment Liability	
2025	\$ 73,948	\$ 8,183	\$ 26,508	\$ 538,933	\$ 47,440	
2024	59,768	7,435	31,454	530,750	-	
2023	65,540	4,011	85,937	495,001	-	

Joint Insurance Pool - The School District participates in the School Alliance Insurance Fund and public entity risk pool. The Fund provides its members with the following coverages:

Property - Blanket Building & Grounds	Equipment Breakdown
General and Automobile Liability	Worker's Compensation
School Leaders Errors and Omissions Liability	

Note 12. Contingencies

State and Federal Grantor Agencies – The School 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 School 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, 2025 may be impaired. In the opinion of the School 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.

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

**TOWN OF HAMMONTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 12. Contingencies (Continued)

Economic Dependency – The School 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 School District's programs and activities.

Note 13. Deferred Compensation

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

Ameriprise Financial	American Century Services	ASpire Financial Services
TPAF Supplemental Annuity	Putnam Funds	Lincoln Investment Planning
Siracusa Benefits Program	Vanguard Investments	XA Equitable Life Insurance Compar
Great American Financial Resources		

Note 14. Compensated Absences

GASB Statement No. 101, *Compensated Absences*, requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. The liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise

School District employees are granted varying amounts of vacation and sick leave in accordance with the School District's personnel policies. Upon termination, employees are paid for accrued vacation. The School 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 School District for the unused sick leave in accordance with the School District's agreements with various employee unions. However, a liability is recognized under GASB 101 to the extent such leave is expected to be used as time off.

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. It is estimated that accrued benefits for compensated absences, in accordance with GASB Statement No. 101, are valued at \$16, 28 299 at June 30, 2025. This estimate includes leave that is expected to be paid upon separation from service, and vacation and sick leave to the extent that such leave is more likely than not to be used by employees as paid time off, based on historical usage patterns.

The liability for vested compensated absences of the proprietary fund is recorded in the Statement of Net Position. It is estimated that accrued benefits for compensated absences, in accordance with GASB Statement No. 101, are valued at \$163,158 at June 30, 2025. This estimate includes leave that is expected to be paid upon separation from service, and vacation and sick leave to the extent that such leave is more likely than not to be used by employees as paid time off, based on historical usage patterns.

The School District adopted GASB Statement No. 101 during the year ended June 30, 2025. As a result, the compensated absences liability disclosed above reflects the revised recognition criteria under this standard. Implementation of this Statement resulted in a Prior Period Adjustment. See Note 20 for further detail.

Note 15. Tax Abatements

As defined by the GASB Statement No. 77, *Tax Abatement*, a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because *N.J.S.A. 54:4-75* and *N.J.S.A. 54:4-76* require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the School District.

TOWN OF HAMMONTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 15. Tax Abatements (Continued)

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

Note 16. 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, 2025 was \$4,551,238.

Note 17. Fund Balances

General Fund – Of the \$12,355,099 General Fund fund balance at June 30, 2025, \$2,865,885 has been restricted for the Capital Reserve Account; \$2,514,642 has been restricted for the Reserve for Maintenance Reserve Account; \$351,330 has been restricted for the Emergency Reserve Account; \$538,933 has been restricted for the Unemployment Reserve Account; \$4,551,238 has been restricted for current year excess surplus; \$2,739,696 is restricted for prior year excess surplus - designated for subsequent year's expenditures; and (\$1,206,625) for Unassigned Fund Balance.

Special Revenue Fund – Of the \$446,692 Special Revenue Fund fund balance at June 30, 2025, \$485,309 is restricted for student activities; \$136,717 is restricted for scholarships; and (\$175,334) is unassigned.

Capital Projects Fund – Of the \$4,777,087 Capital Projects Fund fund balance at June 30, 2025, \$4,777,087 is restricted for Capital Projects.

Debt Service Fund – Of the \$1 Debt Service Fund fund balance at June 30, 2025, \$1 is restricted for future debt service payments.

Note 18. Deficit in Fund Balance

The District has a deficit fund balance of \$1,206,625 in the General Fund and \$175,334 in the Special Revenue Fund as of June 30, 2025 as reported in the fund statements (modified accrual basis). *N.J.S.A. 18A:22-44.2* provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General and Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to *N.J.S.A. 18A:22-44.2* any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$1,381,959 is less than the last state aid payment.

Note 19. Deficit in Net Position

Unrestricted Net Position – The School District governmental activities had a deficit in unrestricted net position in the amount of (\$26,459,284) at June 30, 2025. The primary causes of this deficit is the School District not recognizing the receivable for the last two state aid payments and the recording of the net pension liability for the Public Employee's Retirement System (PERS) as of June 30, 2025. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

TOWN OF HAMMONTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 20. Prior Period Adjustment/Restatement of Fund Balance and Net Position

Net Position as of July 1, 2024, has been restated as follows for the implementation of GASB Statement No. 101, *Compensated Absences*.

Governmental Activities:

Net Position as previously reported at June 30, 2024	\$ 26,982,144
Prior Period Adjustment- Implementation of GASB 101: Net Position	<u>(11,352,083)</u>
Net Position as restated, July 1, 2024	<u><u>\$ 15,630,061</u></u>

Noncurrent Liabilities as of July 1, 2024, has been restated as follows for the implementation of GASB Statements No. 101, *Compensated Absences*.

Noncurrent Liabilities as previously reported at June 30, 2024	\$ 17,122,388
Prior Period Adjustment- Implementation of GASB 101: Non-Current Liabilities	<u>11,352,083</u>
Noncurrent Liabilities as restated, July 1, 2024	<u><u>\$ 28,474,471</u></u>

Business-Type Activities:

Net Position as previously reported at June 30, 2024	\$ 1,193,696
Prior Period Adjustment- Implementation of GASB 101: Net Position	<u>(93,645)</u>
Net Position as restated, July 1, 2024	<u><u>\$ 1,100,051</u></u>

Noncurrent Liabilities as of July 1, 2024, has been restated as follows for the implementation of GASB Statements No. 101, *Compensated Absences*.

Noncurrent Liabilities as previously reported at June 30, 2024	\$ 49,594
Prior Period Adjustment- Implementation of GASB 101: Non-Current Liabilities	<u>93,645</u>
Noncurrent Liabilities as restated, July 1, 2024	<u><u>\$ 143,239</u></u>

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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TOWN OF HAMMONTON SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025

	ACCOUNT NUMBERS	JUNE 30, 2025				VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:						
Local Sources:						
Local Tax Levy	10-1210	\$ 18,626,279	\$ -	\$ 18,626,279	\$ 18,626,279	\$ -
Tuition From Other LEAs Within State	10-1320	11,409,324	-	11,409,324	11,582,626	173,302
Tuition From Other LEAs Outside the State	10-1330	-	2,000	2,000	98,066	96,066
Tuition from Other Sources	10-1340	-	-	-	14,978	14,978
Transportation Fees From Other LEAs	10-1420	2,000	(2,000)	-	-	-
Unrestricted Miscellaneous Revenues	10-1990	100,000	-	100,000	751,687	651,687
Interest Earned on Emergency Reserve	10-1993	50	-	50	9,885	9,835
Interest Earned on Maintenance Reserve	10-1994	2,500	-	2,500	72,894	70,394
Interest Earned on Capital Reserve Funds	10-1995	3,800	-	3,800	88,984	85,184
Total Local Sources		30,143,953	-	30,143,953	31,245,399	1,101,446
State Sources:						
School Choice Aid	10-3116	1,975,392	-	1,975,392	1,975,392	-
Categorical Transportation Aid	10-3121	757,886	-	757,886	757,886	-
Extraordinary Aid	10-3131	150,000	-	150,000	498,978	348,978
Categorical Special Education Aid	10-3132	2,297,445	-	2,297,445	2,297,445	-
Equalization Aid	10-3176	25,486,553	-	25,486,553	25,486,553	-
Categorical Security Aid	10-3177	773,246	-	773,246	773,246	-
Other State Aids	10-3190	-	-	-	26,619	26,619
Lead Testing of Drinking Water	10-3300	-	-	-	2,550	2,550
Menstrual Products	10-3301	-	-	-	7,241	7,241
Nonbudgeted:						
TPAF Pension (on-behalf)		-	-	-	8,815,383	8,815,383
TPAF Social Security (reimbursed)		-	-	-	1,971,240	1,971,240
TPAF Post Retirement Medical Benefits (on-behalf)		-	-	-	2,575,862	2,575,862
TPAF Long-Term Disability Insurance (on-behalf)		-	-	-	3,394	3,394
Total State Sources		31,440,522	-	31,440,522	45,191,789	13,751,267
Federal Sources:						
Medicaid Reimbursement	10-4200	94,255	-	94,255	76,232	(18,023)
Total Federal Sources		94,255	-	94,255	76,232	(18,023)
Total Revenues		61,678,730	-	61,678,730	76,513,420	14,834,690

TOWN OF HAMMONTON SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025

	ACCOUNT NUMBERS	JUNE 30, 2025			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Current Expenses:					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	11-110-100-101	885,580	(149,836)	735,744	733,673
Grades 1-5 - Salaries of Teachers	11-120-100-101	5,201,126	(252,914)	4,948,212	4,927,959
Grades 6-8 - Salaries of Teachers	11-130-100-101	5,055,526	(25,366)	5,030,160	5,030,159
Grades 9-12 - Salaries of Teachers	11-140-100-101	7,241,872	(683)	7,241,189	7,241,187
Regular Programs - Home Instruction:					
Salaries of Teachers	11-150-100-101	150,000	42,890	192,890	192,890
Purchased Professional - Educational Services	11-150-100-320	28,000	(13,740)	14,260	7,810
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	11-190-100-106	435,055	124,313	559,368	553,370
Purchased Professional - Educational Services	11-190-100-320	173,275	(54,180)	119,095	74,607
Purchased Technical Services	11-190-100-340	37,240	-	37,240	7,488
Other Purchased Services	11-190-100-500	129,510	(1)	129,509	78,951
General Supplies	11-190-100-610	2,316,522	(912,689)	1,403,833	1,364,608
Textbooks	11-190-100-640	412,263	(314,148)	98,115	94,533
Other Objects	11-190-100-800	12,800	-	12,800	826
Total Regular Programs - Instruction		22,078,769	(1,556,354)	20,522,415	20,308,061
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	11-204-100-101	585,965	112,254	698,219	637,359
Other Salaries for Instruction	11-204-100-106	191,002	61,695	252,697	206,511
Purchased Professional - Educational Services	11-204-100-320	2,000	-	2,000	-
General Supplies	11-204-100-610	6,259	(1,890)	4,369	1,309
Other Objects	11-204-100-800	1,340	-	1,340	472
Total Learning and/or Language Disabilities		786,566	172,059	958,625	845,651
					112,974

TOWN OF HAMMONTON SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025

	ACCOUNT NUMBERS	JUNE 30, 2025			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Special Education - Instruction:					
Behavioral Disabilities:					
Salaries of Teachers	11-209-100-101	236,404	76,632	313,036	266,024
Other Salaries for Instruction	11-209-100-106	99,912	(31,792)	68,120	63,186
Purchased Professional - Educational Services	11-209-100-320	12,700	(6,000)	6,700	840
General Supplies	11-209-100-610	1,000	-	1,000	172
Textbooks	11-209-100-640	1,000	-	1,000	-
Total Behavioral Disabilities		351,016	38,840	389,856	330,222
Special Education - Instruction:					
Multiple Disabilities:					
Salaries of Teachers	11-212-100-101	836,914	(117,617)	719,297	622,260
Other Salaries for Instruction	11-212-100-106	413,836	(146,032)	267,804	250,156
Purchased Professional - Educational Services	11-212-100-320	3,430	(990)	2,440	-
General Supplies	11-212-100-610	34,761	(1,230)	33,531	23,967
Textbooks	11-212-100-640	8,615	-	8,615	-
Other Objects	11-212-100-800	224	-	224	162
Total Multiple Disabilities		1,297,780	(265,869)	1,031,911	896,545
Special Education - Instruction:					
Resource Room/Resource Center:					
Salaries of Teachers	11-213-100-101	500,878	(104,461)	396,417	385,992
Other Salaries	11-213-100-106	179,230	(69,000)	110,230	71,390
General Supplies	11-213-100-610	9,200	-	9,200	2,114
Total Resource Room/Resource Center		689,308	(173,461)	515,847	459,496
					56,351

TOWN OF HAMMONTON SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025

	ACCOUNT NUMBERS	JUNE 30, 2025			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Special Education - Instruction:					
Preschool Disabilities - Full-Time:					
Salaries of Teachers	11-216-100-101	350,490	19,673	370,163	-
Other Salaries for Instruction	11-216-100-106	124,958	45,218	170,176	-
Other Purchased Services	11-216-100-500	100	-	100	100
General Supplies	11-216-100-600	13,900	(2,980)	10,920	2,508
Other Objects	11-216-100-800	115	5	120	-
Total Preschool Disabilities - Full-Time		489,563	61,916	551,479	2,608
Special Education - Instruction:					
Home Instruction:					
Purchased Professional - Educational Services	11-219-100-320	318,575	(157,900)	160,675	39,567
Total Home Instruction		318,575	(157,900)	160,675	39,567
Total Special Education - Instruction		3,932,808	(324,415)	3,608,393	406,500
Bilingual Education - Instruction:					
Salaries of Teachers	11-240-100-101	1,109,756	77,840	1,187,596	47,185
Other Salaries for Instruction	11-240-100-106	339,928	117,417	457,345	6,827
Purchased Professional - Educational Services	11-240-100-320	13,963	-	13,963	7,909
General Supplies	11-240-100-610	51,459	(80)	51,379	10,207
Other Objects	11-240-100-800	-	80	80	-
Total Bilingual Education - Instruction		1,515,106	195,257	1,710,363	72,128
School-Sponsored Cocurricular/Extra:					
Curricular Activities - Instruction:					
Salaries	11-401-100-100	397,000	-	397,000	71,902
Purchased Services	11-401-100-500	36,191	6,970	43,161	12,435
Supplies and Materials	11-401-100-600	37,703	2,000	39,703	13,248
Other Objects	11-401-100-800	4,600	-	4,600	3,878
Total School-Sponsored Cocurricular/Extra		475,494	8,970	484,464	101,463

TOWN OF HAMMONTON SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025

	ACCOUNT NUMBERS	JUNE 30, 2025			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
School-Sponsored Athletics - Instruction:					
Salaries	11-402-100-100	610,000	45,000	655,000	642,723
Purchased Services	11-402-100-500	88,700	2,180	90,880	85,288
Supplies and Materials	11-402-100-600	186,063	32,780	218,843	164,068
Other Objects	11-402-100-800	4,300	5,800	10,100	8,500
Total School-Sponsored Athletics - Instruction		889,063	85,760	974,823	900,579
Undistributed Expenditures - Instruction (Tuition):					
Tuition to Other LEAs Within State - Regular	11-000-100-561	36,968	(34,190)	2,778	2,778
Tuition to County Vocational School - Regular	11-000-100-563	161,337	(7,600)	153,737	147,157
Tuition to County Vocational School - Special	11-000-100-564	5,000	-	5,000	5,000
Tuition to County Special Services & Regular Day Schools	11-000-100-565	1,101,974	(199,135)	902,839	902,838
Tuition to Private School Disabled - Within State	11-000-100-566	2,576,834	80,926	2,657,760	2,547,505
Tuition - State Facilities	11-000-100-568	4,500	-	4,500	4,500
Total Undistributed Expenditures - Instruction (Tuition)		3,886,613	(159,999)	3,726,614	3,609,778
Undistributed Expenditures Attendance and Social Work:					
Salaries	11-000-211-100	94,928	3,000	97,928	97,415
Purchased Professional and Technical Services	11-000-211-300	45,900	3,000	48,900	47,126
Other Purchased Services	11-000-211-500	1,000	-	1,000	309
Supplies and Materials	11-000-211-600	2,875	-	2,875	1,113
Total Undistributed Expenditures Attendance and Social Work		144,703	6,000	150,703	145,963
Undistributed Expenditures - Health Services:					
Salaries	11-000-213-100	407,836	101,633	509,469	495,655
Purchased Professional & Technical Services	11-000-213-300	63,500	-	63,500	42,594
Other Purchased Services	11-000-213-500	8,000	(600)	7,400	1,986
Supplies and Materials	11-000-213-600	34,675	(2,149)	32,526	27,465
Supplies - Menstrual Products	11-000-213-616	-	8,600	8,600	7,241
Other Objects	11-000-213-800	-	148	148	148
Total Undistributed Expenditures - Health Services		514,011	107,632	621,643	575,089
					46,554

**TOWN OF HAMMONTON SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	ACCOUNT NUMBERS	JUNE 30, 2025			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures:					
Speech, OT, PT and Related Services:					
Salaries	11-000-216-100	459,744	(16,628)	443,116	442,306 810
Purchased Professional - Educational Services	11-000-216-320	83,000	57,554	140,554	125,990 14,564
Supplies and Materials	11-000-216-600	10,883	866	11,749	5,221 6,528
Other Objects	11-000-216-800	579	1,549	2,128	1,694 434
Total Undistributed Expenditures -		554,206	43,341	597,547	575,211 22,336
Speech, OT, PT and Related Services					
Undistributed Expenditures -					
Other Support Services - Extra Services:					
Salaries	11-000-217-100	1,023,558	(284,670)	738,888	705,797 33,091
Purchased Professional - Educational Services	11-000-217-320	276,600	(164,072)	112,528	112,521 7
Supplies and Materials	11-000-217-600	11,208	-	11,208	1,428 9,780
Total Undistributed Expenditures -		1,311,366	(448,742)	862,624	819,746 42,878
Other Support Services - Extra Services					
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	11-000-218-104	1,140,875	200	1,141,075	1,138,117 2,958
Salaries of Secretaries & Clerical Assistants	11-000-218-105	175,329	5,700	181,029	153,310 27,719
Unused Sick Payment to Terminated/Retired Staff	11-000-218-299	3,400	(3,400)	-	-
Purchased Professional - Educational Services	11-000-218-320	7,270	9,616	16,886	4,172 12,714
Other Purchased Professional and Technical Services	11-000-218-390	5,089	-	5,089	1,125 3,964
Other Purchased Services	11-000-218-500	7,750	-	7,750	3,923 3,827
Supplies and Materials	11-000-218-600	29,055	(2,000)	27,055	13,783 13,272
Other Objects	11-000-218-800	2,625	2,000	4,625	3,720 905
Total Undistributed Expenditures - Guidance		1,371,393	12,116	1,383,509	1,318,150 65,359

TOWN OF HAMMONTON SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025

	ACCOUNT NUMBERS	JUNE 30, 2025			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures - Child Study Teams:					
Salaries of Other Professional Staff	11-000-219-104	1,238,278	(74,000)	1,164,278	34,314
Salaries of Secretaries & Clerical Assistants	11-000-219-105	87,892	199	88,091	758
Purchased Professional - Educational Services	11-000-219-320	166,000	(82,100)	83,900	5,459
Other Purchased Prof. and Tech. Services	11-000-219-390	13,755	-	13,755	2,660
Miscellaneous Purchased Services	11-000-219-592	12,725	3,000	15,725	2,546
Supplies and Materials	11-000-219-600	31,430	4,100	35,530	15,309
Other Objects	11-000-219-800	2,465	-	2,465	1,865
Total Undistributed Expenditures - Child Study Teams		1,552,545	(148,801)	1,403,744	62,911
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	11-000-221-102	843,097	(119,292)	723,805	1,642
Salaries of Other Professional Staff	11-000-221-104	157,230	177,738	334,968	10,163
Salaries of Sec. and Clerical Assist.	11-000-221-105	60,522	-	60,522	622
Purchased Professional - Educational Services	11-000-221-320	76,914	(57,860)	19,054	42
Other Purchased Professional and Technical Services	11-000-221-390	6,750	-	6,750	270
Other Purchased Services	11-000-221-500	8,500	(2,398)	6,102	3,688
Supplies and Materials	11-000-221-600	2,400	2,898	5,298	1,553
Other Objects	11-000-221-800	11,200	-	11,200	2,890
Total Undistributed Expenditures - Improvement of Instruction Services		1,166,613	1,086	1,167,699	20,670
Undistributed Expenditures - Educational Media Services/Library:					
Salaries	11-000-222-100	378,981	3,200	382,181	8,499
Purchased Professional and Technical Services	11-000-222-300	42,350	2,500	44,850	11,133
Other Purchased Services	11-000-222-500	5,130	(2,500)	2,630	2,162
Supplies and Materials	11-000-222-600	30,700	(3,000)	27,700	5,040
Other Objects	11-000-222-800	34,015	-	34,015	7,935
Total Undistributed Expenditures - Educational Media Services/Library		491,176	200	491,376	34,769

TOWN OF HAMMONTON SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025

	ACCOUNT NUMBERS	JUNE 30, 2025			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures -					
Instructional Staff Training Services:					
Other Salaries	11-000-223-110	-	5,393	5,393	-
Purchased Professional - Educational Services	11-000-223-320	41,520	(6,329)	35,191	15,563
Other Purchased Prof. and Tech. Services	11-000-223-390	1,300	-	1,300	1,176
Other Purchased Services	11-000-223-500	12,454	2,250	14,704	10,314
Supplies and Materials	11-000-223-600	10,823	(240)	10,583	1,562
Other Objects	11-000-223-800	2,766	4,319	7,085	5,016
					2,069
Total Undistributed Expenditures -		68,863	5,393	74,256	39,024
Instructional Staff Training Services					35,232
Undistributed Expenditures -					
Support Services - General Administration:					
Salaries	11-000-230-100	371,560	-	371,560	362,283
Unused Sick Payment to Terminated/Retired Staff	11-000-230-299	19,500	(19,500)	-	9,277
Legal Services	11-000-230-331	195,500	-	195,500	-
Audit Fees	11-000-230-332	30,000	-	30,000	150,435
Architectural/Engineering Services	11-000-230-334	77,834	(7,820)	70,014	29,500
Other Purchased Professional Services	11-000-230-339	2,000	15,110	17,110	24,411
Purchased Technical Services	11-000-230-340	80	-	80	6,857
Communications/Telephone	11-000-230-530	125,962	-	125,962	10,253
BOE Other Purchased Professional Services	11-000-230-585	14,700	(5,000)	9,700	80
Other Purchased Services	11-000-230-590	189,900	(8,288)	181,612	118,942
General Supplies	11-000-230-610	11,200	(1,801)	9,399	2,200
BOE In-House Training/Meeting Supplies	11-000-230-630	1,825	-	1,825	167,084
Miscellaneous Expenditures	11-000-230-890	6,000	2,000	8,000	5,173
BOE Membership Dues and Fees	11-000-230-895	22,030	5,800	27,830	730
					1,095
Total Undistributed Expenditures -		1,068,091	(19,499)	1,048,592	694
Support Services - General Administration					27,785
					45
					145,886

TOWN OF HAMMONTON SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025

	ACCOUNT NUMBERS	JUNE 30, 2025			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures -					
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	11-000-240-103	1,269,864	(2,180)	1,267,684	96,697
Salaries of Secretaries & Clerical Assistants	11-000-240-105	798,297	15,535	813,832	35,955
Purchased Professional & Technical Services	11-000-240-300	600	-	600	96
Other Purchased Services	11-000-240-500	113,237	(10,320)	102,917	36,835
Supplies and Materials	11-000-240-600	72,275	15,965	88,240	3,335
Other Objects	11-000-240-800	14,820	-	14,820	4,449
Total Undistributed Expenditures -		2,269,093	19,000	2,288,093	177,367
Support Services - School Administration					
Undistributed Expenditures - Central Services:					
Salaries	11-000-251-100	560,668	-	560,668	4,113
Purchased Professional Services	11-000-251-330	66,000	1,393	67,393	-
Purchased Technical Services	11-000-251-340	65,000	(1,030)	63,970	5,393
Miscellaneous Purchased Services	11-000-251-592	9,800	(1,000)	8,800	1,242
Supplies and Materials	11-000-251-600	6,200	6,637	12,837	2,231
Interest on Lease Purchase Agreements	11-000-251-832	400	-	400	400
Miscellaneous Expenditures	11-000-251-890	4,400	-	4,400	849
Total Undistributed Expenditures - Central Services		712,468	6,000	718,468	14,228
Administrative Information Technology:					
Salaries	11-000-252-100	349,090	(8,500)	340,590	13,680
Purchased Technical Services	11-000-252-340	104,175	10,348	114,523	5,315
Other Purchased Services	11-000-252-500	115,000	(65,945)	49,055	398
Supplies and Materials	11-000-252-600	16,074	17,612	33,686	665
Other Objects	11-000-252-800	820	(100)	720	720
Total Undistributed Expenditures -		585,159	(46,585)	538,574	20,778
Administrative Information Technology					

**TOWN OF HAMMONTON SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	ACCOUNT NUMBERS	JUNE 30, 2025			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures -					
Required Maintenance for School Facilities:					
Salaries	11-000-261-100	444,384	21,975	466,359	466,358 1
Cleaning, Repair & Maintenance Services	11-000-261-420	332,287	(50,733)	281,554	203,144 78,410
General Supplies	11-000-261-610	148,557	(7,242)	141,315	71,702 69,613
Other Objects	11-000-261-800	1,960	-	1,960	650 1,310
Total Undistributed Expenditures -		927,188	(36,000)	891,188	741,854 149,334
Required Maintenance for School Facilities					
Undistributed Expenditures - Custodial Services:					
Salaries	11-000-262-100	1,007,054	(31,297)	975,757	953,939 21,818
Salaries of Non-Instructional Aides	11-000-262-107	488,371	24,000	512,371	506,355 6,016
Unused Sick Payment to Terminated/Retired Staff	11-000-262-299	18,000	(18,000)	-	- -
Purchased Professional and Technical Services	11-000-262-300	4,600	(5)	4,595	4,595 -
Cleaning, Repair & Maintenance Services	11-000-262-420	74,274	15,902	90,176	84,487 5,689
Rental of Land & Bldg. Other Than Lease Purch.	11-000-262-441	4,620	(4,620)	-	- -
Other Purchased Property Services	11-000-262-490	74,700	(6,600)	68,100	65,738 2,362
Insurance	11-000-262-520	240,000	5,348	245,348	245,340 8
Miscellaneous Purchased Services	11-000-262-590	21,300	(7,920)	13,380	13,286 94
General Supplies	11-000-262-610	355,884	253,903	609,787	549,670 60,117
Energy (Natural Gas)	11-000-262-621	400,000	105,353	505,353	433,241 72,112
Energy (Electricity)	11-000-262-622	1,068,500	140,451	1,208,951	1,109,022 99,929
Energy (Gasoline)	11-000-262-626	18,000	(134)	17,866	- -
Other Objects	11-000-262-800	1,750	1,770	3,520	1,770 1,750
Total Undistributed Expenditures - Custodial Services		3,777,053	478,151	4,255,204	3,985,309 269,895
Undistributed Expenditures -					
Care and Upkeep of Grounds:					
Salaries	11-000-263-100	370,081	(20,000)	350,081	349,657 424
Purchased Professional and Technical Services	11-000-263-300	100	-	100	- 100
Cleaning, Repair & Maintenance Services	11-000-263-420	50,610	(11,000)	39,610	27,901 11,709
General Supplies	11-000-263-610	158,000	(50,100)	107,900	71,616 36,284
Other Objects	11-000-263-800	7,030	(2,350)	4,680	4,645 35
Total Undistributed Expenditures -		585,821	(83,450)	502,371	453,819 48,552
Care and Upkeep of Grounds					

TOWN OF HAMMONTON SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025

	ACCOUNT NUMBERS	JUNE 30, 2025			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Security:					
Salaries	11-000-266-100	103,357	-	103,357	3,060
Purchased Professional and Technical Services	11-000-266-300	410,050	4,640	414,690	1,536
Cleaning, Repair, and Maintenance Services	11-000-266-420	16,615	(2,840)	13,775	5,894
General Supplies	11-000-266-610	47,300	(14,400)	32,900	11,699
Total Security		577,322	(12,600)	564,722	22,189
Undistributed Expenditures -					
Student Transportation Services:					
Salaries of Non-Instructional Aides	11-000-270-107	233,110	40,000	273,110	44
Salaries of Pupil Transportation (Between Home & School) - Regular	11-000-270-160	1,227,454	123,750	1,351,204	3,356
Sal for Pupil Trans (Bet Home & Sch)- Sp Ed	11-000-270-161	245,753	(83,229)	162,524	-
Sal for Pupil Trans (Other than Bet. Home & Sch)	11-000-270-162	72,700	96,025	168,725	-
Other Purchased Prof. and Technical Serv.	11-000-270-390	10,000	-	10,000	1,950
Cleaning, Repair and Maintenance Services	11-000-270-420	64,200	(14,491)	49,709	39,632
Contract Services - Aid in Lieu Payments - Non Public Schools	11-000-270-503	72,000	-	72,000	3,858
Contract Serv. - Aid in Lieu Pymts-Charter Sch	11-000-270-504	1,200	-	1,200	23
Contract Serv. - Aid in Lieu Pymts-Choice Sch	11-000-270-505	13,000	-	13,000	3,584
Contract Services (Between Home & School) - Vendors	11-000-270-511	652	-	652	652
Contract Services (Other Than Between Home & School) - Vendors	11-000-270-512	8,300	(6,311)	1,989	1,989
Contract Services (Between Home & School) - Joint Agreement	11-000-270-513	83,000	73,489	156,489	26,204
Contract Services (Special Education) - Vendors	11-000-270-514	1,200	-	1,200	1,200
Contract Serv.(Sp Ed Stds)-Joint Agrmnts	11-000-270-515	815,000	249,726	1,064,726	15,492
Contract Serv.(Spl. Ed. Students)-ESCs & CTSA's	11-000-270-517	5,000	-	5,000	5,000
Contract Services (Special Education) - ESCs & CTSA's	11-000-270-518	82,000	(6,000)	76,000	61,495
Miscellaneous Purchased Services - Transportation	11-000-270-593	57,000	-	57,000	8,101
General Supplies	11-000-270-610	246,000	(64,399)	181,601	46,532
Transportation Supplies	11-000-270-615	202,481	(57,828)	144,653	33,337
Miscellaneous Expenditures	11-000-270-800	2,000	-	2,000	2,000
Total Undistributed Expenditures -		3,442,050	350,732	3,792,782	254,449
Student Transportation Services					

TOWN OF HAMMONTON SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025

	ACCOUNT NUMBERS	JUNE 30, 2025			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Unallocated Benefits:					
Social Security Contributions	11-000-291-220	845,300	71,603	916,903	-
Other Retirement Contributions - PERS	11-000-291-241	998,000	(20,000)	978,000	8,076
Unemployment Compensation	11-000-291-250	2,000	-	2,000	850
Workmen's Compensation	11-000-291-260	540,000	(5,400)	534,600	871
Health Benefits	11-000-291-270	7,457,937	740,000	8,197,937	771,110
Tuition Reimbursement	11-000-291-280	62,000	6,837	68,837	49
Other Employee Benefits	11-000-291-290	505,300	(31,303)	473,997	73,657
Unused Sick Payment to Staff	11-100-100-299	58,500	20,349	78,849	-
Total Unallocated Benefits		10,469,037	782,086	11,251,123	854,613
Personal Services-Employee Benefits					
Unused Sick Payment to Term/Retired Staff	11-2XX-100-299	23,100	(23,100)	-	-
Total Personal Services		23,100	(23,100)	-	-
Nonbudgeted:					
TPAF Pension (on-behalf)		-	-	-	(8,815,383)
TPAF Social Security (reimbursed)		-	-	-	(1,971,240)
TPAF Post Retirement Medical Benefits (on-behalf)		-	-	-	(2,575,862)
TPAF Long-Term Disability Insurance (on-behalf)		-	-	-	(3,394)
Total Nonbudgeted		-	-	-	(13,365,879)
Total Undistributed Expenditures		35,497,871	832,961	36,330,832	(10,956,303)
Total Expenditures - Current Expense		64,389,111	(757,821)	63,631,290	(10,087,614)

TOWN OF HAMMONTON SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025

	ACCOUNT NUMBERS	JUNE 30, 2025			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Capital Outlay:					
Equipment:					
Grades 1-5	12-120-100-730	-	239,689	239,689	159,689
Grades 6-8	12-130-100-730	-	3,693	3,693	3,693
Grades 9-12	12-140-100-730	-	60,415	60,415	60,415
Undistributed Expenditures:					
Undistributed Expenditures - General Admin.	12-000-230-730	-	8,079	8,079	8,071
Central Services	12-000-251-730	4,535	-	4,535	4,535
Undistributed Expenditures - Admin Info Tech.	12-000-252-730	18,076	46,648	64,724	64,724
Undist. Expend. - Custodial Services	12-000-262-730	-	26,590	26,590	17,313
Undist. Expend. - Care and Upkeep of Grounds	12-000-263-730	-	45,550	45,550	45,550
Undist. Expend. - Security	12-000-266-730	16,548	185,512	202,060	202,060
School Buses - Regular	12-000-270-733	39,221	-	39,221	39,221
School Buses - Special	12-000-270-734	177,916	43,898	221,814	221,814
Total Equipment		256,296	660,074	916,370	827,085
Facilities Acquisition & Construction Services:					
Architectural/Engineering Services	12-000-400-334	18,794	125,000	143,794	87,964
Construction Services	12-000-400-450	123,241	1,582,161	1,705,402	1,701,542
Assessment for Debt Service on SDA Funding	12-000-400-896	163,157	-	163,157	163,157
School Sponsored & Other Instructional Programs	12-400-100-730	13,988	135,627	149,615	145,461
Total Facilities Acquisition & Construction Services		319,180	1,842,788	2,161,968	2,098,124
Total Capital Outlay		575,476	2,502,862	3,078,338	2,925,209
Transfer to Charter Schools		11,207	-	11,207	-
Total Expenditures		64,975,794	1,745,041	66,720,835	76,644,113
Excess/(Deficiency) of Revenues Over/(Under) Expenditures Before Other Financing Sources/(Uses)		(3,297,064)	(1,745,041)	(5,042,105)	(130,693)
					4,747,076

TOWN OF HAMMONTON SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025

ACCOUNT NUMBERS	JUNE 30, 2025			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Other Financing Sources/(Uses):				
Transfers In/(Out):				
Local Contribution-Transfer to Special Revenue - Inclusion	(60,460)	-	(60,460)	-
Capital Lease Income	-	-	-	81,500
Capital Reserve - Transfer to Repayment of Debt	(103,029)	-	(103,029)	-
Capital Reserve - Transfer to Capital Projects	-	(2,462,572)	(2,462,572)	-
Transfers to Cover Deficit (Custodial Funds)	(105,000)	-	(105,000)	15,500
Total Other Financing Sources/(Uses)	(268,489)	(2,462,572)	(2,731,061)	97,000
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures After Other Financing Sources/(Uses)	(3,565,553)	(4,207,613)	(7,773,166)	4,844,076
Fund Balance, July 1	18,131,792	-	18,131,792	-
Fund Balance, June 30	\$ 14,566,239	\$ (4,207,613)	\$ 10,358,626	\$ 4,844,076

RECAPITULATION OF BUDGET TRANSFERS

Transfer from Capital Reserve to Capital Projects	\$ 2,462,572
Withdrawal from Capital Reserve	1,745,041
	<u>\$ 4,207,613</u>

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Capital Reserve	\$ 2,865,885
Maintenance Reserve	2,514,642
Emergency Reserve	351,330
Unemployment Reserve	538,933
Excess Surplus	4,551,238
Excess Surplus Designated for Subsequent Year's Expenditures	2,739,696
Assigned Fund Balance:	
Other Purposes	113,692
Unassigned Fund Balance	1,691,622
Subtotal	<u>15,367,038</u>
Reconciliation to Governmental Funds Statements (GAAP):	
Last State Aid Payments Not Recognized on GAAP Basis	<u>(3,011,939)</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$ 12,355,099</u>

**TOWN OF HAMMONTON SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	JUNE 30, 2025				VARIANCE FINAL TO ACTUAL (OVER)/ UNDER
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Local Sources	\$ 199,366	\$ 834,492	\$ 1,033,858	\$ 886,703	\$ 147,155
State Sources	2,085,796	34,186	2,119,982	2,020,887	99,095
Federal Sources	1,403,886	1,171,157	2,575,043	2,535,377	39,666
Total Revenues	3,689,048	2,039,835	5,728,883	5,442,967	285,916
Expenditures:					
Instruction:					
Salaries of Teachers	959,361	178,901	1,138,262	1,085,862	52,400
Other Salaries for Instruction	313,385	39,411	352,796	352,235	561
Purchased Professional - Educational Services	48,929	92,929	141,858	133,620	8,238
Other Purchased Services (400-500 Series)	751,026	60,859	811,885	811,885	-
General Supplies	101,706	124,908	226,614	173,970	52,644
Textbooks	7,912	935	8,847	3,767	5,080
Other Objects	39,394	(31,669)	7,725	3,725	4,000
Total Instruction	2,221,713	466,274	2,687,987	2,565,064	122,923
Support Services:					
Salaries of Supervisor of Instruction	35,222	(32,108)	3,114	3,114	-
Salaries of Program Directors	49,652	(692)	48,960	48,960	-
Salaries of Teachers	189,432	54,669	244,101	232,539	11,562
Salaries of Secretaries and Clerical Assistants	54,377	(592)	53,785	53,785	-
Salaries of Master Teachers	87,192	(16,756)	70,436	70,436	-
Personal Services - Employee Benefits	331,103	151,280	482,383	461,745	20,638
Purchased Educational Services	76,422	908,161	984,583	964,397	20,186
Other Purchased Services (400-500 Series)	61,458	20,986	82,444	50,070	32,374
Travel	5,000	(3,960)	1,040	540	500
Supplies and Materials	462,380	(381,522)	80,858	50,654	30,204
Student Activities	-	900,697	900,697	900,697	-
Scholarships Awarded	-	6,050	6,050	6,050	-
Total Support Services	1,352,238	1,606,213	2,958,451	2,842,987	115,464
Facilities Acquisition & Construction Services:					
Construction Services	-	25,823	25,823	25,823	-
Instructional Equipment	100,000	40,000	140,000	80,000	60,000
Noninstructional Equipment	165,057	(98,475)	66,582	45,065	21,517
Total Facilities Acquisition & Construction Services	265,057	(32,652)	232,405	150,888	81,517
Total Expenditures	3,839,008	2,039,835	5,878,843	5,558,939	319,904
Total Outflows	3,839,008	2,039,835	5,878,843	5,558,939	319,904
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(149,960)	-	(149,960)	(115,972)	(33,988)
Other Financing Sources/(Uses):					
Transfer from Operating Budget	149,960	-	149,960	149,960	-
Total Transfer from Operating Budget	149,960	-	149,960	149,960	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources	\$ -	\$ -	\$ -	\$ 33,988	\$ -
Fund Balance, July 1				588,038	
Fund Balance, June 30				<u>\$ 622,026</u>	
Recapitulation:					
Restricted:					
Scholarship			\$	136,717	
Student Activities				<u>485,309</u>	
Total Fund Balance				<u>\$ 622,026</u>	

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

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**TOWN OF HAMMONTON SCHOOL DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGET TO GAAP RECONCILIATION
YEAR ENDED JUNE 30, 2025**

**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)	\$ 76,513,420	\$ 5,442,967
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year	-	(457)
Prior Year	-	146,178
The last state aid payments are recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expense (GASB 33).		
Current Year	(3,011,939)	(175,334)
Prior Year	2,991,942	168,575
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 76,493,423</u>	<u>\$ 5,581,929</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule. (C-1, C-2)	\$ 76,644,113	\$ 5,558,939
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.	-	145,721
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 76,644,113</u>	<u>\$ 5,704,660</u>

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
School District's proportion of the net pension liability	0.05860%	0.05847%	0.06230%	0.06008%	0.06081%	0.05761%	0.05820%	0.05879%	0.06065%	0.07035%
School District's proportionate share of the net pension liability	\$ 7,962,054	\$ 8,469,561	\$ 9,401,929	\$ 7,116,784	\$ 9,916,212	\$ 10,381,141	\$ 11,460,122	\$ 13,685,233	\$ 17,963,393	\$ 15,791,086
School District's covered payroll	\$ 5,026,212	\$ 4,835,743	\$ 4,639,584	\$ 4,481,720	\$ 4,441,505	\$ 4,346,161	\$ 4,292,183	\$ 4,105,495	\$ 4,062,230	\$ 4,096,106
School District's proportionate share of the net pension liability as a percentage of its covered payroll	158.41%	175.14%	202.65%	158.80%	223.26%	238.86%	267.00%	333.34%	442.21%	385.51%
Plan fiduciary net position as a percentage of the total pension liability	68.22%	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%

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

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
School District's contractually required contribution	\$ 797,328	\$ 781,518	\$ 785,633	\$ 703,548	\$ 665,211	\$ 561,625	\$ 580,071	\$ 547,556	\$ 539,844	\$ 604,780
Contributions in relation to the contractually required contribution	(797,328)	(781,518)	(785,633)	(703,548)	(665,211)	(561,625)	(580,071)	(547,556)	(539,844)	(604,780)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 5,026,212	\$ 4,639,584	\$ 4,481,720	\$ 4,441,505	\$ 4,346,161	\$ 4,292,183	\$ 4,105,495	\$ 4,062,230	\$ 4,096,106	\$ 4,156,086
Contributions as a percentage of covered payroll	15.86%	16.84%	17.53%	15.70%	15.31%	13.08%	14.13%	13.48%	13.18%	14.55%

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
School District's proportion of the net pension liability	0.210192%	0.203806%	0.204400%	0.197729%	0.198312%	0.198734%	0.194972%	0.196938%	0.195411%	0.194530%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	\$ 103,887,533	\$ 104,007,675	\$ 105,459,100	\$ 96,020,121	\$ 130,586,022	\$ 121,965,013	\$ 124,036,957	\$ 132,782,502	\$ 153,722,385	\$ 122,951,456
	\$ 103,887,533	\$ 104,007,675	\$ 105,459,100	\$ 96,020,121	\$ 130,586,022	\$ 121,965,013	\$ 124,036,957	\$ 132,782,502	\$ 153,722,385	\$ 122,951,456
School District's covered payroll	\$ 26,965,586	\$ 25,821,445	\$ 25,252,591	\$ 24,226,099	\$ 23,177,232	\$ 22,921,558	\$ 21,957,911	\$ 21,222,897	\$ 20,831,365	\$ 20,445,981
School District's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	37.99%	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%

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

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

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TOWN OF HAMMONTON SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (OPEB)
LAST EIGHT FISCAL YEARS */**

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service Cost	\$ 4,789,508	\$ 4,616,935	\$ 6,075,711	\$ 6,833,953	\$ 3,781,690	\$ 3,777,871	\$ 4,246,674	\$ 5,131,237
Interest Cost	4,275,438	4,029,476	2,891,326	3,383,895	3,215,403	3,923,712	4,180,451	3,616,191
Change in Benefit Terms	-	-	-	(138,843)	-	-	-	-
Difference between Actual and Expected	(158,285)	(528,609)	1,729,197	(22,702,982)	25,093,205	(15,995,790)	(9,384,772)	-
Changes of Assumptions	9,716,971	230,609	(29,267,615)	128,694	26,581,480	1,331,540	(11,352,424)	(15,430,462)
Contributions: Member	111,804	103,261	91,877	86,510	76,787	81,262	91,425	97,051
Gross Benefit Payments	(3,265,222)	(3,141,042)	(2,863,944)	(2,665,561)	(2,533,381)	(2,741,388)	(2,645,286)	(2,635,651)
Net Change in Total OPEB Liability	15,470,214	5,310,630	(21,343,448)	(15,074,334)	56,215,184	(9,622,793)	(14,863,932)	(9,221,634)
Total OPEB Liability (Beginning)	114,412,720	109,102,090	130,445,538	145,519,872	89,304,688	98,927,481	113,791,413	123,013,047
Total OPEB Liability (Ending)	\$ 129,882,934	\$ 114,412,720	\$ 109,102,090	\$ 130,445,538	\$ 145,519,872	\$ 89,304,688	\$ 98,927,481	\$ 113,791,413
State's Covered Employee Payroll	\$ 31,991,798	\$ 30,657,188	\$ 29,892,175	\$ 28,707,819	\$ 27,618,737	\$ 27,267,719	\$ 26,250,094	\$ 26,250,094
Net OPEB Liability as a Percentage of Payroll	406%	373%	365%	454%	527%	328%	377%	433%

*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.

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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TOWN OF HAMMONTON SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
YEAR ENDED JUNE 30, 2025

Public Employees' Retirement System (PERS)

Changes in Benefit Terms

None.

Changes in Assumptions

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2024	7.00%	2020	7.00%	2016	3.98%
2023	7.00%	2019	6.28%	2015	4.90%
2022	7.00%	2018	5.66%		
2022	7.00%	2017	5.00%		

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2024	7.00%	2020	7.00%	2016	7.65%
2023	7.00%	2019	7.00%	2015	7.65%
2022	7.00%	2018	7.00%		
2021	7.00%	2017	7.00%		

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

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms

None.

Changes in Assumptions

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2024	7.00%	2020	5.40%	2016	3.22%
2023	7.00%	2019	5.60%	2015	4.13%
2022	7.00%	2018	4.86%		
2021	7.00%	2017	4.25%		

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2024	7.00%	2020	7.30%	2016	7.65%
2023	7.00%	2019	7.00%	2015	7.90%
2022	7.00%	2018	7.00%		
2021	7.00%	2017	7.00%		

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

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms

None.

Differences Between Expected and Actual Experiences

The decrease in differences between expected and actual experiences from June 30, 2023 to June 30, 2024 was a result of changes to the census, claims and premiums experience

Changes in Assumptions

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2024	3.93%	2021	2.16%	2018	3.87%
2023	3.65%	2020	2.21%	2017	3.58%
2022	3.54%	2019	3.50%	2016	2.85%

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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TOWN OF HAMMONTON SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2025

	IDEA - Part B Basic	IDEA - Part B Preschool	Title I Part A	Title II Part A	Title III	Title IV	Bipartisan Safer Communities Act (BSCA) Grant	ARP ESSER III	ARP - Accelerated Learning Coach And Educator Support	ARP - Evidence Based Comprehensive Beyond the School Day
Revenues:										
Local Sources	-	-	-	-	-	-	-	-	-	-
State Sources	821,396	27,589	503,180	33,570	57,080	57,293	851,523	74,977	82,116	8,998
Federal Sources	-	-	-	-	-	-	-	-	-	-
Total Revenues	821,396	27,589	503,180	33,570	57,080	57,293	851,523	74,977	82,116	8,998
Expenditures:										
Instruction:										
Salaries of Teachers	-	-	142,244	-	-	-	-	57,400	64,800	-
Other Salaries for Instruction	-	-	46,783	-	41,177	-	-	7,760	-	-
Purchased Professional - Educational Service	-	-	71,254	-	-	-	23,000	-	-	-
Other Purchased Services (400-500 Series)	784,296	27,589	-	-	-	-	-	-	-	-
General Supplies	-	-	13,104	-	3,644	12,410	-	-	-	-
Textbooks	-	-	-	-	-	-	-	-	-	-
Other Objects	-	-	3,395	-	-	-	-	-	-	-
Total Instruction	784,296	27,589	276,782	-	44,821	12,410	23,000	65,160	64,800	-
Support Services:										
Salaries of Supervisor of Instructor	-	-	-	-	-	-	-	-	-	-
Salaries of Program Directors	-	-	26,590	4,000	6,000	26,556	-	4,488	11,481	8,359
Salaries of Teachers	-	-	-	-	-	-	-	-	-	-
Salaries of Secretaries and Clerical Assistants	-	-	-	-	-	-	-	-	-	-
Salaries of Master Teachers	-	-	-	-	-	-	-	-	-	-
Personnel Services - Employee Benefit	-	-	83,352	306	3,609	17,716	-	5,329	5,835	639
Purchased Educational Service:	37,100	-	82,013	8,904	-	-	828,523	-	-	-
Other Purchased Services (400-500 Series)	-	-	25,437	20,360	2,650	611	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-	-
Supplies and Materials	-	-	8,606	-	-	-	-	-	-	-
Student Activities	-	-	-	-	-	-	-	-	-	-
Scholarships Awarded	-	-	-	-	-	-	-	-	-	-
Total Support Services	37,100	-	226,398	33,570	12,259	44,883	828,523	9,817	17,316	8,998
Facilities Acquisition & Construction Services										
Constructional Services	-	-	-	-	-	-	-	-	-	-
Instructional Equipment	-	-	-	-	-	-	-	-	-	-
Noninstructional Equipment	-	-	-	-	-	-	-	-	-	-
Total Facilities Acquisition & Construction Services	-	-	-	-	-	-	-	-	-	-
Total Expenditures	821,396	27,589	503,180	33,570	57,080	57,293	851,523	74,977	82,116	8,998
Excess/(Deficiency) of Revenues Over/(Under) Expenditure	-	-	-	-	-	-	-	-	-	-
Other Financing Sources/(Uses):										
Transfer from Operating Budget - Preschool	-	-	-	-	-	-	-	-	-	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditure & Other Financing Sources/(Uses)	-	-	-	-	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-	-	-	-	-
Fund Balance, June 30	-	-	-	-	-	-	-	-	-	-

TOWN OF HAMMONTON SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2025

	New Jersey High Impact Tutoring Grant	SDA Emergent Needs and Capital Maintenance	Nonpublic Textbooks	Nonpublic Handicapped Services	Nonpublic Nursing Services	Nonpublic Technology Aid	Nonpublic Security Aid	Preschool Education Aid
Revenues:								
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	25,823	3,767	39,366	18,534	4,070	35,318	1,814,009
Federal Sources	17,655	-	-	-	-	-	-	-
Total Revenues	\$ 17,655	\$ 25,823	\$ 3,767	\$ 39,366	\$ 18,534	\$ 4,070	\$ 35,318	\$ 1,814,009
Expenditures:								
Instruction:								
Salaries of Teachers	\$ 11,350	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 810,068
Other Salaries for Instruction	-	-	-	-	-	-	-	256,513
Purchased Professional - Educational Services	-	-	-	39,366	-	-	-	-
Other Purchased Services (400-500 Series)	-	-	-	-	-	-	-	-
General Supplies	-	-	-	-	-	4,070	-	125,165
Textbooks	-	-	3,767	-	-	-	-	-
Other Objects	-	-	-	-	-	-	-	-
Total Instruction	11,350	-	3,767	39,366	-	4,070	-	1,191,746
Support Services:								
Salaries of Supervisor of Instruction	-	-	-	-	-	-	-	3,114
Salaries of Program Directors	-	-	-	-	-	-	-	48,960
Salaries of Teachers	5,050	-	-	-	-	-	-	138,015
Salaries of Secretaries and Clerical Assistants	-	-	-	-	-	-	-	53,785
Salaries of Master Teachers	-	-	-	-	-	-	-	70,436
Personal Services - Employee Benefits	1,255	-	-	-	-	-	-	343,582
Purchased Educational Services	-	-	-	-	-	-	-	7,857
Other Purchased Services (400-500 Series)	-	-	-	-	-	-	-	362
Travel	-	-	-	-	-	-	-	16,612
Supplies and Materials	-	-	-	-	18,534	-	-	-
Student Activities	-	-	-	-	-	-	-	-
Scholarships Awarded	-	-	-	-	-	-	-	-
Total Support Services	6,305	-	-	-	18,534	-	-	682,723
Facilities Acquisition & Construction Services:								
Construction Services	-	25,823	-	-	-	-	-	-
Instructional Equipment	-	-	-	-	-	-	-	-
Noninstructional Equipment	-	-	-	-	-	-	35,318	-
Total Facilities Acquisition & Construction Services	-	25,823	-	-	-	-	35,318	-
Total Expenditures	17,655	25,823	3,767	39,366	18,534	4,070	35,318	1,874,469
Excess(Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-	-	-	(60,460)
Other Financing Sources/(Uses):								
Transfer from Operating Budget - Preschool	-	-	-	-	-	-	-	60,460
Excess(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	-	-	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TOWN OF HAMMONTON SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS (continued)
YEAR ENDED JUNE 30, 2025

	Local Recreation Improvement Grant	Atlanticare	Brain Alliance HS	Special Olympics (SONI)	Other Local Grants	Student Activities / Athletics Fund	Scholarship Fund	Totals
Revenues:								
Local Sources	-	\$ 3,359	\$ 295	\$ 1,722	\$ 30,092	\$ 849,092	\$ 2,143	\$ 886,703
State Sources	80,000	-	-	-	-	-	-	2,020,887
Federal Sources	-	-	-	-	-	-	-	2,535,377
Total Revenues	\$ 80,000	\$ 3,359	\$ 295	\$ 1,722	\$ 30,092	\$ 849,092	\$ 2,143	\$ 5,442,967
Expenditures:								
Instruction:								
Salaries of Teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,085,862
Other Salaries for Instruction	-	-	-	-	-	-	-	352,235
Purchased Professional - Educational Services	-	-	-	-	-	-	-	133,620
Other Purchased Services (400-500 Series)	-	-	-	-	-	-	-	811,885
General Supplies	-	-	-	-	15,577	-	-	173,970
Textbooks	-	-	-	-	-	-	-	3,767
Other Objects	-	-	-	-	330	-	-	3,725
Total Instruction	-	-	-	-	15,907	-	-	2,565,064
Support Services:								
Salaries of Supervisor of Instruction	-	-	-	-	-	-	-	3,114
Salaries of Program Directors	-	-	-	-	-	-	-	48,960
Salaries of Teachers	-	-	-	1,600	-	-	-	232,539
Salaries of Secretaries and Clerical Assistants	-	-	-	-	-	-	-	53,785
Salaries of Master Teachers	-	-	-	-	-	-	-	70,436
Personal Services - Employee Benefits	-	-	-	122	-	-	-	461,745
Purchased Educational Services	-	-	-	-	-	-	-	964,397
Other Purchased Services (400-500 Series)	-	-	295	-	355	-	-	50,070
Travel	-	-	-	-	540	-	-	540
Supplies and Materials	-	3,359	-	-	3,543	-	-	50,654
Student Activities	-	-	-	-	-	900,697	-	900,697
Scholarships Awarded	-	-	-	-	-	-	6,050	6,050
Total Support Services	-	3,359	295	1,722	4,438	900,697	6,050	2,842,987
Facilities Acquisition & Construction Services:								
Construction Services	-	-	-	-	-	-	-	25,823
Instructional Equipment	80,000	-	-	-	-	-	-	80,000
Noninstructional Equipment	-	-	-	-	9,747	-	-	45,065
Total Facilities Acquisition & Construction Services:	80,000	-	-	-	9,747	-	-	150,888
Total Expenditures	80,000	3,359	295	1,722	30,092	900,697	6,050	5,558,939
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-	(51,605)	(3,907)	(115,972)
Other Financing Sources/(Uses):								
Transfer from Operating Budget	-	-	-	-	-	89,500	-	149,960
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	-	-	-	-	-	37,895	(3,907)	33,988
Fund Balance, July 1	-	-	-	-	-	447,414	140,624	588,038
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 485,309	\$ 136,717	\$ 622,026

**TOWN OF HAMMONTON SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
YEAR ENDED JUNE 30, 2025**

	2025 Budgeted	2025 Actual	Variance
<u>DISTRICT-WIDE TOTALS</u>			
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 810,068	\$ 810,068	\$ -
Other Salaries for Instruction	256,513	256,513	-
General Supplies	131,862	125,165	6,697
Total Instruction	1,198,443	1,191,746	6,697
Support Services:			
Salaries of Supervisors of Instruction	3,114	3,114	-
Salaries of Program Directors	48,960	48,960	-
Salaries of Other Professional Staff	138,766	138,015	751
Salaries of Secr. And Clerical Assistants	53,785	53,785	-
Salaries of Masters Teachers	70,436	70,436	-
Personal Services - Employee Benefits	343,582	343,582	-
Purchased Educational Services	9,046	7,857	1,189
Other Purchased Professional Services	1,084	362	722
Travel	500	-	500
Supplies and Materials	35,000	16,612	18,388
Total Support Services	704,273	682,723	21,550
Facilities Acquisition and Construction Services:			
Instructional Equipment	60,000	-	60,000
Noninstructional Equipment	15,057	-	15,057
Total Facilities Acquisition and Construction Services	75,057	-	75,057
Total Expenditures	\$ 1,977,773	\$ 1,874,469	\$ 103,304

SUMMARY OF LOCATION TOTALS

Total revised 2024-2025 Preschool Education Aid Allocation	\$ 1,753,340
Add: Actual ECPA/PEA Carryover (June 30, 2024)	926,246
Add: Budgeted Transfer from the General Fund 2024-25	60,460
Total Preschool Education Aid Funds Available for 2024-25 Budget	2,740,046
Less:	
2024-25 Budgeted Preschool Education Aid (Including prior-year budget carryover)	(1,977,773)
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2025	762,273
Add:	
June 30, 2025 Unexpended Preschool Education Aid	103,304
2024-25 Carryover - Preschool Education Aid Programs	\$ 865,577
2024-25 Preschool Education Aid Carryover Budgeted for Preschool Programs 2025-26	\$ 762,273

F. Capital Projects Fund

Not Applicable

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TOWN OF HAMMONTON SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
YEAR ENDED JUNE 30, 2025

Project Title / Issue:	Original Date	Original Appropriations	Expenditures to Date		Unexpended Balance June 30, 2025
			Prior Years	Current Year	
Pre-Kindergarten Classroom Addition	12/13/2023	\$ 5,220,377	\$ -	\$ 443,290	\$ 4,777,087
Total		\$ 5,220,377	\$ -	\$ 443,290	\$ 4,777,087

**TOWN OF HAMMONTON SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2025**

Revenues and Other Financing Sources:	
State Sources-EDA	\$ 2,757,805
Transfer From Capital Reserve	2,462,572
Interest Income	<u>5,100</u>
Total Revenues and Other Financing Sources	<u>5,225,477</u>
Expenditures and Other Financing Uses:	
Other Purchased Professional and Technical Services	<u>443,290</u>
Total Expenditures and Other Financing Uses	<u>443,290</u>
Other Financing Sources/(Uses):	
Transfer to General Fund	<u>(5,100)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	4,777,087
Fund Balance, July 1	<u>-</u>
Fund Balance, June 30	<u><u>\$ 4,777,087</u></u>

**TOWN OF HAMMONTON SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
PRE-KINDERGARTEN CLASSROOM ADDITION
YEAR ENDED JUNE 30, 2025**

	Prior Years	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources - EDA	\$ -	\$ 2,757,805	\$ 2,757,805	\$ 2,757,805
Transfer from Capital Reserve	-	2,462,572	2,462,572	2,462,572
Interest Income	-	5,100	5,100	-
Total Revenues and Other Financing Sources	-	5,225,477	5,225,477	5,220,377
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services	-	443,290	443,290	553,130
Construction Services	-	-	-	4,627,247
Other Objects	-	-	-	40,000
Total Expenditures	-	443,290	443,290	5,220,377
Other Financing Sources/(Uses)				
Transfer to General Fund	-	(5,100)	(5,100)	-
Total Other Financing Sources/(Uses)	-	(5,100)	(5,100)	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ -	\$ 4,777,087	\$ 4,777,087	\$ -

Additional Project Information:

Name of Project:	
Pre-Kindergarten Classroom Addition	
DOE Project Number	1960-030-24-PK02
Date	12/13/2023
Original Authorized Cost	\$ 5,220,377
Revised Authorized Cost	\$ 5,220,377
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	8.49%
Original Target Completion Date	N/A
Revised Target Completion Date	N/A

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H. Fiduciary Fund

Not Applicable

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I. Long-Term Debt

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TOWN OF HAMMONTON SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE
YEAR ENDED JUNE 30, 2025

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JUNE 30, 2024	RETIRED	BALANCE JUNE 30, 2025
			DATE	AMOUNT				
Refunding School Bonds	5/11/2016	\$ 7,050,000	8/1/2025	\$ 535,000	3.000%			
			8/1/2026	1,170,000	3.000%			
			8/1/2027	1,205,000	3.000%			
			8/1/2028	1,245,000	3.125%			
			8/1/2029	1,285,000	3.250%			
			8/1/2030	1,305,000	3.250%	\$ 6,780,000	\$ 35,000	\$ 6,745,000
Refunding School Bonds	6/18/2020	\$ 4,175,000	8/1/2025	510,000	4.000%	1,485,000	975,000	510,000
Refunding School Bonds W.E.S. Elementary School	12/20/2017	\$ 6,695,000	7/1/2025	660,000	4.000%			
			7/1/2026	660,000	4.000%			
			7/1/2027	710,000	4.000%			
			7/1/2028	705,000	3.000%			
			7/1/2029	750,000	3.000%			
			7/1/2030	790,000	3.000%	4,880,000	605,000	4,275,000
Total						\$ 13,145,000	\$ 1,615,000	\$ 11,530,000

**TOWN OF HAMMONTON SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	JUNE 30, 2025			VARIANCE
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	FINAL TO ACTUAL
Revenues:				
Local Sources:				
Local Tax Levy	\$ 1,662,175	\$ -	\$ 1,662,175	\$ -
State Sources:				
Debt Service Aid Type II	261,078	-	261,078	-
Total Revenues	1,923,253	-	1,923,253	-
Expenditures:				
Regular Debt Service:				
Interest	411,281	-	411,281	-
Redemption of Principal	1,615,000	-	1,615,000	-
Total Regular Debt Service	2,026,281	-	2,026,281	-
Total Expenditures	2,026,281	-	2,026,281	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(103,028)	-	(103,028)	-
Other Financing Sources (Uses):				
Transfers In	103,029	-	103,029	-
Total Other Financing Sources (Uses)	103,029	-	103,029	-
Excess/(Deficiency) of Revenues Over/(Under) Other Financing Sources	1	-	1	-
Fund Balance, July 1,	-	-	-	-
Fund Balance, June 30,	\$ 1	\$ -	\$ 1	\$ -

STATISTICAL SECTION (Unaudited)

Third Section

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Financial Trends Information

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

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TOWN OF HAMMONTON SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

(UNAUDITED)

	FISCAL YEAR ENDING JUNE 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental Activities:										
Net Investment in Capital Assets	\$ 25,709,048	\$ 20,193,832	\$ 22,254,470	\$ 16,832,176	\$ 13,160,536	\$ 13,481,102	\$ 12,818,941	\$ 12,501,011	\$ 13,356,794	\$ 13,211,245
Restricted	18,960,838	14,033,108	10,688,599	6,718,782	6,566,051	8,503,743	7,972,155	7,998,797	7,846,385	8,566,519
Unrestricted (Deficit) Surplus	(26,459,284)	(7,244,796)	(13,004,758)	(13,051,967)	(13,424,464)	(18,705,504)	(18,711,735)	(19,306,209)	(19,419,775)	(18,940,740)
Total Governmental Activities	\$ 18,210,602	\$ 26,982,144	\$ 10,498,991	\$ 6,302,123	\$ 3,279,341	\$ 3,279,341	\$ 2,079,361	\$ 1,193,599	\$ 1,783,404	\$ 2,837,024
Business-Type Activities:										
Net Investment in Capital Assets	\$ 534,548	\$ 577,647	\$ 538,236	\$ 565,003	\$ 592,417	\$ 616,447	\$ 675,814	\$ 732,617	\$ 764,480	\$ 310,114
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted (Deficit) Surplus	250,901	616,049	852,983	804,232	221,905	92,539	157,154	91,857	72,173	653,613
Total Business-Type Activities	\$ 785,449	\$ 1,193,696	\$ 1,391,219	\$ 1,369,235	\$ 814,322	\$ 708,986	\$ 832,968	\$ 824,474	\$ 836,653	\$ 963,727
District-Wide:										
Net Investment in Capital Assets	\$ 26,243,596	\$ 20,771,479	\$ 22,792,706	\$ 17,397,179	\$ 13,752,953	\$ 14,097,549	\$ 13,494,755	\$ 13,233,628	\$ 14,121,274	\$ 13,521,359
Restricted	18,960,838	14,033,108	10,688,599	6,718,782	6,566,051	8,503,743	7,972,155	7,998,797	7,846,385	8,566,519
Unrestricted (Deficit) Surplus	(26,208,383)	(6,628,747)	(12,151,775)	(12,247,735)	(13,202,559)	(18,612,965)	(18,554,581)	(19,214,352)	(19,347,602)	(18,287,127)
Total District Net Position	\$ 18,996,051	\$ 28,175,840	\$ 21,329,530	\$ 11,868,226	\$ 7,116,445	\$ 3,988,327	\$ 2,912,329	\$ 2,018,073	\$ 2,620,057	\$ 3,800,751

Source: ACFR Schedule A-1

*For the year ended June 30, 2024, net position was restated due to GASB 101.

TOWN OF HAMMONTON SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS
(UNAUDITED)

	FISCAL YEAR ENDING JUNE 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 40,697,421	\$ 38,315,207	\$ 36,510,468	\$ 36,323,876	\$ 38,657,264	\$ 32,972,030	\$ 34,674,171	\$ 35,850,496	\$ 25,253,408	\$ 23,616,748
Special Education	8,323,034	4,983,637	5,115,465	6,056,303	6,554,666	5,789,476	5,910,504	6,634,800	4,594,059	3,930,847
Other Instruction	5,198,472	4,488,626	3,900,247	3,399,287	2,697,225	2,864,594	2,371,418	2,365,023	1,989,960	1,859,616
Support Services:										
Tuition	4,758,247	3,356,026	3,419,702	3,177,949	2,927,972	2,964,167	2,737,676	2,318,045	3,228,284	2,240,798
Student & Instruction Related Services	12,401,213	11,738,773	10,713,495	11,361,857	11,219,182	9,178,761	8,925,679	9,214,405	6,727,957	6,502,957
General Administration	1,190,707	1,406,613	1,056,041	998,674	1,047,364	1,006,161	1,018,914	1,032,113	940,450	905,976
Central Services	928,633	-	-	-	-	-	-	-	-	-
Administration Information Technology	682,115	-	-	-	-	-	-	-	-	-
School Administrative Services	2,782,138	4,654,786	4,664,991	4,431,091	4,197,928	3,716,854	3,665,577	3,740,802	2,709,324	2,535,640
Business Administrative Services	-	1,805,257	1,716,013	1,778,051	1,676,735	1,599,977	1,525,487	1,962,460	1,216,390	1,428,241
Plant Operations & Maintenance	6,630,331	6,835,996	6,567,575	6,795,692	6,241,854	5,426,128	5,471,043	5,748,212	5,029,133	4,794,990
Pupil Transportation	4,663,832	4,273,234	4,370,133	4,209,843	3,169,670	3,101,079	3,086,411	2,972,101	2,573,389	2,358,823
Interest & Other Charges	459,577	460,651	517,913	569,518	558,024	649,111	777,134	828,638	623,150	1,109,565
Total Governmental Activities	88,715,720	82,318,806	78,552,043	79,102,141	78,947,885	69,268,338	70,164,014	72,667,095	54,885,504	51,284,201
Business-Type Activities:										
Food Service	2,168,569	2,013,480	1,881,693	1,790,068	1,462,565	1,532,795	1,614,795	1,651,452	1,706,805	1,575,856
Child Care	8,814	8,460	8,476	26,779	7,441	7,441	9,066	10,066	8,630	78,190
Total Business-Type Activities	2,177,383	2,021,940	1,890,169	1,816,847	1,470,006	1,540,236	1,623,861	1,661,518	1,715,435	1,654,046
Total Expenses	\$ 90,893,103	\$ 84,340,746	\$ 80,442,212	\$ 80,918,988	\$ 80,417,891	\$ 70,808,574	\$ 71,787,875	\$ 74,328,613	\$ 56,600,939	\$ 52,938,247

TOWN OF HAMMONTON SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS
(UNAUDITED)

	FISCAL YEAR ENDING JUNE 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Program Revenues:										
Governmental Activities:										
Tuition	\$ -	\$ 11,386,517	\$ 9,125,539	\$ 9,072,178	\$ 9,275,245	\$ 9,342,121	\$ 9,293,534	\$ 9,883,460	\$ 9,975,782	\$ 10,157,368
Transportation Fees from Other LEA's	-	115,949	115,214	47,458	1,256	39,545	92,510	84,489	108,371	94,371
Student & Instruction Related Services	-	-	-	-	445,869	-	-	-	-	-
Operating Grants & Contributions	23,791,426	11,529,305	16,024,929	16,035,884	19,340,981	12,078,916	14,532,501	19,056,324	2,722,657	5,604,529
Total Governmental Activities	23,791,426	23,031,771	25,265,682	25,155,520	29,063,351	21,460,582	23,918,545	29,024,273	12,806,810	15,856,268
Business-Type Activities:										
Charges for Services:										
Food Service	604,658	652,545	628,387	130,971	96,009	429,007	662,419	633,811	654,159	709,738
Child Care	-	-	-	-	-	-	-	-	25	83,433
Operating Grants & Contributions	1,258,123	1,159,166	1,275,829	2,239,554	1,478,395	845,111	966,618	937,595	932,864	900,247
Total Business-Type Activities	1,862,781	1,811,711	1,904,216	2,370,525	1,574,404	1,274,118	1,629,037	1,571,406	1,587,048	1,693,418
Total District Program Revenues	\$ 25,654,207	\$ 24,843,482	\$ 27,169,898	\$ 27,526,045	\$ 30,637,755	\$ 22,734,700	\$ 25,547,582	\$ 30,595,679	\$ 14,393,858	\$ 17,549,686
Net (Expense)/Revenue:										
Governmental Activities	\$ (64,924,294)	\$ (59,287,035)	\$ (53,286,361)	\$ (49,884,533)	\$ (49,884,534)	\$ (47,807,756)	\$ (46,245,469)	\$ (43,642,822)	\$ (42,078,694)	\$ (35,427,933)
Business-Type Activities	(314,602)	(210,229)	14,047	553,678	104,398	(266,118)	5,176	(90,112)	(128,387)	39,372
Total Net Expense	\$ (65,238,896)	\$ (59,497,264)	\$ (53,272,314)	\$ (49,330,855)	\$ (49,780,136)	\$ (48,073,874)	\$ (46,240,293)	\$ (43,732,934)	\$ (42,207,081)	\$ (35,388,561)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General										
Purposes, Net	\$ 18,626,279	\$ 18,487,722	\$ 18,320,722	\$ 18,198,582	\$ 18,086,685	\$ 18,018,685	\$ 18,018,685	\$ 17,665,378	\$ 17,224,826	\$ 16,506,429
Taxes Levied for Debt Service	1,662,175	1,662,175	1,662,175	1,644,835	1,631,010	1,631,010	1,631,010	1,735,360	1,831,416	2,083,577
Capital Lease	81,500	79,568	79,568	77,250	75,000	-	-	-	-	-
Investment Earnings	-	429,719	137,278	25,499	50,094	120,415	84,757	17,244	16,964	17,502
Canceled Accounts Payable Prior Year	-	-	17,465	2,008	37	34,475	-	-	-	-
Prior Year Encumbrances	-	155,428	-	-	-	-	-	108,596	-	-
Prior Year Adjustment	-	-	-	14,686	-	-	-	-	32,567	58,707
Transfer to Cover Deficit	-	-	-	-	-	(138,906)	-	(77,098)	-	-
Grants & Contributions	33,629,058	45,211,143	42,113,186	37,832,033	31,966,533	29,251,174	27,271,317	23,450,750	21,731,505	15,918,801
Tuition Received	11,597,604	-	-	-	-	-	-	-	-	-
Refund Prior Year Expenditures	-	197,807	339,798	246,185	258,640	36,648	80,262	-	-	-
Miscellaneous Income	1,810,153	105,374	55,489	102,411	108,460	54,235	45,200	152,787	187,796	323,399
Total Governmental Activities	67,406,769	66,330,868	62,725,681	58,143,489	52,176,459	49,007,736	47,131,231	43,053,017	41,025,074	34,908,415
Business-Type Activities:										
Investment Earnings	-	12,706	7,937	1,235	938	3,230	3,318	835	1,313	1,343
Transfer to Cover Deficit	-	-	-	-	-	138,906	-	77,098	-	-
Total Business-Type Activities	-	12,706	7,937	1,235	938	142,136	3,318	77,933	1,313	1,343
Total District-Wide	\$ 67,406,769	\$ 66,343,574	\$ 62,733,618	\$ 58,144,724	\$ 52,177,397	\$ 49,149,872	\$ 47,134,549	\$ 43,130,950	\$ 41,026,387	\$ 34,909,758
Change in Net Position:										
Governmental Activities	\$ 2,482,475	\$ 7,043,833	\$ 9,439,320	\$ 8,258,956	\$ 2,291,925	\$ 1,199,980	\$ 885,762	\$ (589,805)	\$ (1,053,620)	\$ (519,518)
Business-Type Activities	(314,602)	(197,523)	21,984	554,913	105,336	(123,982)	8,494	(12,179)	(127,074)	40,715
Total District	\$ 2,167,873	\$ 6,846,310	\$ 9,461,304	\$ 8,813,869	\$ 2,397,261	\$ 1,075,998	\$ 894,256	\$ (601,984)	\$ (1,180,694)	\$ (478,803)

TOWN OF HAMMONTON SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(UNAUDITED)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Fund:										
Restricted	\$ 6,270,790	\$ 13,445,070	\$ 9,336,919	\$ 6,267,202	\$ 6,134,319	\$ 1,284,973	\$ 4,652,080	\$ 5,649,881	\$ 5,911,737	\$ 8,278,946
Assigned	7,290,934	3,162,987	2,586,972	2,191,369	3,504,133	7,218,768	3,295,852	2,236,991	1,892,463	332,306
Committed	-	-	-	-	-	-	-	-	31,018	86,444
Unassigned (Deficit)	(1,206,625)	(1,468,207)	(1,191,770)	(210,195)	56,793	(813,335)	(881,932)	(1,154,738)	(718,405)	(840,528)
Total General Fund	\$ 12,355,099	\$ 15,139,850	\$ 10,732,121	\$ 8,248,376	\$ 9,695,245	\$ 7,690,406	\$ 7,066,000	\$ 6,732,134	\$ 7,116,813	\$ 7,857,168
All Other Governmental Funds:										
Restricted	\$ 5,399,114	\$ 588,038	\$ 530,936	\$ 451,580	\$ 431,732	\$ -	\$ -	\$ -	(45,518)	\$ (44,733)
Assigned	-	-	1	83,900	83,901	2	24,223	111,925	87,703	346,263
Unassigned (Deficit)	(175,334)	(168,575)	(153,843)	(139,041)	(50,142)	(51,731)	(39,038)	(44,734)	-	-
Total All Other Governmental Funds	\$ 5,223,780	\$ 419,463	\$ 377,094	\$ 396,439	\$ 465,491	\$ (51,729)	\$ (14,815)	\$ 67,191	\$ 42,185	\$ 301,530

Source: ACFR Schedule B-1

TOWN OF HAMMONTON SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(UNAUDITED)

	FISCAL YEAR ENDING JUNE 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues:										
Tax Levy	\$ 20,288,454	\$ 20,149,897	\$ 19,982,897	\$ 19,843,417	\$ 19,717,695	\$ 19,649,695	\$ 19,649,695	\$ 19,400,738	\$ 19,056,242	\$ 18,590,006
Tuition Charges	11,597,604	11,386,517	9,125,539	9,072,178	9,275,245	9,342,121	9,293,534	9,882,710	9,972,782	10,157,368
Tuition from Individuals	-	-	-	-	-	-	-	750	3,000	-
Transportation Fees from Other LEA's	98,066	115,949	115,214	47,458	1,256	39,545	92,510	84,489	108,371	94,371
Interest Earnings	-	429,719	137,278	25,499	50,094	120,415	84,757	17,244	16,964	17,502
Miscellaneous	1,810,153	105,374	55,489	102,411	108,460	54,235	45,200	152,787	187,796	323,399
Local Sources	-	932,455	933,090	729,387	575,431	22,064	24,086	33,402	29,382	36,561
State Sources	50,350,524	46,703,356	43,540,530	38,643,024	32,396,043	29,865,575	27,891,581	24,155,112	22,503,418	21,629,304
Federal Sources	2,611,609	3,217,402	7,107,828	4,683,565	3,435,716	1,922,689	1,978,283	1,989,899	1,921,362	1,927,222
Total Revenues	86,756,410	83,040,669	80,997,865	73,146,939	65,559,940	61,016,339	59,059,646	55,717,131	53,799,317	52,775,733
Expenditures:										
Instruction:										
Regular Instruction	22,873,125	21,592,497	20,552,994	19,679,647	19,239,686	18,085,276	18,480,473	17,313,000	17,475,579	17,292,906
Special Education Instruction	3,201,893	2,965,782	2,960,093	3,304,337	3,239,855	3,223,279	3,195,304	3,230,194	3,126,747	2,820,809
Other	2,921,815	2,690,379	2,382,572	1,966,068	1,562,909	1,894,293	1,512,463	1,422,249	1,412,019	1,396,175
Support Services:										
Instruction	3,609,778	3,345,325	3,405,042	3,167,488	2,927,972	2,964,167	2,737,676	2,318,045	2,146,504	1,581,196
Attendance & Social Work Services	145,963	-	-	-	-	-	-	-	-	-
Health Services	575,089	-	-	-	-	-	-	-	-	-
Student & Instruction Related Services	8,685,308	7,838,191	7,102,722	6,578,245	6,022,524	5,237,467	4,983,067	4,785,537	4,738,094	4,876,964
General Administration	902,706	1,158,364	821,313	719,442	737,749	769,589	765,636	737,601	797,759	789,706
Central Services	704,240	-	-	-	-	-	-	-	-	-
Administrative Information Technology	517,796	-	-	-	-	-	-	-	-	-
School Administrative Services	2,110,726	2,657,793	2,706,548	2,403,064	2,117,276	2,136,515	2,014,435	1,859,910	1,838,160	1,832,249
Plant Operations & Maintenance	5,723,515	5,020,963	4,933,995	4,879,827	4,527,952	4,148,913	4,083,227	4,331,123	4,127,997	4,043,281
Pupil Transportation	3,538,333	2,936,693	3,164,334	2,875,024	2,086,481	2,208,215	2,118,636	1,925,262	1,898,312	1,765,000
Business Administrative Services	-	1,220,709	1,181,424	1,138,144	984,403	974,390	942,902	918,505	903,574	840,089
Unallocated Benefits	23,762,389	23,158,147	21,770,185	22,212,006	18,015,349	15,793,355	15,152,218	14,423,298	13,624,521	12,229,786
Business and Other Support Services:										
Charter School	-	10,701	14,660	10,461	-	-	-	-	-	-
Capital Outlay	3,356,230	2,385,480	5,913,258	3,743,376	394,323	583,770	545,150	472,033	332,353	803,399
Debt Service:										
Principal	1,615,000	1,570,000	1,530,000	1,724,000	1,655,000	1,600,000	1,550,000	1,505,000	1,515,000	1,365,000
Interest & Other Charges	574,438	474,282	531,156	587,172	590,933	741,835	806,861	866,545	894,965	1,102,861
Total Expenditures	84,818,344	79,025,306	78,970,296	74,988,303	64,102,412	60,361,064	58,888,048	56,108,302	54,831,584	52,759,421
Other Financing Sources/(Uses):										
Refund prior year expenditures	-	197,807.00	339,798.00	246,185.00	258,640.00	36,648.00	80,262.00	-	-	-
Prior year adjustment	-	-	-	2,008.00	37.00	-	-	108,596.00	32,567.00	58,707
Canceled accounts payable prior year	-	-	17,465.00	-	-	34,475.00	-	-	-	-
Prior year encumbrances	-	155,428.00	-	-	-	-	-	-	-	-
Capital lease income (non-budgeted)	81,500.00	81,500.00	79,568.00	77,250	75,000.00	-	-	-	-	-
Transfers to Cover Deficit	(89,500.00)	-	-	-	-	-	-	-	-	-
Transfer to General Fund	(5,100.00)	-	-	-	-	-	-	-	-	-
Transfers in	2,720,661	141,349.00	91,480.00	565,367.00	491,677.00	388,901.00	433,537.00	272,000.00	626,524.00	-
Transfers Out	(2,626,061)	(141,349.00)	(91,480.00)	(565,367.00)	(491,677.00)	(527,807.00)	(433,537.00)	(349,098.00)	(626,524.00)	-
Total Other Financing Sources/(Uses)	81,500	434,735	436,831	325,443	333,677.00	(67,783.00)	80,262.00	31,498.00	32,567.00	58,707.00
Net Change in Fund Balances	\$ 2,019,566	\$ 4,450,098	\$ 2,464,400	\$ (1,515,921)	\$ 1,791,205	\$ 587,492	\$ 251,860	\$ (359,673)	\$ (999,700)	\$ 95,019
Debt Service as a Percentage of										
Noncapital Expenditures	2.65%	2.67%	2.82%	3.24%	3.53%	3.92%	4.04%	4.26%	4.42%	4.75%

Source: ACFR Schedule B-2

TOWN OF HAMMONTON SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(UNAUDITED)

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	TUITION	TRANSPORTATION FEES FROM OTHER LEA's	MISCELLANEOUS	TOTAL
2025	\$ 171,763	\$ 11,695,670	\$ -	\$ 751,687	\$ 12,619,120
2024	429,719	11,386,517	115,949	105,374	12,037,559
2023	137,278	9,125,539	115,214	55,489	9,433,520
2022	25,499	9,072,178	47,458	102,411	9,247,546
2021	5,094	9,275,245	1,256	108,460	9,435,055
2020	120,415	9,342,121	39,545	54,235	9,556,316
2019	84,757	9,293,534	92,510	45,200	9,516,001
2018	17,244	9,883,460	84,489	152,787	10,137,980
2017	16,921	9,975,782	108,371	187,796	10,288,870
2016	17,502	10,157,368	94,371	323,399	10,592,640

Source: District Records

Revenue Capacity Information

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

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TOWN OF HAMMONTON SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	LESS: TAX EXEMPT PROPERTY	PUBLIC UTILITIES ^a	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE ^b	ACTUAL (COUNTY EQUALIZED) VALUE
2016	\$ 29,106,200	\$ 979,218,400	\$ 40,698,900	\$ 6,634,500	\$ 265,007,500	\$ 18,066,800	\$ 18,459,400	\$ 1,357,191,700	\$ -	\$ -	\$ 1,357,191,700	1.404	\$ 1,345,322,069
2017	28,768,600	982,882,600	39,759,200	6,642,400	273,798,800	17,815,100	13,916,400	1,363,583,100	15,000	-	1,363,568,100	1.423	1,366,061,706
2018	27,671,800	985,192,700	39,471,000	6,699,500	272,919,900	17,828,900	13,670,200	1,363,454,000	47,500	-	1,363,406,500	1.442	1,371,361,775
2019	28,067,700	988,533,000	39,683,600	6,836,200	269,342,700	18,024,300	13,670,200	1,364,157,700	-	-	1,364,157,700	1.440	1,444,618,526
2020	28,070,400	994,522,100	38,536,500	6,726,000	270,282,300	17,852,700	13,286,200	1,369,276,200	-	-	1,369,276,200	1.440	1,466,053,960
2021	26,660,100	1,003,267,400	40,067,300	6,674,800	270,787,000	17,852,700	15,929,700	1,381,239,000	-	-	1,381,239,000	1.436	1,507,625,162
2022	26,418,400	1,014,790,000	40,346,200	6,615,300	271,307,000	17,852,700	18,441,500	1,395,771,100	-	-	1,395,771,100	1.432	1,538,139,613
2023	26,489,600	1,037,532,800	42,040,600	6,719,000	280,290,500	17,852,700	18,214,700	1,429,139,900	-	-	1,429,139,900	1.431	1,634,720,644
2024	27,419,500	1,052,538,800	42,347,300	6,718,700	275,336,400	17,852,700	18,264,300	1,440,477,700	-	-	1,440,477,700	1.432	1,747,427,268
2025	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,440,171,700	-	-	1,440,171,700	1.451	1,954,630,429

Source: Atlantic County Board of Taxation

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment (R) occurs when the County Board of Taxation requests Treasury to order a reassessment.

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

^{b.} Tax rates are per \$100

**TOWN OF HAMMONTON SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

(Rate per \$100 of Assessed Value)
(UNAUDITED)

FISCAL YEAR ENDED	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES		TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE ^a :	GENERAL OBLIGATION DEBT SERVICE	TOTAL DIRECT SCHOOL TAX RATE	TOWN OF HAMMONTON	ATLANTIC COUNTY	
JUNE 30,						
2016	1.269	0.135	1.404	0.653	0.504	2.561
2017	1.296	0.127	1.423	0.677	0.558	2.658
2018	1.322	0.120	1.442	0.698	0.556	2.696
2019	1.320	0.120	1.440	0.697	0.572	2.709
2020	1.320	0.120	1.440	0.707	0.572	2.719
2021	1.320	0.116	1.436	0.706	0.591	2.733
2022	1.320	0.112	1.432	0.716	0.575	2.723
2023	1.320	0.111	1.431	0.741	0.575	2.747
2024	1.321	0.111	1.432	0.776	0.544	2.752
2025	1.371	0.080	1.451	0.796	0.570	2.817

Source: Municipal Tax Assessor

Note: N.J.S.A. 18A:7F-5d limits the amount that the District can submit for a general fund tax levy. The levy, when added to other components of the District's net budget, may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost

^a The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation taxable

^b Rates for debt service are based on each year's requirements.

**TOWN OF HAMMONTON SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

	2025			2016		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value
NJ Manufacturers Ins. Comp	\$ 27,068,400	1	1.54%			
Kramer Beverage Real Estate LLC	9,147,800	2	0.52%			
Rt 206 Inc.	9,138,200	3	0.52%			
CT07-75 SWH LLC & DT07-75 SWH LLC	8,488,900	4	0.48%			
Atlantic Health Land Holding LLC	8,358,900	5	0.48%			
Wal-Mart RE Business Trust	7,650,000	6	0.44%			
Peachtree LLC	6,603,000	7	0.38%			
Pyramid Healthcare	5,963,500	8	0.34%			
Atlanticare Regional Medical Center	4,988,700	9	0.28%			
Main Rd Apts. LLC	4,709,500	10	0.27%			
Total	\$ 92,116,900		5.25%	\$ -		0.00%

Not Available

Source: Municipal Tax Assessor

**TOWN OF HAMMONTON SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR		COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY ^a		COLLECTIONS IN SUBSEQUENT YEARS
			AMOUNT	PERCENTAGE OF LEVY	
2016	\$	18,590,006	\$ 18,590,006	100.00%	\$ -
2017		19,056,242	19,056,242	100.00%	-
2018		19,400,738	19,400,738	100.00%	-
2019		19,649,695	19,649,695	100.00%	-
2020		19,649,695	19,649,695	100.00%	-
2021		19,717,695	19,717,695	100.00%	-
2022		19,843,417	19,843,417	100.00%	-
2023		19,982,897	19,982,897	100.00%	-
2024		20,149,897	20,149,897	100.00%	-
2025		20,288,454	20,288,454	100.00%	-

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

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

Debt Capacity Information

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

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**TOWN OF HAMMONTON SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)**

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES			TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME ^a	PER CAPITA
	GENERAL					
	OBLIGATION BONDS	LEASE OBLIGATIONS				
2016	\$ 26,099,000	\$ -	\$ 26,099,000	0.166%	43,336	
2017	24,409,000	-	24,409,000	0.179%	43,695	
2018	22,949,000	-	22,949,000	0.193%	44,254	
2019	21,399,000	-	21,399,000	0.218%	46,557	
2020	19,624,000	-	19,624,000	0.248%	48,668	
2021	17,969,000	-	17,969,000	0.282%	50,631	
2022	16,245,000	83,349	16,328,349	0.342%	55,802	
2023	14,715,000	85,228	14,800,228	0.394%	58,310	
2024	13,145,000	122,225	13,267,225	0.421%	55,918	
2025	11,530,000	78,428	11,608,428	N/A	N/A	

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.
See Exhibit J-14 for personal income and population data.

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

**TOWN OF HAMMONTON SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(UNAUDITED)**

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING		PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY ^a	PER CAPITA ^b
	GENERAL OBLIGATION BONDS	NET GENERAL BONDED DEBT OUTSTANDING		
2016	\$ 26,099,000	\$ 26,099,000	1.92%	1785
2017	24,409,000	24,409,000	1.79%	1692
2018	22,949,000	22,949,000	1.68%	1597
2019	21,399,000	21,399,000	1.57%	1519
2020	19,624,000	19,624,000	1.43%	1408
2021	17,969,000	17,969,000	1.31%	1293
2022	16,245,000	16,245,000	1.19%	1099
2023	14,715,000	14,715,000	1.07%	1099
2024	13,145,000	13,145,000	0.96%	888
2025	11,530,000	11,530,000	0.80%	1387

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

^a Used Estimated County equalized value from J-6

^b Population data can be founds in Exhibit J-14

**TOWN OF HAMMONTON SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2025
(UNAUDITED)**

GOVERNMENTAL UNIT:	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE ^a	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Town of Hammonton	\$ 15,891,241	100.00%	\$ 15,891,241
Other Debt:			
County of Atlantic - Township's Share (%)	249,783,988	3.79%	9,466,813
Subtotal, Overlapping Debt			<u>25,358,054</u>
Town of Hammonton School District Direct Debt	11,530,000	100.00%	<u>11,530,000</u>
Total Direct & Overlapping Debt			<u><u>\$ 36,888,054</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Atlantic County Board of Taxation. Debt Outstanding data provided by each governmental unit.

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

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

TOWN OF HAMMONTON SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Dollars in Thousands)
(UNAUDITED)

	FISCAL YEAR ENDED										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	
Debt Limit											
Total Net Debt Applicable to Limit	\$ 60,839,103	\$ 64,835,508	\$ 61,521,359	\$ 59,388,952	\$ 58,300,969	\$ 56,663,963	\$ 55,314,536	\$ 54,019,400	\$ 53,367,430	\$ 52,838,736	
	11,530,000	13,145,000	14,715,000	16,245,000	17,969,000	19,624,000	21,399,000	22,949,000	22,949,000	26,099,000	
Legal Debt Margin	\$ 49,309,103	\$ 51,690,508	\$ 46,806,359	\$ 43,143,952	\$ 40,331,969	\$ 37,039,963	\$ 33,915,536	\$ 31,070,400	\$ 30,418,430	\$ 26,739,736	
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	18.95%	20.27%	23.92%	27.35%	30.82%	34.63%	38.69%	42.48%	43.00%	49.39%	

EQUALIZED VALUATION BASIS	
	TOTAL
2024	\$ 2,079,370,055
2023	1,735,450,321
2022	1,612,862,376
[A]	5,427,682,752
Average Equalized Valuation of Taxable Property [A/3]	1,809,227,584
Debt Limit (4% of Average Equalization Value) [B]	72,369,103
Net Bonded School Debt [C]	11,530,000
Legal Debt Margin [B-C]	\$ 60,839,103

Source: Equalized valuation bases were obtained from the Atlantic County Board of Taxation

Demographic and Economic Information

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

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

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**TOWN OF HAMMONTON SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

YEAR	POPULATION ^a	PERSONAL INCOME ^b	PER CAPITA PERSONAL INCOME ^c	UNEMPLOYMENT RATE ^d
2016	14,618	633,485,648	43,336	8.10%
2017	14,428	630,431,460	43,695	6.90%
2018	14,369	635,885,726	44,254	6.50%
2019	14,085	655,755,345	46,557	5.90%
2020	13,934	678,139,912	48,668	5.10%
2021	13,902	703,872,162	50,631	11.70%
2022	14,781	824,809,362	55,802	8.30%
2023	14,833	864,912,230	58,310	5.40%
2024	14,797	827,418,646	55,918	5.30%
2025	15,036	N/A	N/A	5.00%

Sources:

- a** Population information provided by the NJ Department of Labor and Workforce Development.
- b** Personal income has been estimated based upon the municipal population and per capita personal income presented.
- c** Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.
- d** Unemployment data provided by the NJ Department of Labor and Workforce Development.

**TOWN OF HAMMONTON SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

2025			2016		
EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT

DATA NOT AVAILABLE

DATA NOT AVAILABLE

0		0.00%	0		0.00%
0			0		

Source: Municipal Tax Collector

N/A - Information was not available at reporting time

Operating Information

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

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**TOWN OF HAMMONTON SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
UNAUDITED**

<u>Function/Program</u>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Instruction										
Regular	199.5	199.5	200.0	200.0	210.0	210.0	230.0	230.0	232.0	227.0
Special education	60.0	60.0	63.0	63.0	58.0	58.0	63.0	63.0	58.0	89.0
Other special education	8.0	8.0	9.0	9.0	15.0	15.0	17.0	17.0	29.0	32.0
Vocational	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	-
Support Services:										
Student & instruction related services	82.0	82.0	74.0	74.0	73.0	82.0	90.0	90.0	92.0	85.0
General administrative services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
School administrative services	24.5	24.5	25.8	25.8	26.0	25.0	25.0	25.0	27.0	27.0
Business administrative services	9.5	9.8	9.9	9.9	10.0	10.0	10.0	10.0	10.0	10.0
Plant operations and maintenance	44.3	44.5	44.5	54.5	58.0	60.0	70.0	70.0	71.0	66.6
Pupil transportation	42.0	52.0	52.0	52.0	50.0	51.0	47.0	47.0	50.0	44.0
Food Service	21.0	20.0	20.0	20.0	20.0	23.0	24.0	24.0	23.0	24.0
Child Care	-	-	-	-	-	-	-	-	-	-
Total	495.8	505.3	503.2	513.2	525.0	539.0	581.0	581.0	597.0	607.6

Source: District Personnel Records

**TOWN OF HAMMONTON SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	HIGH SCHOOL	PUPIL/TEACHER RATIO (d) MIDDLE SCHOOL	ELEMENTARY	AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2025	3,062	\$ 60,353,025	\$ 19,710	-21.22%	274	1:15	1:12	1:14	3,151	2,949	-5.49%	93.59%
2024	3,272	81,858,366	25,018	5.86%	274	1:15	1:12	1:14	3,260	3,025	-3.35%	92.79%
2023	3,341	78,458,868	23,484	1.38%	274	1:15	1:12	1:14	3,334	3,063	-1.16%	91.87%
2022	3,322	78,508,873	23,633	2.02%	274	1:15	1:12	1:14	3,373	3,086	0.00%	91.49%
2021	3,384	78,389,860	23,165	17.95%	274	1:15	1:12	1:14	3,373	3,086	-3.02%	91.49%
2020	3,494	68,619,227	19,639	29.82%	274	1:15	1:12	1:14	3,478	3,337	-2.88%	95.95%
2019	3,504	69,386,880	19,802	30.90%	274	1:15	1:12	1:14	3,515	3,303	-3.09%	93.97%
2018	3,495	71,838,457	20,555	35.88%	274	1:15	1:12	1:14	3,495	3,286	-2.40%	94.02%
2017	3,587	54,262,354	15,128	9.45%	270	1:15	1:12	1:14	3,581	3,360	-1.27%	93.83%
2016	3,630	50,174,636	13,822	2.23%	270	1:15	1:12	1:14	3,627	3,416	1.17%	94.18%

Sources: District records

Note: Enrollment based on annual October district count from the year prior.

a

Operating expenditures equal total expenditures less debt service, capital outlay, and on-behalf TPAF Pension and reimbursed TPAF social security contributions. J-4

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).

d Pupil/Teacher ratio was obtained from the Comparative Spending Guide

**TOWN OF HAMMONTON SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

<u>DISTRICT BUILDINGS</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Early Childhood Learning Center (2001)										
Square Feet	46,365	35,365	35,365	35,365	35,365	35,365	35,365	35,365	35,365	35,365
Capacity (Students)	655	500	500	500	500	500	500	500	500	500
Enrollment	472	344	351	360	386	368	359	357	367	372
Elementary (1973)										
Square Feet	97,240	97,240	97,240	97,240	97,240	97,240	97,240	97,240	97,240	97,240
Capacity (Students)	1,464	1,464	1,464	1,464	1,464	1,464	1,464	1,464	1,464	1,464
Enrollment	697	763	787	785	751	855	879	886	920	923
Middle School (1965)										
Square Feet	109,950	109,950	109,950	109,950	109,950	109,950	109,950	109,950	109,950	109,950
Capacity (Students)	1,604	1,604	1,604	1,604	1,604	1,604	1,604	1,604	1,604	1,604
Enrollment	796	838	840	839	868	872	884	873	922	926
High School (2002)										
Square Feet	190,641	190,641	190,641	190,641	190,641	190,641	190,641	190,641	190,641	190,641
Capacity (Students)	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850
Enrollment	1,164	1,327	1,363	1,338	1,379	1,399	1,393	1,379	1,378	1,409
Other										
Transportation	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Square Feet										

Number of Schools at June 30, 2024:

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

Source: District Facilities Office, District Records

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

TOWN OF HAMMONTON SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
UNAUDITED

<u>SCHOOL FACILITIES</u>	<u>PROJECT #(s)</u>	<u>2025</u>	<u>2024</u>	<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>TOTAL SCHOOL FACILITIES</u>
High School	SP99341L	\$ 298,531	\$ 236,686	\$ 400,467	\$ 297,662	\$ 245,168	\$ 266,589	\$ 270,203	\$ 741,117	\$ 286,839	\$ 297,036	\$ 3,340,298
Middle School	N/A	207,060	146,003	205,924	156,219	173,557	212,294	142,384	185,744	458,967	275,677	2,163,829
Elementary School	N/A	141,201	107,548	125,512	129,963	145,423	127,877	108,651	110,030	178,236	107,882	1,282,323
Early Childhood Center	SP99343	95,062	70,434	59,611	92,345	124,028	38,633	56,543	44,450	45,154	48,227	674,487
Total School Facilities:		\$ 741,854	\$ 560,671	\$ 791,514	\$ 676,189	\$ 688,176	\$ 645,393	\$ 577,781	\$ 1,081,341	\$ 969,196	\$ 728,822	\$ 7,460,937

Source: District Records

TOWN OF HAMMONTON SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2025
UNAUDITED

	COVERAGE	DEDUCTIBLE
Atlantic & Cape May Counties Association of School Business Officials Joint Insurance Fund		
Property, Inland Marine and Automobile Physical Damages	\$ 175,000,000	
ACCASBO JIF Self Insured Retention - Per Occurrence	250,000	\$ 500
Perils Included	All Risk	
Property Valuation		
Buildings and Contents	Replacement Cost	
Contractors Equipment	Actual Cash Value	
Automobiles	Replacement Cost	
Boiler & Machinery		
Limit of Liability	125,000,000	1,000
ACCASBO JIF Self Insured Retention	None	
Crime		
Limit of Liability	500,000	500
ACCASBO JIF Self Insured Retention	250,000	
General and Automobile Liability		
Limit of Liability	20,000,000	None
ACCASBO JIF Self Insured Retention	250,000	
Workers' Compensation (Statutory)		
Limit of Liability	10,000,000	None
ACCASBO JIF Self Insured Retention	250,000	
Educator's Legal Liability		
Limit of Liability	27,000,000	None
ACCASBO JIF Self Insured Retention	250,000	
Pollution Legal Liability		
Limit of Liability	3,000,000	
Pollution/Mold Incident		25,000-250,000
ACCASBO JIF Self Insured Retention	None	

**TOWN OF HAMMONTON SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2025
UNAUDITED**

	COVERAGE	DEDUCTIBLE
Cyber Liability		
Limit of Liability	\$2,000,000	\$50,000- \$100,000
ACCASBO JIF Self Insured Retention	None	
Crisis Protection & Disaster Management Services		
Limit of Liability	1,000,000	10,000
ACCASBO JIF Self Insured Retention	None	
RLI Insurance Company		
Surety Bond		
Business Administrator - Barbara S. Prettyman/Carisa Rose	25,000	None

Source: District Records.

SINGLE AUDIT SECTION

Fourth Section

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EXHIBIT K-1

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Hammonton School District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated January 15, 2026.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read 'J. Conaty', with a stylized flourish at the end.

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

Lakewood, New Jersey
January 15, 2026

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
Town of Hammonton School District
County of Atlantic
Hammonton, NJ 08037

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Town of Hammonton School District's compliance with types of compliance requirements identified as subject to audit in the OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2025. The Town of Hammonton School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and

In our opinion, the Town of Hammonton School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and 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 and 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 and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read 'J. Conaty', with a stylized, looping flourish extending to the right.

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

Lakewood, New Jersey
January 15, 2026

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TOWN OF HAMMONTON SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE OR CLUSTER	FEDERAL ASSISTANCE LISTING NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2024	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	ADJUSTMENTS	BALANCE JUNE 30, 2025	
											UNEARNED REVENUE	(ACCOUNTS RECEIVABLE)
U.S. Department of Agriculture												
Passed Through New Jersey Department of Agriculture: Child Nutrition Cluster:												
School Breakfast Program	10.553	231NF04N1099	100-010-3350-028	\$	184,890	7/1/23-6/30/24	10,118	\$	-	\$	-	\$
School Lunch Program	10.553	241NF04N1099	100-010-3350-028		217,510	7/1/24-6/30/25	201,684	(217,510)	-	-	-	(15,816)
Subtotal						(10,118)	211,812	(217,510)	-	-	-	(15,816)
National School Lunch Program	10.555	231NF04N1099	100-010-3350-026	771,822	7/1/23-6/30/24	(38,545)	-	-	-	-	-	-
National School Lunch Program	10.555	241NF04N1099	100-010-3350-026	873,342	7/1/24-6/30/25	-	814,800	(873,342)	-	-	-	(58,542)
Food Distribution Program (Noncash Assistance)	10.565	Unavailable	Unavailable	72,086	7/1/23-6/30/24	88	-	(88)	-	-	-	-
Food Distribution Program (Noncash Assistance)	10.565	Unavailable	Unavailable	84,639	7/1/24-6/30/25	-	84,639	(84,471)	-	-	168	-
Subtotal						(38,457)	937,984	(957,901)	-	-	168	(58,542)
Total Child Nutrition Cluster												
						(48,575)	1,149,796	(1,175,411)	-	-	168	(74,358)
S-EBT Administrative Cost	10.649	241NJ0304S9009	100-010-3350-026	3,112	7/1/23-6/30/24	(3,112)	3,112	-	-	-	-	-
S-EBT Administrative Cost	10.649	251NJ0304S9009	100-010-3350-026	1,502	7/1/24-6/30/25	-	-	(1,502)	-	-	-	(1,502)
						(3,112)	3,112	(1,502)	-	-	-	(1,502)
Total U.S. Department of Agriculture												
						(51,687)	1,152,908	(1,176,913)	-	-	168	(75,860)
U.S. Department of Treasury												
Passed Through New Jersey Department of Education: New Jersey High Impact Tutoring Grant	21.027	E2400592	100-5063-034-369	154,000	10/1/23-8/31/24	(148,858)	162,519	(17,655)	-	-	-	(3,994)
Subtotal						(148,858)	162,519	(17,655)	-	-	-	(3,994)
Total U.S. Department of Treasury												
						(148,858)	162,519	(17,655)	-	-	-	(3,994)
U.S. Department of Education												
Passed Through New Jersey Department of Education: Elementary and Secondary Education Act (E.S.E.A.):												
Title I - Part A	84.010	S010A230030	100-034-5064-194	632,888	7/1/23-6/30/24	(222,038)	222,038	-	-	-	-	-
Title I - Carryover	84.010	S010A220030	100-034-5064-194	655,861	7/1/22-6/30/23	(13,113)	13,113	-	-	-	-	-
Title I - Part A	84.010	S010A240030	100-034-5064-194	546,243	7/1/24-6/30/25	-	376,264	(503,180)	-	-	-	(126,916)
Subtotal						(235,151)	611,415	(503,180)	-	-	-	(126,916)
Title II - Part A	84.367A	S367A230029	100-034-5063-290	37,010	7/1/23-6/30/24	(21,531)	21,531	-	-	-	-	-
Title II - Carryover	84.367A	S367A220029	100-034-5063-290	34,428	7/1/22-6/30/23	(1,336)	1,336	-	-	-	-	-
Title II - Part A	84.367A	S367A240029	100-034-5063-290	42,884	7/1/24-6/30/25	-	29,921	(33,570)	-	-	-	(3,649)
Subtotal						(22,867)	52,788	(33,570)	-	-	-	(3,649)
Title III, English Lang. Enhancement	84.365	S365A230030	100-034-5063-348	51,829	7/1/23-6/30/24	(10,487)	10,487	-	-	-	-	-
Title III, English Lang. Enhancement, Carryover	84.365	S365A220030	100-034-5063-348	51,149	7/1/22-6/30/23	(784)	784	-	-	-	-	-
Title III, English Lang. Enhancement	84.365	S365A240030	100-034-5063-348	57,467	7/1/24-6/30/25	-	44,393	(57,080)	-	-	-	(12,687)
Subtotal						(11,271)	55,664	(57,080)	-	-	-	(12,687)
Title IV - Part A	84.388B	S424A230031	100-034-5063-348	46,346	7/1/23-6/30/24	(21,804)	21,804	-	-	-	-	-
Title IV - Part A	84.388B	S424A240031	100-034-5063-348	61,128	7/1/24-6/30/25	-	34,412	(57,293)	-	-	-	(22,881)
Subtotal						(21,804)	56,216	(57,293)	-	-	-	(22,881)
I.D.E.A. Part B (Special Education Cluster):												
Basic	84.027A	H027A230100	100-034-5065-016	854,897	7/1/23-6/30/24	(78,924)	78,924	-	-	-	-	-
Basic	84.027A	H027A240100	100-034-5065-094	813,344	7/1/24-6/30/25	-	272,497	(821,396)	-	-	-	(93,899)
Subtotal						(78,924)	806,421	(821,396)	-	-	-	(93,899)
Preschool	84.173	H027A230100	100-034-5065-016	28,663	7/1/23-6/30/24	(3,986)	3,986	-	-	-	-	-
Preschool	84.173	H027A240100	100-034-5065-016	26,826	7/1/24-6/30/25	-	27,589	(27,589)	-	-	-	-
Total Special Education Cluster						(82,910)	837,996	(848,985)	-	-	-	(93,899)
Bipartisan Safer Communities Act Grant (BSCA)	84.424F	S424F220009	24-AA01-H02	1,380,000	9/1/23-9/30/25	(62,844)	914,367	(851,523)	-	-	-	-
Education Stabilization Fund:												
ARP - ESSER III	84.425U	S425U210027	100-034-5120-513	5,890,072	3/13/20-9/30/24	(1,488,246)	1,563,223	(74,977)	-	-	-	-
ARP - NTSS Mental Health Support Staffing	84.425U	S425U210027	100-034-5120-513	45,000	3/13/20-9/30/24	-	-	-	-	-	-	-
ARP - Accelerated Learning Coach And Educator Support	84.425U	S425U210027	100-034-5120-513	261,286	3/13/20-9/30/24	(51,933)	134,049	(82,116)	-	-	-	-
ARP - Evidence Based Summer Learning and Enrichment	84.425U	S425U210027	100-034-5120-513	40,000	3/13/20-9/30/24	-	8,998	(8,998)	-	-	-	-
ARP - Evidence Based Comprehensive Beyond the School Day	84.425U	S425U210027	100-034-5120-513	40,000	3/13/20-9/30/24	(143)	-	-	-	-	-	-
NTSS Mental Health	84.425U	S425U210027	100-034-5120-513	88,501	3/13/20-9/30/24	(1,351,059)	1,717,150	(166,091)	-	-	-	-
Subtotal						(1,551,059)	1,717,150	(166,091)	-	-	-	-
Total U.S. Department of Education												
						(1,987,906)	4,245,596	(2,517,722)	-	-	-	(260,032)
U.S. Department of Health and Human Services												
Passed Through New Jersey Department of Human Services: Medicaid Cluster:												
Medicaid Assistance Program	93.778	2405N5MAP	100-054-7540-211	76,232	7/1/24-6/30/25	-	76,232	(76,232)	-	-	-	-
Total Medicaid Cluster						-	76,232	(76,232)	-	-	-	-
Total U.S. Department of Health and Human Services												
						-	76,232	(76,232)	-	-	-	-
Total Expenditures of Federal Awards												
						\$	(2,188,451)	\$	5,637,255	\$	-	\$
											168	\$
												(339,886)
												\$

The accompanying Notes to Schedules of Expenditures of

and

Assistance are an integral part of this schedule

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TOWN OF HAMMONTON SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2025

GRANTOR STATE PROJECT NUMBER	STATE GRANTOR/ PROGRAM TITLE	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2024	CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE, JUNE 30, 2025		MEMO												
									UN-EARNED REVENUE	(AC-OUNTS RECEIVABLE)	DUE TO GRANTOR	BUDGETARY RECEIVABLE	TOTAL EXPENDITURES										
New Jersey Department of Education:																							
General Fund:																							
495-034-5120-068	State Aid Public:	1,975,392	7/1/24-6/30/25		\$ -	1,975,392	\$ -	(1,975,392)	\$ -	\$ -	190,146	\$ 1,975,392											
495-034-5120-078	School Choice Aid	25,486,553	7/1/24-6/30/25		-	25,486,553	-	(25,486,553)	-	-	2,453,264	25,486,553											
495-034-5120-084	Equalization Aid	773,246	7/1/24-6/30/25		-	773,246	-	(773,246)	-	-	74,431	773,246											
495-034-5120-089	Special Education Categorical Aid	2,297,445	7/1/24-6/30/25		-	2,297,445	-	(2,297,445)	-	-	221,146	2,297,445											
Total State Aid Public					-	30,532,636	(30,532,636)	-	-	-	2,938,887	30,532,636											
495-034-5120-044	Extraordinary Aid	488,224	7/1/23-6/30/24	(488,224)	-	488,224	-	-	-	-	-	-											
495-034-5120-044	Extraordinary Aid	498,978	7/1/24-6/30/25	-	-	-	(498,978)	-	-	-	-	498,978											
495-034-5120-014	Additional Non-Public Transportation Aid	6,864	7/1/23-6/30/24	(26,390)	-	26,390	-	-	-	-	-	-											
495-034-5120-014	Additional Non-Public Transportation Aid	26,619	7/1/24-6/30/25	-	-	-	(26,619)	-	-	-	-	26,619											
495-034-5120-014	Transportation Aid	757,886	7/1/24-6/30/25	-	-	757,886	-	-	-	-	72,952	757,886											
Unavailable	State Reimbursement for Menstrual Products	7,241	7/1/24-6/30/25	-	-	-	(7,241)	-	-	-	-	7,241											
2,575,862	State Reimbursement for Lead Testing	2,575,862	7/1/24-6/30/25	-	-	-	(2,550)	-	-	-	-	2,550											
1,897,658	TPAF - Post Retirement Contributions	1,897,658	7/1/24-6/30/24	(189,447)	-	189,447	-	-	-	-	-	-											
495-034-5094-003	Reimbursed TPAF Social Security Contributions	1,971,240	7/1/24-6/30/25	-	-	1,971,240	-	-	-	-	-	-											
495-034-5094-001	TPAF - Post Retirement Medical (Noncash Assistance)	2,575,862	7/1/24-6/30/25	-	-	2,575,862	(2,575,862)	-	-	-	-	2,575,862											
495-034-5094-002	TPAF - Pension Contributions (Noncash Assistance)	8,815,383	7/1/24-6/30/25	-	-	8,815,383	(8,815,383)	-	-	-	-	8,815,383											
495-034-5094-004	TPAF - Long-Term Disability Insurance (Noncash Assistance)	3,394	7/1/24-6/30/25	-	-	3,394	(3,394)	-	-	-	-	3,394											
Total General Fund				(704,061)	-	45,560,465	(45,591,789)	-	-	(635,388)	3,011,959	43,220,549											
Special Revenue Fund:																							
Non-Public Aid:																							
100-034-5120-064	Textbooks	9,308	7/1/23-6/30/24	194	-	-	-	(194)	-	-	-	-											
100-034-5120-064	Textbooks	8,847	7/1/24-6/30/25	-	-	8,847	(3,767)	-	-	-	5,080	3,767											
100-034-5120-070	Nursing Services	19,320	7/1/23-6/30/24	638	-	-	-	(638)	-	-	-	-											
100-034-5120-070	Nursing Services	22,490	7/1/24-6/30/25	-	-	22,490	(18,534)	-	-	-	3,956	18,534											
100-034-5120-373	Technology Initiative	7,889	7/1/23-6/30/24	168	-	-	-	(168)	-	-	-	-											
100-034-5120-373	Technology Initiative	8,477	7/1/24-6/30/25	-	-	8,477	(4,070)	-	-	-	4,407	4,070											
100-034-5120-509	Security Aid	35,465	7/1/23-6/30/24	322	-	-	-	(322)	-	-	-	-											
100-034-5120-509	Security Aid	35,465	7/1/24-6/30/25	-	-	35,465	(35,318)	-	-	-	147	35,318											
100-034-5120-067	Auxiliary Services (Chapter 192)	11,688	7/1/23-6/30/24	11,688	-	-	-	(11,688)	-	-	-	-											
100-034-5120-067	Auxiliary Services (Chapter 192)	867	7/1/24-6/30/25	-	-	867	-	-	-	-	867	-											
100-034-5120-066	Handicapped Services (Chapter 193)	21,428	7/1/23-6/30/24	6,233	-	-	-	(6,233)	-	-	-	-											
100-034-5120-066	Handicapped Services (Chapter 193)	40,240	7/1/24-6/30/25	-	-	40,240	-	-	-	-	874	38,492											
Total Non-Public Aid				19,243	-	116,386	(101,055)	(19,243)	-	-	15,331	100,181											
495-034-5120-086	Preschool Education Aid	1,538,430	7/1/23-6/30/23	163,973	(163,973)	-	-	-	-	-	-	-											
495-034-5120-086	Preschool Education Aid	1,653,748	7/1/24-6/30/24	-	-	762,273	-	-	762,273	-	-	-											
495-034-5120-086	Preschool Education Aid	2,760,446	7/1/24-6/30/25	-	-	1,813,800	(1,824,460)	-	-	-	175,334	1,824,460											
Total SDA Emergent & Capital Maintenance Needs Grant				163,973	762,273	1,813,800	(1,824,460)	-	-	-	175,334	1,824,460											
N/A	SDA Emergent & Capital Maintenance Needs Grant	83,433	7/1/23-6/30/24	-	-	25,823	(25,823)	-	-	-	-	25,823											
N/A	Local Recreation Improvement Grant	147,730	7/1/24-6/30/25	-	-	-	(80,000)	-	-	(80,000)	-	80,000											
Total Special Revenue Fund				183,216	762,273	1,956,009	(2,081,347)	(19,243)	865,577	(80,000)	15,331	175,334	2,080,473										
Debt Service Fund:																							
495-034-5120-017	Debt Service Aid	261,078	7/1/24-6/30/25	-	-	261,078	(261,078)	-	-	-	-	261,078											
Total Debt Service Fund				-	-	261,078	(261,078)	-	-	-	-	261,078											
Total New Jersey Department of Education														(520,845)	762,273	47,577,550	(47,534,214)	(19,243)	865,577	(615,388)	15,331	3,187,273	45,562,100
New Jersey Department of Agriculture:																							
Enterprise Fund:																							
495-010-3350-001	National School Lunch Program	41,321	7/1/23-6/30/24	(21,178)	-	2,178	-	-	-	-	-	-											
495-010-3350-002	National School Lunch Program	58,176	7/1/24-6/30/25	-	-	54,017	(58,176)	-	-	(4,159)	-	58,176											
495-010-3350-002	National School Breakfast Program	5,000	7/1/23-6/30/24	(342)	-	-	-	-	-	-	-	-											
495-010-3350-004	National School Breakfast Program	12,889	7/1/24-6/30/25	-	-	11,965	(12,589)	-	-	(684)	-	12,589											
100-010-3370-003	S-EBT Administrative Costs Grant	1,501	7/1/24-6/30/25	-	-	-	(1,501)	-	-	(1,501)	-	1,501											
Total Enterprise Fund				(2,520)	-	68,442	(72,266)	-	-	(6,344)	-	72,266											
Total State Financial Assistance				(523,365)	762,273	47,645,992	(47,606,480)	(19,243)	865,577	(621,732)	15,331	3,187,273	45,634,366										
State Financial Assistance Programs not Subject to Calculation for Major Program Determination:																							
495-034-5094-001	TPAF - Post Retirement Medical (Noncash Assistance)	2,575,862	7/1/24-6/30/25	-	-	\$ -	2,575,862	-	-	-	-	-											
495-034-5094-002	Contributions (Noncash Assistance)	8,815,383	7/1/24-6/30/25	-	-	-	8,815,383	-	-	-	-	-											
495-034-5094-004	TPAF - Long-Term Disability Insurance (Noncash Assistance)	3,394	7/1/24-6/30/25	-	-	-	3,394	-	-	-	-	-											
Total State Financial Assistance Subject to Calculation for Major Program Determination				-	-	-	(36,211,841)	-	-	-	-	-											

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

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TOWN OF HAMMONTON SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2025

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 Town of Hammonton 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 applicable 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, 2025. 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, 2025.

TOWN OF HAMMONTON SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2025 (Continued)

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.

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 \$19,997 for the general fund and \$138,692 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	\$ 76,232	\$ 45,171,792	\$ 45,248,024
Special Revenue Fund	2,535,377	2,220,309	4,755,686
Debt Service Fund	-	261,078	261,078
Food Service Fund	1,176,913	72,266	1,249,179
Total Awards & Financial Assistance	\$ 3,788,522	\$ 47,725,445	\$ 51,513,967

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 School District had no loan balances outstanding at June 30, 2025.

**TOWN OF HAMMONTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued		Unmodified	
Internal control over financial reporting:			
1) Material weakness(es) identified?	Yes	X	No
2) Significant deficiency(ies) identified?	Yes	X	No
 Noncompliance material to financial statements noted?			
	Yes	X	None reported

Federal Awards

Internal control over major programs:			
1) Material weakness(es) identified?	Yes	X	No
2) Significant deficiency(ies) identified?	Yes	X	No
 Type of auditor's report issued on compliance for major programs			
		Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of Uniform Guidance?			
	Yes	X	No

Identification of major programs:

Assistance Listing <u>Number(s)</u>	<u>FAIN Number(s)</u>	Name of Federal Program or Cluster
84.424F	S424F220009	Bipartisan Safer Communities Act Grant (BSCA)

Dollar threshold used to determine Type A programs		\$750,000	
Auditee qualified as low-risk auditee?	X	Yes	No

State Financial Assistance

Identification of major programs:

Name of State Program

Security Aid

**TOWN OF HAMMONTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025**

Section II - Financial Statement Findings

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

None.

**TOWN OF HAMMONTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025**

Section III - 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.

**TOWN OF HAMMONTON SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
YEAR ENDED JUNE 30, 2025**

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

No Prior Year Findings.

Federal Awards

No Prior Year Findings.

State Financial Assistance

No Prior Year Findings.