

HAMBURG BOROUGH SCHOOL DISTRICT

**Hamburg Borough Board of Education
Hamburg, New Jersey**

**Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2024**

Annual Comprehensive Financial Report

of the

HAMBURG BOROUGH SCHOOL DISTRICT

Hamburg, New Jersey

For the Fiscal Year Ended June 30, 2024

Prepared by

**Hamburg Borough Board of Education
Business Office**

HAMBURG BOROUGH SCHOOL DISTRICT
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INTRODUCTORY SECTION
(UNAUDITED)

Dr. Kimberly Sigman*Chief School Administrator***Mrs. Amanda Weaver***Business Administrator/Board Secretary***Mr. RJ Baumgartner***Vice Principal*

October 28, 2024

The Honorable President and Members of the Board of Education
Hamburg Borough School District
County of Sussex, New Jersey

Dear Honorable President and Board Members:

The annual comprehensive financial report of the Hamburg Borough School District (the "District") for the fiscal year ended June 30, 2024, 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 (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statement and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart, a roster of officials and a list of consultants and advisors. The financial section includes The Independent Auditors' Report, management's discussion and analysis, the basic financial statements and notes providing an overview of the financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected economic and demographic information, financial trends, and the fiscal capacity of the District, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES:

The Hamburg Borough School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The Hamburg Borough School District and its school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Preschool through 8 as well as special education for handicapped students. The District completed fiscal year 2023-24 with an average daily enrollment of 242 students compared to 241 students in 2022-23. Over the last three (3) years the District has experienced an increase in enrollment, mostly attributed to the addition/expansion of the Pre-School Program. Prior to the 2021-22 school year, the District has experienced a declining enrollment mainly due to the loss of students to the local charter and choice schools.

2) ECONOMIC CONDITION AND OUTLOOK:

The Hamburg Public School District, a preschool through grade eight elementary school, is located in the north central portion of scenic Sussex County, in the State of New Jersey. It is bounded on the west, north, and east by Hardyston Township and on the south by Franklin Borough. Hamburg Borough, first settled in the early 18th century, was formed March 19, 1920 from Hardyston Township. Hamburg Borough is a community of single frame homes situated nicely on shady lanes with a downtown main street and two major routes (94 and 23) intersecting at its center. In recent years, very little construction of new homes has occurred. However, over the last year home values in Hamburg Borough and Sussex County have increased dramatically. Recent enrollment trends seem to mirror the resident population change in Hamburg Borough from 3,277 residents as of the 2010 Census to 3,266 as reported in the 2020 Census. This is consistent with the trend that the majority of municipalities in Sussex County currently face - a declining population, a decrease in the birth rate and the average age of residents increasing.

With the opening of the school in September 2024, the Hamburg School had a slight increase in student population showing an increase from 232 (September 2023 student population) to 235 students (September 2024) in grades preschool through eight. These numbers do not include the population of special needs students that the District must place out-of-district due to the lack of adequate special needs programs. Nor do the numbers include homeless students for which Hamburg School must pay tuition to other districts for the children to attend. These numbers also do not include the population of students who attend charter schools or the students who are attending choice districts in Sussex County. In addition to the rising costs for special needs, charter school students, students in out-of-district placements and transporting students to alternative districts are growing concerns. An additional concern that financially impacts the district is the increase in the number of students receiving services as required by the students' IEPs (Individualized Education Plans). These services include, but are not limited to, occupational therapy, physical therapy, speech therapy and ABA therapy. Finally, the District continues to expend significant money to ensure students are prepared for the New Jersey Student Learning Assessments which will be implemented in this coming school year. The costs include updating the Hamburg School's network infrastructure, maintaining technology which will be compatible with the test, providing professional development for staff and updating all curricular materials to comply with the New Jersey Student Learning Standards.

In reference to the district's budget, the community has been consistently supportive of the District's annual budget. In January 2012, a law was passed [P.L. 2011, chapter 202] that gave the Boards of Education the ability to move the date for the school's annual election from April to the General Election in November. If the Board chose to elect board members in November, the Boards of Education would not have to submit their annual budgets for voter approval, so long as it does not exceed the tax levy cap [presently at two percent]. However, once the school election is moved to November, no action can be taken to move it back to April for four years. On January 31, 2012, the Hamburg Borough Board of Education adopted a resolution to move its school elections to the General Election in November. Going forward, we remain optimistic that once the public is properly informed about the time and effort spent on the formulation of a fiscally responsible school budget and our ongoing efforts to lower costs by participating in shared service agreements, purchasing cooperatives and the analysis of District expenditures, that the public shall remain supportive of the school district budget.



3) MAJOR INITIATIVES:

Hamburg School is a preschool through eighth grade learning community that benefits from having a supportive Board of Education, a concerned parent body, and a hardworking and caring faculty. Historically, we have always done well with our mandated and in-house standardized testing and we are progressively working to increase our students' academic abilities while maintaining a broad variety of co-curricular and extra-curricular activities. This is a direct result of our initiatives that stress time-on task, high expectations for our students' efforts, the orderly teaching of classes and timely feedback for student efforts.

As in the past years, goals and objectives are always set to challenge students to do their best. Goals and objectives have included the areas of Mathematics, Reading, Writing, Science, Social Studies, Physical Education/Health, World Language, Visual and Performing Arts, Computer Science, and 21st Century Skills. Our goals for the 2023-2024 academic year are to remain focused on enhanced Language Arts and Mathematics achievement with special attention given to addressing areas of regression due to remote and abbreviated learning schedules during a pandemic. This includes the administration of NWEA MAP® benchmark assessments, review of data, and the development of strong instructional initiatives to address areas of weakness. In addition, major initiatives in curriculum and technology updates are taking place to ensure that Hamburg School students are being prepared with 21st Century skills to ready them for high school and college. The 2023-2024 school year will also focus on the implementation of the newly released Language Arts and Mathematics curriculum updates recently released.

In support of our academic programs, we constantly review our textbooks and curriculum for possible revisions and improvements. During the 2022-2023 school year, all curricular areas were implemented utilizing the school's updated curriculum documentation. The school year 2023-2024 is our fourth year of implementation for all curricular areas; whereas, staff are integrating curriculum into instructional practices.

To help support our programs and Professional Development requirements, the faculty and administration participate in local in-service/workshop activities and commercially available in-district and out-of-district professional development workshops. Professional development mandates are in progress for staff to remain in compliance with the 20-hour per year requirement. Additional programs included state-mandated Harassment, Intimidation and Bullying training for all school employees and whole-school pride assemblies. To the credit of the Hamburg students, we continue to support programs for the less fortunate. Our students also participate in the Sussex County Anti-bullying Summit, the Week of Respect, and Kindness Awareness Month.

Aside from academic requirements, our students are also provided with an enriching extra-curricular program that include a drama society, instrumental and vocal music programs, art club, literary magazine/student newspaper, interscholastic athletic program, academic field trips for all grades and expanded assembly programs.

At the November 2, 2021 General Election, the residents of the Borough of Hamburg supported and approved a \$4.2 million referendum question by a vote of 599 to 483. The District closed/issued the \$4.2 million 2021 Series Bonds on December 21, 2021 that resulted in a Net Interest Cost to the District of 2.074% over a 20-year term. The referendum projects to be addressed at the Hamburg Elementary School are: updates to four (4) student restroom facilities, the school's roofs, HVAC upgrades and exterior repairs. As of June 2023, the District completed the four (4) restroom upgrade renovations, awarded a contract to replace the shingle roof on the 1900's Building, completed the exterior masonry repairs to the 1900's Building and awarded a two (2) year contract for the replacement/upgrade of the HVAC classroom units, which is nearing completion. The second phase of our roof restoration will be complete by the end of November 2024. We expect to start our third phase of the foam roof replacement during the 24-25 school year.



Finally, it must be noted that the district is experiencing state aid reductions that are expected to continue over the next several fiscal years. Almost all of the school districts in Sussex County are wrestling with flat or declining enrollment, a reduction of state aid, a two (2) percent tax levy cap and the impact of the programmatic changes/costs associated with the COVID-19 pandemic that hit the United States in the first quarter of 2020.

4) INTERNAL ACCOUNTING CONTROLS:

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

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

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

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 a vote of the Board of Education. Annual appropriated budgets are adopted for the general fund and 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 restrictions, commitments and assignments of fund balance at June 30, 2024.

6) ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the GASB. The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 1.



7) CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8) RISK MANAGEMENT:

The Board carries various forms of insurance, including, but not limited to, general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. The New Jersey Schools Insurance Group oversees risk management for the District. A Schedule of Insurance Coverage is found on Exhibit J-20.

9) DEBT ADMINISTRATION:

As of June 30, 2024, the District has \$3,870,000 in outstanding general obligation bonds.

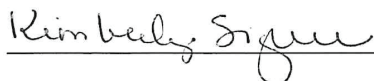
10) OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board of Education at its last organization meeting. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

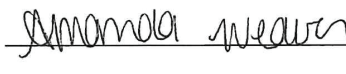
11) ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Hamburg Borough 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 the financial and accounting staff.

Respectfully submitted,



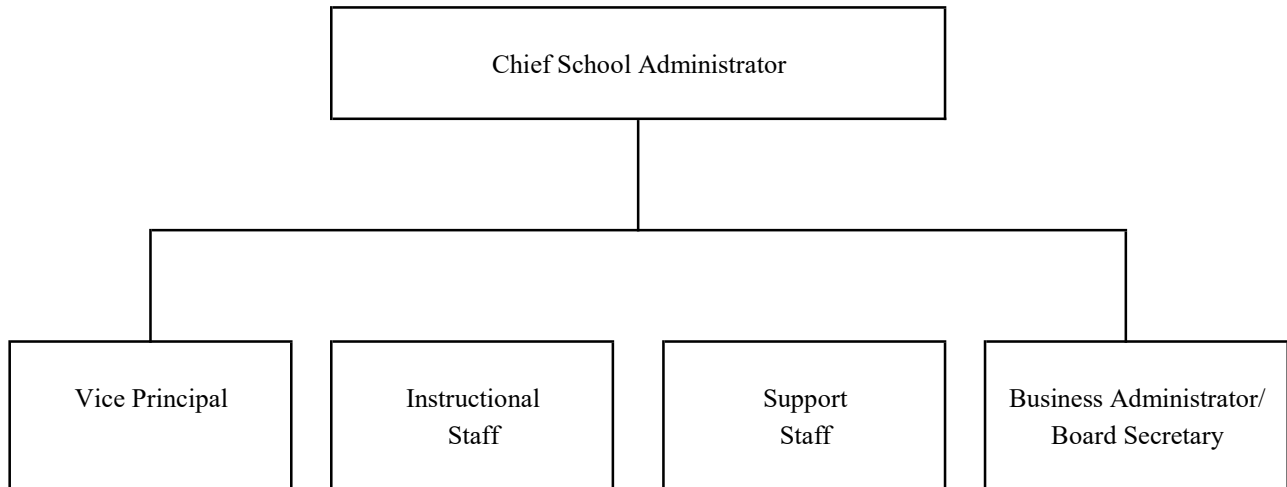
Kimberly Sigman
Chief School Administrator



Amanda Weaver
Business Administrator/Board Secretary



HAMBURG BOROUGH SCHOOL DISTRICT 2024 ORGANIZATIONAL CHART



**HAMBURG BOROUGH SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2024**

<u>Members of the Board of Education</u>	<u>Expiration of Term</u>
Robert Jones, President	2026
Sheila Frayko, Vice President	2025
Francis Brunke	2024
John Conklin	2024
David Dreifus	2026
Lois Ferguson	2026
Michael Frangipane	2024
Timothy Gillen	2025
Tricia Schels	2026

<u>Other Officials</u>	<u>Title</u>
Kimberly Sigman	Chief School Administrator
William J. Sabo	Interim Business Administrator/Board Secretary (Until 3/10/24)
Theresa Schlosser	Treasurer

HAMBURG BOROUGH SCHOOL DISTRICT
Consultants and Advisors

Audit Firm

Nisivoccia LLP, CPAs
200 Valley Road, Suite 300
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and
11 Lawrence Road
Newton, New Jersey 07860
and
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Bond Counsel

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McManimon, Scotland & Baumann, LLC
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Roseland, New Jersey 07068

Architect

Parette Somjen Architects, LLC
439 Route 46 East
Rockaway, New Jersey 07866

Insurance Agent

The Morville Agency
Arthur J. Gallagher Risk Management Services Inc.
55 Newton Sparta Road
Newton, New Jersey 07860

Fortitude Insurance Group
325 Columbia Turnpike Suite 106
Florham Park, New Jersey 07932

Municipal Advisor

Phoenix Advisors, LLC
625 Farnsworth Avenue
Bordentown, New Jersey 08505

Official Depository

Lakeland Bank
Administration Center
250 Oak Ridge Road
Oak Ridge, New Jersey 07438

FINANCIAL SECTION

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Hamburg Borough School District
County of Sussex, New Jersey

Report on the Audit of the Financial Statements

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 Hamburg Borough School District (the "District"), in the County of Sussex, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities the business-type activities, each major fund and the aggregate remaining fund information of the District, as of June 30, 2024, and the respective changes in financial position, and, where applicable cash flows thereof for the fiscal 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 (GAAS), audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office 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 GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the pension and post-retirement schedules in Exhibits L-1 through L-5 and the related notes, and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, are 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 District's basic financial statements. The accompanying supplementary information schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB 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 supplementary information schedules and the schedules of expenditures of federal and state awards 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 October 28, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance

October 28, 2024
Mount Arlington, New Jersey

Nisivoccia LLP

NISIVOCCIA LLP

Valerie A. Dolan

Valerie A. Dolan
Licensed Public School Accountant #2526
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

Hamburg Borough School District Management's Discussion and Analysis For Fiscal Year Ended June 30, 2024

This section of Hamburg Borough School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2024. 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.

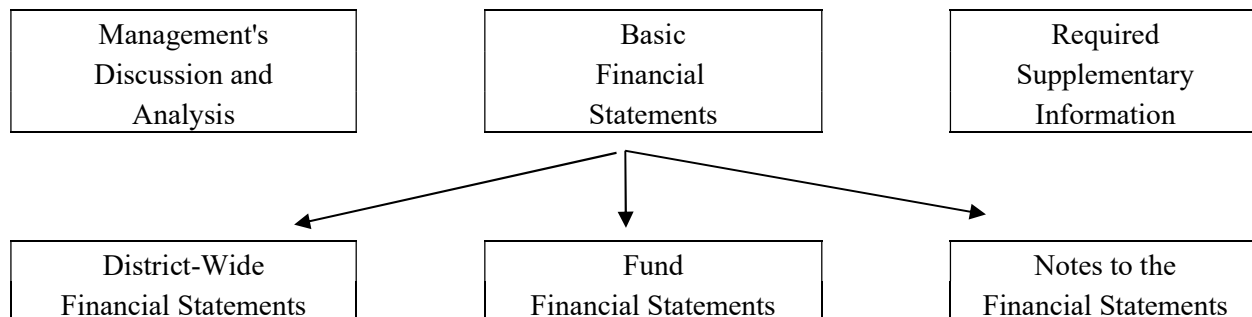
Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more* detail than the district-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds* statements offer *short-* and *long-term* financial information about the activities the District operates like a business, such as food services.
- *Notes to Basic Financial Statements*: Provide additional information essential to a full understanding of the district-wide and fund financial statements.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1
Organization of K-8 School District's Financial Report



**Hamburg Borough School District
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2024**

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents of each of the statements.

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire district	The activities of the district that are not proprietary, such as special education and building maintenance	Activities the district operates similar to private businesses: food services
Required Financial Statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets, lease assets, subscription assets, or long-term liabilities are included	All assets and liabilities, both financial and capital, short-term and long-term
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid

Hamburg Borough School District Management's Discussion and Analysis For Fiscal Year Ended June 30, 2024

District-wide Statements

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

The two district-wide statements report the District's *net position* and how it has changed. Net position – the difference between the District's assets, deferred inflows and outflows and liabilities – is one way to measure the District's financial health or *position*.

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

In the district-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of these activities.
- *Business-type activities*: The District charges fees to help it cover the costs of certain services it provides. The District's food service is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenue (such as federal grants).

The District has two kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. The *internal service funds* (the other kind of proprietary fund) report activities that provide supplies and services for its other programs and activities. The District currently does not maintain any internal service funds.

**Hamburg Borough School District
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2024**

Fund Financial Statements

Notes to the basic financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the basic financial statements can be found immediately following the fund financial statements.

Financial Analysis of the District as a Whole

Net Position. The District's combined net position increased \$145,522. Net position from governmental activities increased \$145,006 and net position from business-type activities increased \$516. Net investment in capital assets increased \$336,777, restricted net position increased \$233,736, and unrestricted net position decreased \$424,991.

Changes in Net Position. The District's combined net position was \$7,484,637 on June 30, 2024, \$145,522 or 1.98% higher than the year before. (See Figure A-3).

Figure A-3

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Percent Change
	2024	2023	2024	2023	2024	2023	2023-2024
Current/Other Assets	\$ 5,322,031	\$ 6,552,533	\$ 51,662	\$ 45,583	\$ 5,373,693	\$ 6,598,116	
Capital Assets, Net	8,740,184	8,589,605	29,530	30,884	8,769,714	8,620,489	
Total Assets	14,062,215	15,142,138	81,192	76,467	14,143,407	15,218,605	-7.07%
Deferred Outflows of Resources	323,080	160,602			323,080	160,602	101.17%
Other Liabilities	1,775,223	2,816,460	15,624	11,415	1,790,847	2,827,875	
Long-term Liabilities Outstanding	5,125,230	5,078,717			5,125,230	5,078,717	
Total Liabilities	6,900,453	7,895,177	15,624	11,415	6,916,077	7,906,592	-12.53%
Deferred Inflows of Resources	65,773	133,500			65,773	133,500	-50.73%
Net Position:							
Net Investment in Capital Assets	5,837,213	5,499,082	29,530	30,884	5,866,743	5,529,966	
Restricted	2,492,776	2,259,040			2,492,776	2,259,040	
Unrestricted/(Deficit)	(910,920)	(484,059)	36,038	34,168	(874,882)	(449,891)	
Total Net Position	\$ 7,419,069	\$ 7,274,063	\$ 65,568	\$ 65,052	\$ 7,484,637	\$ 7,339,115	1.98%

**Hamburg Borough School District
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2024**

Financial Analysis of the District as a Whole

The increase in net position from District-wide activities is due to several factors. Net investment in capital assets increased \$336,777 due primarily to a reduction in debt related to maturing bonds and capital asset additions offset by current year depreciation expense. Restricted net position increased \$233,736 as a result of changes in Student Activities, Debt Service, Capital Projects, Excess Surplus, and Capital Reserve. The decrease in unrestricted net position of \$424,991 was due primarily to the increase in assigned fund balance and changes in net pension liability and the related deferred inflows and outflows.

**Figure A-4
Changes in Net Position from Operating Results**

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change 2023-2024
	2024	2023	2024	2023	2024	2023	
Revenue:							
Program Revenue:							
Fees for Services	\$ 21,433		\$ 69,794	\$ 73,830	\$ 91,227	\$ 73,830	
Operating Grants/ Contributions	3,852,206	\$ 3,796,720	83,444	81,447	3,935,650	3,878,167	
General Revenue:							
Property Taxes	5,794,726	5,534,939			5,794,726	5,534,939	
Unrestricted Federal/State Aid	1,183,242	1,142,014			1,183,242	1,142,014	
Other	223,516	142,670	1,240	101	224,756	142,771	
Total Revenue	11,075,123	10,616,343	154,478	155,378	11,229,601	10,771,721	4.25%
Expenses:							
Instruction	7,096,200	6,174,526			7,096,200	6,174,526	
Pupil/Instruction Services	1,278,660	1,180,430			1,278,660	1,180,430	
Administration/ Business	617,348	595,719			617,348	595,719	
Maintenance and Operations	865,837	926,042			865,837	926,042	
Transportation	382,505	253,800			382,505	253,800	
Other	689,567	971,043	153,962	186,709	843,529	1,157,752	
Total Expenses	10,930,117	10,101,560	153,962	186,709	11,084,079	10,288,269	7.74%
Increase/(Decrease) in Net Position	\$ 145,006	\$ 514,783	\$ 516	\$ (31,331)	\$ 145,522	\$ 483,452	-69.90%

Hamburg Borough School District Management's Discussion and Analysis For Fiscal Year Ended June 30, 2024

Governmental Activities

The financial position of the District has increased over the course of the year. Through careful budgeting, the District has managed to maintain programs including extra-curricular activities, in spite of increased special education, salary and fringe benefit costs.

Careful management of expenses remains essential for the District to sustain its financial health. It is crucial that the District constantly monitors all expenses throughout the fiscal year.

Figure A-5 presents the cost of six major District activities: instruction, pupil and instruction services, administration and business, maintenance and operations, transportation, and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions:

Figure A-5
Net Cost of Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2024	2023	2024	2023
Instruction	\$ 7,096,200	\$ 6,174,526	\$ 3,950,365	\$ 3,343,952
Pupil and Instruction Services	1,278,660	1,180,430	740,626	381,994
Administration and Business	617,348	595,719	534,048	522,475
Maintenance and Operations	865,837	926,042	816,517	885,529
Transportation	382,505	253,800	325,355	199,847
Other	689,567	971,043	689,567	971,043
Total	<u>\$ 10,930,117</u>	<u>\$ 10,101,560</u>	<u>\$ 7,056,478</u>	<u>\$ 6,304,840</u>

Business-Type Activities

Net position increased in the District's business-type activity by \$516. (Refer to Figure A-4).

Financial Analysis of the District's Funds

Changes in the student population and difficult economic times have added pressure to the District's budget. Special education costs continue to escalate with several pupils with disabilities placed in out-of-district programs. These pupils are profoundly disabled and require complex educational and related services our District does not have capacity or personnel to provide.

**Hamburg Borough School District
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2024**

Financial Analysis of the District's Funds

Faculty/staffing costs have increased slightly each year while the fringe benefit costs for these staff members continue to increase dramatically. The District has been very proactive in trying to minimize the fringe benefit allocation and cost increases.

Difficult economic times have had a direct impact upon the District's revenue sources placing a greater burden on our local taxpayers. The District has historically utilized funds from the unassigned General Fund balance to fund the subsequent year's budget.

All of these factors are likely to continue for the next several years. To maintain a stable financial position, the District must continue to practice sound fiscal management.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. These budget amendments fall into the following category:

- Changes made within budgetary line items for changes in school-based needs for programs, supplies and equipment.

Capital Assets

The District's capital assets increased \$149,265, or 1.73% – the result of additions offset by current year depreciation expense.

**Figure A-6
Capital Assets (Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total School District		Percent Change
	2024	2023	2024	2023	2024	2023	2023-2024
Sites (Land)	\$ 409,905	\$ 409,905			\$ 409,905	\$ 409,905	
Construction in Progress	3,837,006	3,600,075			3,837,006	3,600,075	
Buildings/Bldg. Improvements	3,892,958	4,001,309			3,892,958	4,001,309	
Furniture, Machinery & Equipment	600,315	578,316	\$ 29,530	\$ 30,844	629,845	609,160	
Total	<u>\$ 8,740,184</u>	<u>\$ 8,589,605</u>	<u>\$ 29,530</u>	<u>\$ 30,844</u>	<u>\$ 8,769,714</u>	<u>\$ 8,620,449</u>	1.73%

Hamburg Borough School District Management's Discussion and Analysis For Fiscal Year Ended June 30, 2024

Long Term Liabilities

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

Figure A-7
Outstanding Long-Term Liabilities

	Total School District		Percentage
	2024	2023	Change
			2023-2024
General Obligation Bonds (Financed with Property Taxes)	\$ 3,870,000	\$ 4,045,000	
Net Pension Liability	1,016,703	855,197	
Compensated Absences Payable	238,527	178,520	
	<u>\$ 5,125,230</u>	<u>\$ 5,078,717</u>	0.92%

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstance that could significantly affect its financial health in the future:

- The District continues to experience reduced state aid.
- On July 9, 2023, the district experienced a water intrusion event in the 1900's Building of the Hamburg Elementary School that effected two offices, a classroom, and the records room. This claim is currently being handled by the Board's insurance carrier, the New Jersey Schools Insurance Group.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Education Office, 30 Linwood Avenue, Hamburg, New Jersey 07419.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

HAMBURG BOROUGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 4,600,861	\$ 17,504	\$ 4,618,365
Receivable from Federal Government	64,743	3,340	68,083
Receivable from State Government	48,030	116	48,146
Internal Balances	(27,840)	27,840	
Inventories		2,862	2,862
Restricted Assets:			
Cash and Cash Equivalents	636,237		636,237
Capital Assets, Net:			
Sites (Land) and Construction in Progress	4,246,911		4,246,911
Depreciable Buildings, Building Improvements and Furniture, Machinery & Equipment	4,493,273	29,530	4,522,803
Total Assets	<u>14,062,215</u>	<u>81,192</u>	<u>14,143,407</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred Outflows Related to Pensions	323,080		323,080
Total Deferred Outflows of Resources	<u>323,080</u>		<u>323,080</u>
LIABILITIES			
Accrued Interest Payable	29,738		29,738
Accounts Payable	1,574,719	8,585	1,583,304
Unearned Revenue	170,766	7,039	177,805
Noncurrent Liabilities:			
Due Within One Year	175,000		175,000
Due Beyond One Year	4,950,230		4,950,230
Total Liabilities	<u>6,900,453</u>	<u>15,624</u>	<u>6,916,077</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	65,773		65,773
Total Deferred Inflows of Resources	<u>65,773</u>		<u>65,773</u>
NET POSITION			
Net Investment in Capital Assets	5,837,213	29,530	5,866,743
Restricted for:			
Capital Projects	612,177		612,177
Excess Surplus	1,838,724		1,838,724
Debt Service Fund	17,814		17,814
Student Activities	24,061		24,061
Unrestricted/(Deficit)	(910,920)	36,038	(874,882)
Total Net Position	<u>\$ 7,419,069</u>	<u>\$ 65,568</u>	<u>\$ 7,484,637</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

HAMBURG BOROUGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 4,862,718	\$ 21,433	\$ 2,089,597		\$ (2,751,688)		\$ (2,751,688)
Special Education	1,533,919		751,341		(782,578)		(782,578)
Other	582,242		241,593		(340,649)		(340,649)
School Sponsored/Cocurricular	117,321		41,871		(75,450)		(75,450)
Support Services:							
Tuition	366,006		93,563		(272,443)		(272,443)
Student & Instruction Related Services	912,654		444,471		(468,183)		(468,183)
General Administration Services	318,208		21,022		(297,186)		(297,186)
School Administration Services	141,551		53,660		(87,891)		(87,891)
Central Services	157,589		8,618		(148,971)		(148,971)
Plant Operations and Maintenance	865,837		49,320		(816,517)		(816,517)
Pupil Transportation	382,505		57,150		(325,355)		(325,355)
Interest on Long-Term Debt	79,738				(79,738)		(79,738)
Capital Outlay	24,130				(24,130)		(24,130)
Unallocated Depreciation	245,240				(245,240)		(245,240)
Transfer of Funds to Charter Schools	340,459				(340,459)		(340,459)
Total Governmental Activities	10,930,117	21,433	3,852,206		(7,056,478)		(7,056,478)
Business-Type Activities:							
Food Service	153,962	69,794	83,444			\$ (724)	(724)
Total Business-Type Activities	153,962	69,794	83,444			(724)	(724)

HAMBURG BOROUGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Total Primary Government	<u>\$ 11,084,079</u>	<u>\$ 91,227</u>	<u>\$ 3,935,650</u>	<u>\$ -0-</u>	<u>\$ (7,056,478)</u>	<u>\$ (724)</u>	<u>\$ (7,057,202)</u>
General Revenue:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					5,633,845		5,633,845
Taxes Levied for Debt Service					160,881		160,881
Federal and State Aid not Restricted					1,183,242		1,183,242
Investment Earnings					1,000	1,240	2,240
Miscellaneous Income					222,516		222,516
Total General Revenue					<u>7,201,484</u>	<u>1,240</u>	<u>7,202,724</u>
Change in Net Position					145,006	516	145,522
Net Position - Beginning					<u>7,274,063</u>	<u>65,052</u>	<u>7,339,115</u>
Net Position - Ending					<u>\$ 7,419,069</u>	<u>\$ 65,568</u>	<u>\$ 7,484,637</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

FUND FINANCIAL STATEMENTS

HAMBURG BOROUGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

ASSETS:	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Cash and Cash Equivalents	\$ 2,560,380	\$ 138,814	\$ 1,892,947	\$ 8,720	\$ 4,600,861
Interfund Receivables	114,000			9,094	123,094
Receivables from State Government	48,030	64,743			48,030
Receivables from Federal Government		24,061			64,743
Restricted Cash and Cash Equivalents	612,176				636,237
Total Assets	<u>\$ 3,334,586</u>	<u>\$ 227,618</u>	<u>\$ 1,892,947</u>	<u>\$ 17,814</u>	<u>\$ 5,472,965</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 562,769	\$ 109,127	\$ 802,823		\$ 1,474,719
Interfund Payable	27,840		123,094		150,934
Unearned Revenue	4,701	166,065			170,766
Total Liabilities	<u>595,310</u>	<u>275,192</u>	<u>925,917</u>		<u>1,796,419</u>
Fund Balances:					
Restricted:					
Capital Reserve Account	612,176				612,176
Excess Surplus - 2025-2026	935,867				935,867
Excess Surplus - 2024-2025	902,857				902,857
Capital Projects			967,030		967,030
Debt Service				\$ 17,814	17,814
Student Activities		24,061			24,061
Assigned:					
For Subsequent Year's Expenditures	133,405				133,405
Unassigned/(Deficit)	154,971	(71,635)			83,336
Total Fund Balances/(Deficit)	<u>2,739,276</u>	<u>(47,574)</u>	<u>967,030</u>	<u>17,814</u>	<u>3,676,546</u>
Total Liabilities and Fund Balances	<u>\$ 3,334,586</u>	<u>\$ 227,618</u>	<u>\$ 1,892,947</u>	<u>\$ 17,814</u>	<u>\$ 5,472,965</u>

HAMBURG BOROUGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

Amounts Reported for *Governmental Activities* in the Statement of Net Position (A-1) are different because:

Total Fund Balances - Governmental Funds (Previous Page)	\$ 3,676,546
Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds.	8,740,184
Long-Term Liabilities, including Bonds Payable, are not due and payable in the current period and therefore are not reported as liabilities in the Funds.	(4,108,527)
Interest on long-term debt is not accrued in the Governmental Funds, but rather is recognized as an expenditure when due.	(29,738)
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(1,016,703)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:	
Deferred Outflows	223,080
Deferred Inflows	(65,773)
Net Position of Governmental Activities (Exhibit A-1)	<u>\$ 7,419,069</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

HAMBURG BOROUGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

REVENUE:	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Local Sources:					
Local Tax Levy	\$ 5,633,845			\$ 160,881	\$ 5,794,726
Tuition from Other LEA's within State	21,433				21,433
Interest Earned on Capital Reserve Funds	1,001				1,001
Restricted Miscellaneous Revenue		\$ 33,975			33,975
Unrestricted Miscellaneous Revenue	99,421		\$ 123,094		222,515
Total - Local Sources	5,755,700	33,975	123,094	160,881	6,073,650
State Sources	2,925,150	673,286		87,057	3,685,493
Federal Sources		258,223			258,223
Total Revenue	8,680,850	965,484	123,094	247,938	10,017,366
EXPENDITURES:					
Instruction:					
Regular Instruction	1,834,804	747,896			2,582,700
Special Education Instruction	728,987	81,137			810,124
Other Instruction	249,193				249,193
School Sponsored/Cocurricular Instruction	59,599				59,599
Support Services and Undistributed Costs:					
Tuition	306,557	59,449			366,006
Student & Instruction Related Services	662,317	31,411			693,728
General Administration Services	242,390				242,390
School Administration Services	66,760				66,760
Central Services	113,147				113,147

HAMBURG BOROUGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES:					
Plant Operations and Maintenance	\$ 696,438				\$ 696,438
Pupil Transportation	350,610				350,610
Unallocated Benefits	2,905,434				2,905,434
Capital Outlay	102,816	\$ 105,558	\$ 236,931		445,305
Debt Service:					
Principal				\$ 175,000	175,000
Interest and Other Charges				81,050	81,050
Transfer of Funds to Charter Schools	340,459				340,459
Total Expenditures	8,659,511	1,025,451	236,931	256,050	10,177,943
Excess/(Deficit) of Revenue Over/(Under) Expenditures	21,339	(59,967)	(113,837)	(8,112)	(160,577)
OTHER FINANCING SOURCES/(USES):					
Transfers In/(Out)	(179,137)	43,653	126,390	9,094	
Total Other Financing Sources/(Uses)	(179,137)	43,653	126,390	9,094	
Net Change in Fund Balances	(157,798)	(16,314)	12,553	982	(160,577)
Fund Balance/(Deficit)—July 1	2,897,074	(31,260)	954,477	16,832	3,837,123
Fund Balance/(Deficit)—June 30	\$ 2,739,276	\$ (47,574)	\$ 967,030	\$ 17,814	\$ 3,676,546

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

\$ (160,577)

Amounts Reported for Governmental Activities in the Statement of Activities (Exhibit A-2) are different because:

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

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

Depreciation Expense	\$ (261,924)
Capital Outlays	<u>412,503</u>
	150,579

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 a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+)

Repayment of bond principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position and is not reported in the Statement of Activities. (+)

In the Statement of Activities, interest on long-term debt is accrued, regardless of when due. In the Governmental Fund, interest is reported when due. The accrued interest is an addition in the reconciliation (+)

The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:

Change in Net Pension Liability	(161,506)
Change in Deferred Outflows	132,478
Change in Deferred Inflows	67,727
	<hr/>
Change in Net Position - Governmental Activities (from Exhibit A-2)	\$ 145,006

HAMBURG BOROUGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 17,504
Interfund Receivable	27,840
Intergovernmental Accounts Receivable:	
Federal	3,340
State	116
Inventories	2,862
	<hr/>
Total Current Assets	51,662
	<hr/>

Non-Current Assets:

Capital Assets:

Depreciable Furniture and Equipment, Net	29,530
	<hr/>

Total Non-Current Assets	29,530
	<hr/>

Total Assets	81,192
	<hr/>

LIABILITIES:

Current Liabilities:

Accounts Payable - Vendors	8,585
Unearned Revenue - Supply Chain Program	5,262
Unearned Revenue - Prepaid Sales	1,562
Unearned Revenue - Donated Commodities	215
	<hr/>

Total Liabilities	15,624
	<hr/>

NET POSITION:

Investment in Capital Assets	29,530
Unrestricted	36,038
	<hr/>

Total Net Position	\$ 65,568
	<hr/> <hr/>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

HAMBURG BOROUGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Operating Revenue:

Local Sources:

Daily Sales - Reimbursable Programs	\$ 40,284
Daily Sales - Non-Reimbursable Programs	29,510

Total Operating Revenue	<u>69,794</u>
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Operating Expenses:

Cost of Sales - Reimbursable Programs	39,997
Cost of Sales - Non-Reimbursable Programs	29,300
Salaries, Benefits & Payroll Taxes	56,940
Supplies, Insurance & Other Costs	16,371
Management Fee	10,000
Depreciation Expense	1,354

Total Operating Expenses	<u>153,962</u>
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Operating Loss	(84,168)
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Non-Operating Revenue:

Local Sources:

Interest Income	1,240
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State Sources:

School Breakfast Program	100
School Lunch Program	1,696

Federal Sources:

National School Lunch Program	40,149
Local Food for Schools (LFS) Cooperative Program	1,100
School Breakfast Program	9,294
COVID 19 - Pandemic Electronic Benefit Transfer Program	653
Healthy Hunger-Free Kids Act	1,518
Supply Chain Program	13,743
Food Distribution Program	15,191

Total Non-Operating Revenue	<u>84,684</u>
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Change in Net Position	516
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Net Position - Beginning of Year	<u>65,052</u>
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Net Position - End of Year	<u><u>\$ 65,568</u></u>
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THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

HAMBURG BOROUGH SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 69,794
Payments to Employees	(56,940)
Payments to Food Service Vendor	(63,216)
Payments to Suppliers	(8,786)
	<hr/>
Net Cash (Used for) Operating Activities	(59,148)
	<hr/>
Cash Flows by Investing Activities:	
Local Sources:	
Interest Income	1,240
	<hr/>
Net Cash Provided by Investing Activities	1,240
	<hr/>
Cash Flows from Noncapital Financing Activities:	
State Sources	1,820
Federal Sources	63,730
Interfund Returned to General Fund	(47,840)
	<hr/>
Net Cash Provided by Noncapital Financing Activities	17,710
	<hr/>
Net Decrease in Cash and Cash Equivalents	(40,198)
Cash and Cash Equivalents, July 1	57,702
	<hr/>
Cash and Cash Equivalents, June 30	\$ 17,504
	<hr/> <hr/>
Reconciliation of Operating Loss to Net Cash (Used for) Operating Activities:	
Operating Loss	\$ (84,168)
Adjustment to Reconcile Operating Loss to Cash (Used for) Operating Activities:	
Depreciation	1,354
Food Distribution Program	15,191
Changes in Assets and Liabilities:	
(Increase)/Decrease in Inventory	1,016
Increase/(Decrease) in Accounts Payable	7,585
Increase/(Decrease) in Unearned Revenue - Prepaid Sales	178
Increase/(Decrease) in Unearned Revenue - Donated Commodities	(304)
	<hr/>
Net Cash (Used for) Operating Activities	\$ (59,148)
	<hr/> <hr/>

Noncash Investing, Capital and Financing Activities:

The District received USDA donated commodities valued at \$14,887 and used \$15,191 of those commodities during the fiscal year.

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

HAMBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District's governmental and business-type activities. These statements include the financial activities of the overall District in its entirety. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other nonexchange transactions. Business-type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

HAMBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses in the program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

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

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

As required by the NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states 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 revenue. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expense by board resolution.

Special Revenue Fund: The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally 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 expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets, lease assets, or subscription assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

HAMBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

Debt Service Fund: The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

The District reports the following proprietary fund:

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

C. Measurement Focus and Basis of Accounting

The district-wide financial statements and the proprietary financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset, lease asset or subscription asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

HAMBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budget for the fiscal year ended June 30, 2024 was submitted to the County office and was approved by a vote of the Board of Education. 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. 6:20-2A.2(m)1. All budget amendments/transfers must be made by school board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

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

The General Fund and Special Revenue fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last two state aid payments for the current fiscal year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments in the GAAP financial statements.

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 8,690,498	\$ 982,362
Differences - Budget to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Statements	123,062	54,757
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(132,710)	(71,635)
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 8,680,850</u>	<u>\$ 965,484</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	<u>\$ 8,659,511</u>	<u>\$ 1,025,451</u>
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 8,659,511</u>	<u>\$ 1,025,451</u>

HAMBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Cash and Cash Equivalents and Investments:

Cash and cash equivalents include petty cash and cash in banks. Certificates of deposit with maturities of one year or less when purchased are stated at cost.

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

New Jersey school districts are limited as to type of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

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 depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value of 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 the other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

F. Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the enterprise funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net position, except for amounts due between governmental and business-type activities, which are presented as internal balances.

G. Allowance for Uncollectible Accounts:

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

HAMBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

H. 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 restricted, committed and/or assigned fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as 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.

I. Short-term Interfund Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

J. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund, are recorded as an expenditure during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2024.

K. Capital Assets:

During the fiscal year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost including ancillary changes necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at acquisition value. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment.

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

HAMBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

K. Capital Assets: (Cont'd)

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the district-wide statements and proprietary funds are as follows:

	<u>Estimated Useful Life</u>
Buildings and Building Improvements	50 years
Machinery Furniture, and Equipment	10 to 15 years

L. Lease Assets

Intangible right-to-use lease assets are assets which the District leases for a term of more than one year. The value of leases are determined by the net present value of the leases at the District's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

M. Subscription Assets

Intangible right-to-use subscription assets are subscription-based information technology arrangements (SBITAs) with subscription terms of more than one year. The value of subscription assets is determined by the sum of the subscription liability and payments made to the SBITA vendor, including capitalizable initial implementation costs, before the commencement date of the subscription term.

N. Long Term Liabilities:

In the government-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise funds. Bond premium and discounts, are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

O. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year, therefore, there are no accrued salaries and wages as of June 30, 2024.

P. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by GASB. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after fifteen years of service. Upon retirement, employees are paid for unused sick leave in accordance with the District's agreements with the various employee unions.

HAMBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

P. Compensated Absences: (Cont'd)

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

Q. Subscription Payable

In the district-wide financial statements, subscription payables are reported as liabilities in the Statement of Net Position. In the governmental Fund financial statements, the present value of subscription payments at the District's incremental borrowing rate over the subscription term is reported as other financing sources.

R. Unearned Revenue:

Unearned revenue in the Special Revenue Fund represents cash which has been received but not yet earned. See Note 1(D) regarding the special revenue fund.

S. Leases Payable:

In the district-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

T. Fund Balance Appropriated:

General Fund: Of the \$2,739,276 General Fund Balance at June 30, 2024, \$612,176 is restricted in the capital reserve account; \$935,867 is restricted for current fiscal year excess surplus in accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, C.73 (S1701) and will be appropriated and included as anticipated revenue for the fiscal year ended June 30, 2026; \$902,857 is restricted for the prior year excess surplus and has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2025; \$133,405 is assigned and has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2025 and \$154,971 is unassigned (which is \$132,710 less than the budgetary basis due to the non-recognition of the last two state aid payments which is not recognized until June 30, 2025).

Special Revenue: Of the (\$47,574) deficit fund balance in the Special Revenue Fund at June 30, 2024, \$24,061 is restricted for Student Activities and (\$71,635) is a deficit in unassigned fund balance. The deficit is due to the last two state aid payments which are not recognized on a GAAP basis until the fiscal year ended June 30, 2025.

Capital Projects Fund: The \$967,030 fund balance in the Capital Projects Fund at June 30, 2024 is restricted.

Debt Service Fund: \$17,814 fund balance in the debt service fund at June 30, 2024 is restricted.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended, the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General 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 fiscal year's budget. The District had excess surplus as noted above.

HAMBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

T. Fund Balance Appropriated: (Cont'd)

P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last two 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 last two state aid payments in the subsequent fiscal year, the school district cannot recognize these last two state aid payments on the GAAP financial statements until the year the State records the payable.

The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

U. Net Position:

Net Position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows and inflows of resources at June 30, 2024 for Pensions.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, lease assets, net of accumulated depreciation, and subscription assets, net of accumulated amortization reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

V. Deficit Net Position/Fund Balance

The District has a deficit in unrestricted net position of \$910,920 in governmental activities, which is primarily due to accrued interest payable, compensated absences payable, the net pension liability and related deferred inflows and outflows net of fund balance assigned for subsequent year's expenditures, and unassigned fund balance.

HAMBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

V. Deficit Net Position/Fund Balance (Cont'd)

The District also has a deficit of \$71,635 in unassigned fund balance in the Special Revenue Fund as of June 30, 2024 as a result of the last two state aid payments that are not recognized on a GAAP basis. These deficits do not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

W. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.

Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned.

Fund balance restrictions have been established for excess surplus, capital reserve, student activities, capital projects and debt service funds. The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District had no committed resources at June 30, 2024.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for amounts designated for subsequent year's expenditures in the General Fund at June 30, 2024.

X. Revenue - Exchange and Nonexchange Transactions:

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

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

HAMBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

X. Revenue - Exchange and Nonexchange Transactions: (Cont'd)

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

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

Y. Operating Revenue and Expenses:

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

Z. Management Estimates:

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

AA. Pensions:

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

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

Investments are stated at cost. The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

HAMBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

GASB requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents, and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned.

Interest Rate Risk – In accordance with its cash management plan, the District ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed in the Investments section of this Note.

Custodial Credit Risk – the District's policy with respect to custodial credit risk requires that the District ensures that District funds are only deposited in financial institutions in which NJ school districts are permitted to invest their funds.

Deposits:

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

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

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

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

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

Investments:

New Jersey statutes permit the Board to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

HAMBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments: (Cont'd)

- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.; 1977,c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.). ;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L.1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or
- (9) Deposit of funds in accordance with the following conditions:
 - (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
 - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
 - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;

HAMBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments: (Cont'd)

- (9) Deposit of funds in accordance with the following conditions: (Cont'd)
- (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
- (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

As of June 30, 2024, cash and cash equivalents of the District consisted of the following:

	Cash and	Restricted Cash		
	Cash	Cash Equivalents		
	Equivalents	Capital	Student	Total
		Reserve	Activities	
Checking & Savings Accounts	\$ 4,618,365	\$ 612,176	\$ 24,061	\$ 5,254,602
	<u>\$ 4,618,365</u>	<u>\$ 612,176</u>	<u>\$ 24,061</u>	<u>\$ 5,254,602</u>

During the period ended June 30, 2024, the District did not hold any investments other than certificates of deposit. The carrying amount of the Board's cash and cash equivalents at June 30, 2024, was \$5,254,602 and the bank balance was \$5,315,807.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Borough of Hamburg Board of Education by inclusion of \$200,000 on July 1, 1991 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year end of any unanticipated revenue or unexpended line item appropriations, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

HAMBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

The activity of the capital reserve for the July 1, 2023 to June 30, 2024 fiscal year is as follows:

Balance at June 30, 2023		\$ 910,659
Increased by:		
Board Resolution (June 20, 2024)	\$ 150,000	
Unexpended Balance Returned to Capital Reserve	150,516	
Interest	1,001	
		<u>301,517</u>
		1,212,176
Decreased by:		
Budgeted Withdrawals	200,000	
Withdrawn by Board Resolution (July 20, 2023)	400,000	
		<u>600,000</u>
Balance at June 30, 2024		<u>\$ 612,176</u>

The balance in the capital reserve account at June 30, 2024 did not exceed the balance of local support costs of uncompleted capital projects in the District's approved Long Range Facilities Plan ("LRFP"). The withdrawals from the capital reserve were for use in DOE approved facilities projects, consistent with the District's LRFP.

NOTE 5. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2024 were as follows:

	Balance 6/30/2023	Increases	Decreases/ Adjustments	Balance 6/30/2024
Governmental Activities:				
Capital Assets not being Depreciated:				
Sites (Land)	\$ 409,905			\$ 409,905
Construction in Progress	3,600,075	\$ 236,931		3,837,006
Total Capital Assets not Being Depreciated	4,009,980	236,931		4,246,911
Capital Assets Being Depreciated:				
Buildings and Building Improvements	7,945,068	89,122		8,034,190
Machinery and Equipment	1,784,914	86,450		1,871,364
Total Capital Assets Being Depreciated	9,729,982	175,572		9,905,554
Governmental Activities Capital Assets	13,739,962	412,503		14,152,465
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(3,943,759)	(197,473)		(4,141,232)
Machinery and Equipment	(1,206,598)	(64,451)		(1,271,049)
Total Accumulated Depreciation	(5,150,357)	(261,924)		(5,412,281)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 8,589,605</u>	<u>\$ 150,579</u>	<u>\$ - 0 -</u>	<u>\$ 8,740,184</u>

HAMBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(Continued)

NOTE 5. CAPITAL ASSETS (Cont'd)

	Balance 6/30/2023	Increases	Decreases/ Adjustments	Balance 6/30/2024
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 110,225			\$ 110,225
Less Accumulated Depreciation	(79,341)	\$ (1,354)		(80,695)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	30,884	(1,354)	\$ - 0 -	29,530
GRAND TOTAL	\$ 8,620,489	\$ 149,225	\$ - 0 -	\$ 8,769,714

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 9,979
Central Services	6,050
Operations and Maintenance of Plant	655
Unallocated	245,240
Total Governmental Activities	\$ 261,924

The District expended \$412,503 on capitalized expenditures during the fiscal year, which included \$236,931 of construction projects in progress. The District has \$3,837,006 in active construction projects.

NOTE 6: TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2024, the District transferred \$14,000 to equipment for which County Superintendent approval was not required.

NOTE 7. LONG-TERM LIABILITIES:

During the fiscal year ended June 30, 2024, the following changes occurred in long-term liabilities reported in the district-wide financial statements:

	Balance 6/30/2023	Accrued	Retired	Balance 6/30/2024	Payable in 1 Year
Serial Bonds Payable	\$ 4,045,000		\$ 175,000	\$ 3,870,000	\$ 175,000
Compensated Absences Payable	178,520	\$ 60,007		238,527	
Net Pension Liability	855,197	161,506		1,016,703	
	\$ 5,078,717	\$ 221,513	\$ 175,000	\$ 5,125,230	\$ 175,000

HAMBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 7. LONG-TERM LIABILITIES: (Cont'd)

A. Bonds Payable:

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

On December 8, 2021, the District issued debt in the amount of \$4,201,000 serial bonds with interest rates ranging from 2.00% to 2.25% with consent of the taxpayers through a referendum to repair the school facilities including roof, bathrooms and building exterior.

The District has bonds outstanding as of June 30, 2024 as follows:

<u>Purpose</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
School Bonds	8/15/2041	2.00% - 2.25%	<u>\$ 3,870,000</u>

Principal and interest due on serial bonds outstanding are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2025	\$ 175,000	\$ 77,550	\$ 252,550
2026	180,000	74,000	254,000
2027	185,000	70,350	255,350
2028	185,000	66,650	251,650
2029	190,000	62,900	252,900
Thereafter:			
2030-2034	1,025,000	254,750	1,279,750
2035-2039	1,160,000	145,197	1,305,197
2040-2042	770,000	589,063	1,359,063
	<u>\$ 3,870,000</u>	<u>\$ 1,340,460</u>	<u>\$ 5,210,460</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2024, the Board has no bonds authorized but not issued.

C. Financed Purchases Payable:

The District had no financed purchases payable as of June 30, 2024.

HAMBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 7. LONG-TERM LIABILITIES (Cont'd)

D. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded as a long-term liability and will be liquidated through the General Fund. There is no current portion of the compensated absences balance of the governmental funds in the current fiscal year; therefore, the entire \$238,527 represents the long-term portion of compensated absences.

There is no liability for compensated absences in the District's Enterprise Funds.

E. Net Pension Liability

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2024 is \$-0- and the long-term portion is \$1,016,703. See Note 8 for further information on the PERS.

NOTE 8. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

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 the PERS, please refer to the Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

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:

Tier	Definition
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

HAMBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Benefits Provided (Cont'd)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. 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.

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 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, 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.

District contributions to PERS amounted to \$93,815 for the current fiscal year. During the fiscal year ended June 30, 2023, the State of New Jersey contributed \$3,171 to the PERS for normal pension benefits on behalf of the District.

The employee contribution rate was 7.50% effective July 1, 2018.

HAMBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

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, is 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 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 statement 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 entity's total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must disclose pension expense as well as revenue associated with the employers in an amount equal to the nonemployer contributing entity's total proportionate share of the collective pension expense associated with the local participating employer.

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

At June 30, 2024, the District reported a liability of \$1,016,703 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, the District's proportion was 0.007%, which was an increase of 0.0013% from its proportion measured as of June 30, 2022.

For the fiscal year ended June 30, 2024, the District recognized actual pension expense in the amount of \$55,113 related to the District's proportionate share of the net pension liability. Additionally, for the fiscal year ended June 30, 2023, the State recognized pension expense on behalf of the District in the amount of \$3,171 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2024 financial statements.

There was no state proportionate share of net pension liability attributable to the District as of June 30, 2023.

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

HAMBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2019	5.21		\$ 5,523
	2020	5.16		50,251
	2021	5.13	\$ 2,233	
	2022	5.04		5,843
			<u>2,233</u>	<u>61,617</u>
Difference in Expected and Actual Experience	2019	5.21	422	
	2020	5.16	2,800	
	2021	5.13		1,776
	2022	5.04		2,380
	2023	5.08	6,499	
			<u>9,721</u>	<u>4,156</u>
Net Difference Between Projected and Actual	2020	5.00	15,745	
Investment Earnings on Pension Plan Investments	2021	5.00	(130,943)	
	2021	5.00	155,790	
	2023	5.00	(35,910)	
			<u>4,682</u>	
Changes in Proportion	2019	5.21	496	
	2020	5.16	3,907	
	2021	5.13	7,910	
	2022	5.04	13,089	
	2023	5.08	181,042	
			<u>206,444</u>	
District Contribution Subsequent to the Measurement Date	2023	1.00	100,000	
			<u>\$ 323,080</u>	<u>\$ 65,773</u>

HAMBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding the District Contribution subsequent to the measurement date) related to pensions will be recognized in the pension expense as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2024	\$ (53,182)
2025	(26,054)
2026	49,779
2027	5,596
2028	181,168
	<u>\$ 157,307</u>

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75 – 6.55% based on years of service
Investment Rate of Return	7.00%

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 a 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, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

HAMBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2023 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%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Assets	8.00%	8.58%
Real Estate	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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 nonemployers contributing entity will be based upon 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

HAMBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2023 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2023		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 1,323,531	\$ 1,016,703	\$ 755,552

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

Benefits Provided

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. 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:

Tier	Definition
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

HAMBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Benefits Provided (Cont'd)

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. 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 included the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2023, the State's pension contribution was more than the actuarial determined amount.

Special Funding Situation

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, these local participating employers are 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 local participating employers do 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, such as the District. 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 net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer 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. During the fiscal year ended 2024, the State of New Jersey contributed \$1,042,852 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$270,945.

The employee contribution rate was 7.50% effective July 1, 2018.

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

At June 30, 2024, the State's proportionate share of the net pension liability associated with the District was \$11,028,793. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, the District's proportion was 0.0216%, which was a decrease of 0.0018% from its proportion measured as of June 30, 2022.

HAMBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>11,028,793</u>
Total	<u><u>\$ 11,028,793</u></u>

For the fiscal year ended June 30, 2023, the State recognized pension expense on behalf of the District in the amount of \$270,945 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2024 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2016	8.30	\$ 391,340,712	
	2017	8.30		\$ 2,080,865,206
	2018	8.29		1,883,063,885
	2019	8.04		1,514,535,609
	2020	7.99	805,517,879	
	2021	7.93		9,179,534,541
	2022	7.83	<u>82,066,487</u>	
			<u>1,278,925,078</u>	<u>14,657,999,241</u>
Difference Between Expected and Actual Experience	2016	8.30		4,866,656
	2017	8.30	37,022,988	
	2018	8.29	330,339,649	
	2019	8.04		58,842,090
	2020	7.99		4,293,040
	2021	7.93	121,815,868	
	2022	7.83		15,372,285
	2023	7.93	<u>169,161,907</u>	
			<u>658,340,412</u>	<u>83,374,071</u>

HAMBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Projected	2020	5.00	\$ 241,395,539	
and Actual Investment Earnings or	2021	5.00	(1,777,316,905)	
Pension Plan Investments	2022	5.00	2,489,500,994	
	2023	6.00	(477,296,442)	
			<u>476,283,186</u>	
			<u>\$ 2,413,548,676</u>	<u>\$ 14,741,373,312</u>

Amounts reported by the State as collective deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense excluding that attributable to employer-paid members contributions as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2024	\$ (3,918,676,894)
2025	(3,446,016,070)
2026	(1,604,289,401)
2027	(1,742,641,843)
2028	(1,672,806,952)
Thereafter	<u>56,606,524</u>
	<u>\$ (12,327,824,636)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. 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 – 4.25% based on years of service
Investment Rate of Return	7.00%

HAMBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Actuarial Assumptions (Cont'd)

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

The actuarial assumptions used in the July 1, 2022 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 pension plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2023 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%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

HAMBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the State as of June 30, 2023 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2023		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 13,004,949	\$ 11,028,793	\$ 9,364,401

Pension Plan Fiduciary Net Position - TPAF

Detailed information about the TPAF's fiduciary net position is available in the separately issued TPAF financial statements.

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

HAMBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

C. Defined Contribution Retirement Program (DCRP) (Cont'd)

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of \$18,691 for the fiscal year ended June 30, 2024. Employee contributions to DCRP amounted to \$25,186 for the fiscal year ended June 30, 2024.

NOTE 9. ECONOMIC DEPENDENCY

The Board of Education 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, may have an effect on the Board of Education's programs and activities.

NOTE 10. DEFERRED COMPENSATION

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

AXA Equitable

Lincoln National Life Insurance

Lincoln Investment Planning

NOTE 11. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The District obtains its health benefit coverage through New Jersey Employee Health Benefits Program.

Property and Liability

The District maintains insurance coverage for property, liability, student accident, and surety bonds. A complete schedule of insurance coverage can be found in the statistical section of this Annual Comprehensive Financial Report.

The Hamburg School District is a member of the New Jersey Schools Insurance Group (the "Group"). This public entity risk management pool provides general liability, property and automobile coverage and workers' compensation for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report. The Group is a risk-sharing public entity risk pool that is an insured and self-administered group of school boards established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Group are elected.

HAMBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 11. RISK MANAGEMENT (Cont'd)

Property and Liability (Cont'd)

As a member of this Group, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Group were to be exhausted, members would become responsible for their respective shares of the Group's liabilities. The Group can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body. In accordance with GASB, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

The June 30, 2024 audit was not available as of the date of this report; however, selected, summarized financial information for the Fund as of June 30, 2023 is as follows:

	<u>New Jersey Schools Insurance Group (NJSIG)</u>
Total Assets	\$ 431,249,111
Net Position	\$ 201,308,725
Total Revenue	\$ 160,069,780
Total Expenditures	\$ 141,165,428
Change in Net Position	\$ 16,304,414
Member Dividends	\$ 2,599,938

Financial statements for the Group are available at the Group's Executive Director's Office:

New Jersey Schools Insurance Group
6000 Midlantic Drive
Mount Laurel, NJ 08054
Phone: (609) 386-6060 Fax: (609) 386-8877

New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contributory Method". Under this plan, the District remits employee withholdings and employer's share of New Jersey Unemployment Compensation Insurance taxes to the State each pay period. The State makes all unemployment payments to former employees, and the District has no further liability.

HAMBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

The following interfund balances remained on the balance sheet at June 30, 2024.

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 114,000	\$ 27,840
Capital Projects Fund		123,094
Debt Service Fund	9,094	
Enterprise Funds	27,840	
	<u>\$ 150,934</u>	<u>\$ 150,934</u>

The interfund between Capital Projects Fund, Debt Service Fund, and General Fund represents the interest earned in the Capital Projects Fund. The interfund between General Fund and the Enterprise Funds represent expenses paid by the General Fund on behalf of the Enterprise Fund.

NOTE 13. CONTINGENT LIABILITIES

Litigation

The District is periodically involved in other pending lawsuits. The District estimates that the potential claims against it resulting from such other litigation and not covered by insurance would not materially affect the financial statements of the District.

Grant Programs

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

Arbitrage

The District is not subject to a liability for arbitrage payable to the federal government relative to its outstanding bond issues as the District is considered a small issuer with debt under \$15,000,000.

NOTE 14. TAX CALENDAR

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten- day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10.

Taxes are collected by the constituent municipality and are remitted to the local school district on a predetermined, agreed-upon schedule.

HAMBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 15. ACCOUNTS PAYABLE

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Fund	District Contribution Subsequent to Measurement Date	Total Governmental Activities	Business - Type Activities Proprietary Funds
Vendors	\$ 221,037	\$ 109,127	\$ 802,823	\$ 1,132,987		\$ 1,132,987	\$ 8,585
Payroll Deductions and Withholdings	341,732						
Due to State of New Jersey					\$ 100,000	100,000	
	<u>\$ 562,769</u>	<u>\$ 109,127</u>	<u>\$ 802,823</u>	<u>\$ 1,132,987</u>	<u>\$ 100,000</u>	<u>\$ 1,232,987</u>	<u>\$ 8,585</u>

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

General Information about the OPEB Plan

Plan Description and Benefits Provided

The District is in a “special funding situation”, as described in GASB Codification Section P50, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the 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 Benefits 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 years or more of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

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

HAMBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Plan Description and Benefits Provided (Cont'd)

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division's annual financial statements which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

Employees Covered by Benefit Terms

At June 30, 2022, the plan membership consisted of the following:

Retirees Plan Members and Spouses of Retirees Currently Receiving Benefit Payments	152,383
Active Plan Members	<u>217,212</u>
Total	<u><u>369,595</u></u>

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023.

Actuarial Assumptions and Other Inputs

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 – June 30, 2021.

100% of active employees are considered to participate in the Plan upon retirement.

Mortality Rates

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

HAMBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long term rate after seven 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 3.65%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. 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.

Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District

	<u>Total OPEB Liability</u>
Balance at June 30, 2022	\$ 12,008,547
Changes for Year:	
Service Cost	447,990
Interest on the Total OPEB Liability	447,842
Changes of Assumptions	25,630
Differences between Expected and Actual Experience	123,608
Gross Benefit Payments by the State	(349,100)
Contributions from Members	11,477
Net Changes	<u>707,447</u>
Balance at June 30, 2023	<u>\$ 12,715,994</u>

HAMBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Discount Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2023, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District 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:

	June 30, 2023		
	At 1% Decrease (2.65%)	At Discount Rate (3.65%)	At 1% Increase (4.65%)
Total OPEB Liability Attributable to the District	\$ 14,907,320	\$ 12,715,994	\$ 10,956,614

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2023, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2023		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 10,556,235	\$ 12,715,994	\$ 15,542,044

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

For the fiscal year ended June 30, 2024 the District recognized OPEB expense of \$212,686 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources.

HAMBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Cont'd)

At June 30, 2023 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

	Year of Deferral	Original Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 458,205
	2018	9.51		474,284
	2019	9.29	\$ 69,775	
	2020	9.24	1,705,872	
	2021	9.24	9,709	
	2022	9.13		2,576,671
	2023	9.30	22,874	
			<u>1,808,230</u>	<u>3,509,160</u>
Differences Between Expected and Actual Experience	2018	9.51		448,346
	2019	9.29		821,251
	2020	9.24	1,589,940	
	2021	9.24		1,867,176
	2022	9.13	265,360	
	2023	9.30		212,494
			<u>1,855,300</u>	<u>3,349,266</u>
Changes in Proportion	N/A	N/A	442,440	550,773
			<u>\$ 4,105,970</u>	<u>\$ 7,409,199</u>

HAMBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Cont'd)

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2024	\$ (634,134)
2025	(634,134)
2026	(551,152)
2027	(324,938)
2028	(66,511)
Thereafter	(984,026)
	<u>\$ (3,194,895)</u>

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

HAMBURG BOROUGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
District's proportion of the net pension liability	0.0049344628%	0.0048353451%	0.0050257449%	0.0050473168%	0.00533336900%
District's proportionate share of the net pension liability	\$ 923,866	\$ 1,085,438	\$ 1,488,481	\$ 1,174,935	\$ 1,050,177
District's covered employee payroll	\$ 334,748	\$ 341,334	\$ 355,447	\$ 378,063	\$ 382,890
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	275.99%	318.00%	418.76%	310.78%	274.28%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%

	Fiscal Year Ending June 30,				
	2020	2021	2022	2023	2024
District's proportion of the net pension liability	0.0053881677%	0.0054654256%	0.0055527367%	0.0056667945%	0.0070193106%
District's proportionate share of the net pension liability	\$ 970,866	\$ 891,268	\$ 657,805	\$ 855,197	\$ 1,016,703
District's covered employee payroll	\$ 394,744	\$ 406,927	\$ 395,616	\$ 456,777	\$ 515,540
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	245.95%	219.02%	166.27%	187.22%	197.21%
Plan fiduciary net position as a percentage of the total pension liability	56.27%	58.32%	70.33%	62.91%	65.23%

HAMBURG BOROUGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
Contractually required contribution					
Contributions in relation to the contractually required contribution	\$ 40,679	\$ 41,571	\$ 47,113	\$ 46,758	\$ 53,132
Contribution deficiency/(excess)	(40,679)	(41,571)	(47,113)	(46,758)	(53,132)
District's covered employee payroll	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Contributions as a percentage of covered employee payroll	\$ 341,334	\$ 355,447	\$ 378,063	\$ 382,890	\$ 394,744
	11.44%	11.00%	12.46%	12.21%	13.46%
	Fiscal Year Ending June 30,				
	2020	2021	2022	2023	2024
Contractually required contribution					
Contributions in relation to the contractually required contribution	\$ 52,475	\$ 59,789	\$ 65,029	\$ 71,461	\$ 93,815
Contribution deficiency/(excess)	(52,475)	(52,475)	(65,029)	(71,461)	(93,815)
District's covered employee payroll	\$ -0-	\$ 7,314	\$ -0-	\$ -0-	\$ -0-
Contributions as a percentage of covered employee payroll	\$ 406,927	\$ 395,616	\$ 456,777	\$ 515,540	\$ 556,207
	12.90%	15.11%	14.24%	13.86%	16.87%

HAMBURG BOROUGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY ATTRIBUTABLE TO THE DISTRICT
TEACHERS' PENSION AND ANNUITY FUND
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,			
	2015	2016	2017	2018
State's proportion of the net pension liability attributable to the District	0.0229156306%	0.0228752548%	0.0231857811%	0.0227600168%
State's proportionate share of the net pension liability attributable to the District	\$ 12,247,659	\$ 14,458,138	\$ 18,239,412	\$ 15,345,624
District's covered employee payroll	\$ 2,265,965	\$ 2,316,228	\$ 2,372,635	\$ 2,549,681
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	5.287760531	609.37%	768.74%	601.86%
Plan fiduciary net position as a percentage of the total pension liability	0.3364	28.71%	22.33%	25.41%
				26.49%

	Fiscal Year Ending June 30,			
	2020	2021	2022	2023
State's proportion of the net pension liability attributable to the District	0.0245312732%	0.0241279201%	0.0234447376%	0.0226406964%
State's proportionate share of the net pension liability attributable to the District	\$ 15,055,074	\$ 15,887,945	\$ 11,271,102	\$ 11,681,335
District's covered employee payroll	\$ 2,631,151	\$ 2,488,744	\$ 2,565,336	\$ 2,800,924
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	572.19%	638.39%	439.36%	417.05%
Plan fiduciary net position as a percentage of the total pension liability	26.95%	24.60%	35.52%	32.29%
				34.68%

HAMBURG BOROUGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
Contractually required contribution	\$ 659,039	\$ 882,799	\$ 1,370,438	\$ 1,063,067	\$ 873,174
Contributions in relation to the contractually required contribution	(123,672)	(185,634)	(247,054)	(346,719)	(482,471)
Contribution deficiency/(excess)	<u>\$ 535,367</u>	<u>\$ 697,165</u>	<u>\$ 1,123,384</u>	<u>\$ 716,348</u>	<u>\$ 390,703</u>
District's covered employee payroll	\$ 2,316,228	\$ 2,372,635	\$ 2,549,681	\$ 2,675,170	\$ 2,631,151
Contributions as a percentage of covered employee payroll	5.34%	7.82%	9.69%	12.96%	18.34%

	Fiscal Year Ending June 30,				
	2020	2021	2022	2023	2024
Contractually required contribution	\$ 887,989	\$ 987,980	\$ 265,214	\$ 314,377	\$ 270,945
Contributions in relation to the contractually required contribution	(529,217)	(681,510)	(932,039)	(883,481)	(1,042,852)
Contribution deficiency/(excess)	<u>\$ 358,772</u>	<u>\$ 306,470</u>	<u>\$ (666,825)</u>	<u>\$ (569,104)</u>	<u>\$ (771,907)</u>
District's covered employee payroll	\$ 2,488,744	\$ 2,565,336	\$ 2,800,924	\$ 2,985,528	\$ 2,954,147
Contributions as a percentage of covered employee payroll	21.26%	26.57%	33.28%	29.59%	35.30%

HAMBURG BOROUGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY
ASSOCIATED WITH THE DISTRICT AND RELATED RATIOS
LAST SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2017	2018	2019	2020	2021	2022	2023
Total OPEB Liability							
Service Cost	\$ 492,168	\$ 408,357	\$ 374,498	\$ 389,444	\$ 679,195	\$ 562,894	\$ 447,990
Interest Cost	423,419	490,223	454,097	371,385	365,839	318,240	447,842
Change of Benefit Terms					(15,011)		
Changes in Assumptions	(1,697,017)	(1,321,068)	154,424	2,957,857	13,913	(3,221,400)	25,630
Member Contributions	11,456	10,639	9,424	8,544	9,353	10,113	11,477
Differences between Expected and Actual Experiences		(1,200,564)	(1,829,535)	2,390,360	(2,855,131)	551,209	123,608
Gross Benefit Payments	(311,121)	(307,829)	(317,931)	(281,902)	(288,179)	(315,226)	(349,100)
Net Change in Total OPEB Liability	(1,081,095)	(1,920,242)	(1,155,023)	5,835,688	(2,090,021)	(2,094,170)	707,447
Total OPEB Liability - Beginning	14,513,410	13,432,315	11,512,073	10,357,050	16,192,738	14,102,717	12,008,547
Total OPEB Liability - Ending	<u>\$ 13,432,315</u>	<u>\$ 11,512,073</u>	<u>\$ 10,357,050</u>	<u>\$ 16,192,738</u>	<u>\$ 14,102,717</u>	<u>\$ 12,008,547</u>	<u>\$ 12,715,994</u>
District's Covered Employee Payroll *	\$ 2,728,082	\$ 3,058,060	\$ 3,025,895	\$ 2,895,671	\$ 2,960,952	\$ 3,257,701	\$ 3,501,068
Total OPEB Liability as a Percentage of Covered Employee Payroll	492.37%	376.45%	342.28%	559.21%	476.29%	368.62%	363.20%

* - Covered payroll for the fiscal years ending June 30, 2017 through 2023 are based on the payroll on the June 30, 2016 through 2022 census data.

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2018.

HAMBURG BOROUGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

There were none.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2022 actuarial valuation the salary increases were 2.75 – 4.25% based on years of service while in the July 1, 2021 actuarial valuation the salary increases were 2.75% – 5.65% based on years of service.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2023 was 3.65%. The discount rate for June 30, 2022 was 3.54%, a change of .11%.

The health care trend rates in the valuation as of June 30, 2023 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

The health care trend rates in the valuation as of June 30, 2022 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years.

BUDGETARY COMPARISON SCHEDULES

HAMBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 5,633,845		\$ 5,633,845	\$ 5,633,845	\$ 21,433
Tuition From Other LEAs Within the State				21,433	\$ 21,433
Unrestricted Miscellaneous Revenues	1,000		1,000	99,421	98,421
Interest Earned on Capital Reserve Funds	1,000		1,000	1,001	1
Total Revenues from Local Sources	5,635,845		5,635,845	5,755,700	119,855
Revenues from State Sources:					
Categorical Transportation Aid	44,903		44,903	44,903	
Categorical Special Education Aid	197,985		197,985	197,985	
Equalization Aid	857,681		857,681	857,681	
Categorical Security Aid	30,047		30,047	30,047	
Adjustment Aid	217,227		217,227	217,227	
Extraordinary Aid				34,114	34,114
Non-Public Transportation				3,567	3,567
TPAF Post Retirement Contributions (Non-Budgeted)				287,063	287,063
TPAF Pension Contributions (Non-Budgeted)				1,042,852	1,042,852
TPAF Non-Contributory Insurance (Non-Budgeted)				11,893	11,893
TPAF Long-Term Disability Insurance (Non-Budgeted)				430	430
Reimbursed TPAF Social Security Contributions				207,036	207,036
Total Revenues from State Sources	1,347,843		1,347,843	2,934,798	1,586,955
TOTAL REVENUE	6,983,688		6,983,688	8,690,498	1,706,810

HAMBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 159,421	\$ 71,026	\$ 230,447	\$ 228,175	\$ 2,272
Grades 1-5 - Salaries of Teachers	922,483	6,933	929,416	926,132	3,284
Grades 6-8 - Salaries of Teachers	462,673	(34,813)	427,860	426,555	1,305
Regular Programs - Home Instruction:					
Salaries of Teachers	1,500		1,500		1,500
Purchased Professional-Educational Services	2,000		2,000	825	1,175
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	40,765	27,122	67,887	60,961	6,926
Purchased Professional-Educational Services	32,000	(14,113)	17,887	17,582	305
Other Purchased Services (400-500 series)	32,500	9,355	41,855	34,018	7,837
General Supplies	134,349	6,947	141,296	139,931	1,365
Textbooks	5,707	(5,707)			
Other Objects	1,000		1,000	625	375
Total Regular Programs - Instruction	1,794,398	66,750	1,861,148	1,834,804	26,344
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	136,721	(69,000)	67,721	67,183	538
Other Salaries for Instruction	59,719	(5,000)	54,719	48,750	5,969
General Supplies	1,000		1,000	278	722
Total Learning and/or Language Disabilities	197,440	(74,000)	123,440	116,211	7,229

HAMBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Multiple Disabilities:					
Salaries of Teachers		\$ 77,000	\$ 77,000	\$ 64,681	\$ 12,319
Other Salaries for Instruction		70,000	70,000	5,780	64,220
Total Multiple Disabilities		147,000	147,000	70,461	76,539
Resource Room/Resource Center:					
Salaries of Teachers	\$ 411,906	(67,000)	344,906	335,627	9,279
Other Salaries for Instruction	37,705	15,000	52,705	43,074	9,631
General Supplies	2,600		2,600	1,145	1,455
Total Resource Room/Resource Center	452,211	(52,000)	400,211	379,846	20,365
Preschool Disabilities - Full-Time:					
Salaries of Teachers	87,633		87,633	84,066	3,567
Other Salaries for Instruction	117,951	(35,000)	82,951	72,954	9,997
General Supplies	1,000		1,000	911	89
Total Preschool Disabilities - Full-Time	206,584	(35,000)	171,584	157,931	13,653
Home Instruction:					
Salaries of Teachers	2,000	2,538	4,538	4,538	
Purchased Professional-Educational Services	1,000	(688)	312		312
Total Home Instruction	3,000	1,850	4,850	4,538	312
TOTAL SPECIAL EDUCATION - INSTRUCTION	859,235	(12,150)	847,085	728,987	118,098

HAMBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	\$ 247,460	\$ 7,150	\$ 254,610	\$ 248,596	\$ 6,014
Other Salaries for Instruction	1,000	5,000	6,000		6,000
General Supplies	600		600	597	3
Total Basic Skills/Remedial - Instruction	249,060	12,150	261,210	249,193	12,017
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	25,000		25,000	22,427	2,573
Supplies and Materials	500		500		500
Transfers to Cover Deficit (Agency Funds)	12,000		12,000	12,000	
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	37,500		37,500	34,427	3,073
School-Sponsored Athletics - Instruction:					
Salaries	20,000	658	20,658	20,658	
Supplies and Materials	1,500	(658)	842	514	328
Transfers to Cover Deficit (Agency Funds)	4,000		4,000	4,000	
Total School-Sponsored Athletics - Instruction	25,500		25,500	25,172	328
TOTAL INSTRUCTION	2,965,693	66,750	3,032,443	2,872,583	159,860
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Special		28,000	28,000	25,151	2,849
Tuition to CSSD & Reg. Day Schools	92,745	(67,000)	25,745	19,708	6,037
Tuition to Priv. Sch. for the Handicap. W/I State	290,883	(29,000)	261,883	261,698	185
Total Undistributed Expenditures - Instruction	383,628	(68,000)	315,628	306,557	9,071

HAMBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expend. - Attend. & Social Work:					
Salaries	\$ 43,186	\$ 2,000	\$ 45,186	\$ 31,214	\$ 13,972
Total Undist. Expend. - Attendance and Social Work	43,186	2,000	45,186	31,214	13,972
Undistributed Expenditures - Health Services:					
Salaries	82,174	(2,000)	80,174	74,788	5,386
Purchased Professional and Technical Services	4,000	25,000	29,000	14,345	14,655
Other Purchased Services (400-500 series)	4,200		4,200	3,044	1,156
Supplies and Materials	4,000	2,000	6,000	4,862	1,138
Total Undist. Expenditures - Health Services	94,374	25,000	119,374	97,039	22,335
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	83,958	(83,000)	958		958
Purchased Professional - Educational Services	73,000	125,000	198,000	152,165	45,835
Supplies and Materials	3,000	1,000	4,000	3,274	726
Total Undist. Expend. - Speech, OT, PT, Related Svcs	159,958	43,000	202,958	155,439	47,519
Undist.Expend.-Guidance:					
Salaries of Other Professional Staff	54,423	12,000	66,423	49,545	16,878
Salaries of Secretarial and Clerical Assistants	33,216		33,216	32,826	390
Supplies and Materials	1,000		1,000	162	838
Total Undist Expend. - Guidance	88,639	12,000	100,639	82,533	18,106

HAMBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Child Study Team:					
Salaries of Other Professional Staff	\$ 205,845	\$ (41,528)	\$ 164,317	\$ 136,585	\$ 27,732
Salaries of Secretarial and Clerical Assistants	80,828	14,000	94,828	81,923	12,905
Purchased Professional - Educational Services	5,000		5,000	2,100	2,900
Other Purchased Prof. and Tech. Services	33,000	18,528	51,528	37,000	14,528
Supplies and Materials	8,500		8,500	4,109	4,391
Other Objects	200		200		200
Total Undist Expend. - Child Study Team	333,373	(9,000)	324,373	261,717	62,656
Undist. Expend.-Edu. Media Serv./Sch. Library:					
Salaries	30,459		30,459	30,319	140
Supplies and Materials	5,100		5,100	3,088	2,012
Total Undist Expend-Edu. Media Serv./Sch. Library	35,559		35,559	33,407	2,152
Undist.Expend.-Instructional Staff Training Services:					
Purchased Professional - Educational Service	3,000	135	3,135	135	3,000
Other Purchased Services (400-500 series)	9,000	(135)	8,865	833	8,032
Total Undist.Expend.-Instructional Staff Training Services	12,000		12,000	968	11,032

HAMBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Support Serv.-Gen. Admin.:					
Salaries	\$ 160,473	\$ 2,975	\$ 163,448	\$ 151,410	\$ 12,038
Legal Services	15,000	26,196	41,196	13,019	28,177
Audit Fees	39,000		39,000		39,000
Other Purchased Professional Services	7,000		7,000	5,175	1,825
Purchased Technical Services	8,000	(1,000)	7,000	3,587	3,413
Communications / Telephone	20,000		20,000	13,473	6,527
BOE Other Purchased Services	5,000	500	5,500	3,023	2,477
Other Purch. Serv. (400-500 series other than 530 & 585)	33,800	(500)	33,300	28,930	4,370
General Supplies	8,900	1,501	10,401	10,401	
BOE In-house training/ Meeting Supplies	100	530	630	630	
Miscellaneous Expenditures	6,800	(202)	6,598	5,333	1,265
BOE Membership Dues and Fees	7,200	1,000	8,200	7,409	791
Total Undist. Expend.-Support Serv.-Gen. Admin.	311,273	31,000	342,273	242,390	99,883
Undist. Expend.-Support Serv.-School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	69,642	(2,000)	67,642	55,216	12,426
Other Purchased Services (400-500 series)	900		900		900
Supplies and Materials	5,000	9,000	14,000	10,465	3,535
Other Objects	3,300		3,300	1,079	2,221
Total Undist. Expend.-Support Serv.-School Adm.	78,842	7,000	85,842	66,760	19,082

HAMBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Central Services:					
Salaries	\$ 93,188	\$ (24,750)	\$ 68,438	\$ 62,072	\$ 6,366
Purchased Professional Services		25,000	25,000	25,000	
Purchased Technical Services	20,000	1,178	21,178	21,178	
Miscellaneous Purchased Services (400-500 series other than 594)	1,900		1,900	340	1,560
Supplies and Materials	6,000	10,822	16,822	2,826	13,996
Other Objects	3,000		3,000	1,731	1,269
Total Undist. Expend. - Central Services	124,088	12,250	136,338	113,147	23,191
Undist. Expend.-Required Maintenance for School Facilities:					
Cleaning, Repair, and Maintenance Services	99,000		99,000	69,087	29,913
Total Undist. Expend.- Required Maint. for School Facilities	99,000		99,000	69,087	29,913
Undist. Expend.-Custodial Services:					
Salaries	304,980	20,540	325,520	316,824	8,696
Purchased Professional and Technical Services	11,500	3,384	14,884	14,884	
Cleaning, Repair, and Maintenance Services	27,900	(11,066)	16,834	16,192	642
Other Purchased Property Services	16,100		16,100	12,820	3,280
Insurance	45,000		45,000	42,963	2,037
Miscellaneous Purchased Services	3,500		3,500	2,833	667
General Supplies	42,000	(2,000)	40,000	38,731	1,269
Energy (Natural Gas)	73,000	8,455	81,455	81,455	
Energy (Electricity)	60,000	(22,844)	37,156	24,253	12,903
Energy (Gasoline)	1,000	31	1,031	1,031	
Total Undist. Expend.-Custodial Services	584,980	(3,500)	581,480	551,986	29,494

HAMBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Care and Upkeep of Grounds:					
Salaries	\$ 46,150	\$ (7,635)	\$ 38,515	\$ 38,403	\$ 112
Cleaning, Repair, and Maintenance Services	12,500	5,653	18,153	18,153	
General Supplies	6,500	1,875	8,375	8,375	
Total Care And Upkeep Of Grounds	65,150	(107)	65,043	64,931	112
Security:					
Cleaning, Repair, and Maintenance Services	4,000	6,434	10,434	10,434	
Total Security	4,000	6,434	10,434	10,434	
Total Undist. Expend.-oper. And Maint. Of Plant Serv.	753,130	2,827	755,957	696,438	59,519
Undist. Expend.-Student Transportation Serv.:					
Sal. for Pupil Trans. (Bet. Home and Sch)-Spl. Ed.	25,158	1,000	26,158	25,331	827
Sal. for Pupil Trans. (Oth. than Bet. Home & Sch)	22,259	9,000	31,259	25,234	6,025
Sal. For Pupil Trans. (Bet. Home & Sch) Non Public	15,755		15,755	13,128	2,627
Management Fee - ESC&CTSA Transportation Program	8,500		8,500	8,069	431
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studs	7,000		7,000	6,336	664
Contr Serv.-Aid in Lieu of Payments-Choice Stud.	11,000	(1,280)	9,720	8,155	1,565
Contract. Serv.(Oth. than Bet. Home & Sch.)-Vend.	20,900	7,607	28,507	28,507	
Contract. Serv.(Reg. Students)-ESCs & CTSA's	134,800	(48,000)	86,800	85,850	950
Contract. Serv.(Spl. Ed. Students)-ESCs & CTSA's	172,194	(6,327)	165,867	150,000	15,867
Total Undist. Expend.-Student Trans. Serv.	417,566	(38,000)	379,566	350,610	28,956

HAMBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
UNALLOCATED BENEFITS					
Group Insurance	\$ 55,823	\$ (12,000)	\$ 43,823	\$ 38,451	\$ 5,372
Social Security Contributions	80,000	45,215	125,215	125,215	
Other Retirement Contributions - PERS	72,000	22,000	94,000	93,815	185
Other Retirement Contributions - Regular	19,000		19,000	18,691	309
Unemployment Compensation	27,000		27,000	16,778	10,222
Workers Compensation	50,000	10,000	60,000	57,296	2,704
Health Benefits	1,218,969	(131,461)	1,087,508	893,293	194,215
Tuition Reimbursement	22,000		22,000	14,824	7,176
Other Employee Benefits	85,802	27,419	113,221	97,797	15,424
TOTAL UNALLOCATED BENEFITS	1,630,594	(38,827)	1,591,767	1,356,160	235,607
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				287,063	(287,063)
TPAF Pension Contributions (Non-Budgeted)				1,042,852	(1,042,852)
TPAF Non-Contributory Insurance (Non-Budgeted)				11,893	(11,893)
TPAF Long-Term Disability Insurance (Non-Budgeted)				430	(430)
Reimbursed TPAF Social Security Contributions				207,036	(207,036)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				1,549,274	(1,549,274)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	1,630,594	(38,827)	1,591,767	2,905,434	(1,313,667)
TOTAL UNDISTRIBUTED EXPENDITURES	4,466,210	(18,750)	4,447,460	5,343,653	(896,193)
TOTAL GENERAL CURRENT EXPENSE	7,431,903	48,000	7,479,903	8,216,236	(736,333)

HAMBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Equipment:					
Undistributed Expenditures - Instruction		\$ 8,000	\$ 8,000	\$ 6,045	\$ 1,955
Undist. Expend. - Required Maint for School Fac.		6,000	6,000	5,303	697
Total Equipment		14,000	14,000	11,348	2,652
Facilities Acquisition and Construction Serv.:					
Construction Services	\$ 150,000		150,000	67,338	82,662
Supplies and Materials	50,000		50,000		50,000
Other Objects	24,130	(24,130)			
Assessment for Debt Service on SDA Funding		24,130	24,130	24,130	
Total Facilities Acquisition and Const. Serv.	224,130		224,130	91,468	132,662
TOTAL CAPITAL OUTLAY	224,130	14,000	238,130	102,816	135,314
Transfer of Funds to Charter Schools	449,870	(62,000)	387,870	340,459	47,411
TOTAL EXPENDITURES	8,105,903		8,105,903	8,659,511	(553,608)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(1,122,215)		(1,122,215)	30,987	1,153,202

HAMBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Other Financing Sources/(Uses):					
Transfer to Special Revenue Fund - Preschool Inclusion		\$ (43,653)	\$ (43,653)	\$ (43,653)	
Transfers from Capital Projects Fund - Interest Earned				114,000	\$ 114,000
Capital Reserve - Transfer to Capital Projects		(400,000)	(400,000)	(249,484)	(150,516)
Total Other Financing Sources/(Uses)		<u>(443,653)</u>	<u>(443,653)</u>	<u>(179,137)</u>	<u>264,516</u>
Excess/(Deficit) of Revenues and Other Financing Sources					
Over/(Under) Expenditures and Other Financing Uses	\$ (1,122,215)	(443,653)	(1,565,868)	(148,150)	1,417,718
Fund Balance, July 1	<u>3,020,136</u>		<u>3,020,136</u>	<u>3,020,136</u>	
Fund Balance, June 30	<u>\$ 1,897,921</u>	<u>\$ (443,653)</u>	<u>\$ 1,454,268</u>	<u>\$ 2,871,986</u>	<u>\$ 1,417,718</u>
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Excess Surplus - Restricted For 2025-2026				\$ 935,867	
Excess Surplus - Restricted For 2024-2025				902,857	
Capital Reserve				612,176	
Designated for Subsequent Year's Expenditures				133,405	
Unassigned Fund Balance				<u>287,681</u>	
				<u>2,871,986</u>	
Reconciliation to Governmental Funds Statement (GAAP):				<u>(132,710)</u>	
Last State Aid Payments not Recognized on GAAP basis					
Fund Balance per Governmental Funds (GAAP)				<u>\$ 2,739,276</u>	

HAMBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenue:					
Local Sources					
State Sources	\$ 835,664	\$ 33,975	\$ 33,975	\$ 33,975	\$ (151,474)
Federal Sources	59,500	5,974	841,638	690,164	(9,622)
		208,345	267,845	258,223	
Total Revenue	895,164	248,294	1,143,458	982,362	(161,096)
Other Financing Sources:					
Transfer In - General Fund		43,653	43,653	43,653	
Total Revenue and Other Financing Sources	895,164	291,947	1,187,111	1,026,015	(161,096)
Expenditures:					
Instruction:					
Salaries of Teachers	223,063	52,788	275,851	270,819	5,032
Other Salaries for Instruction	142,994	72,134	215,128	212,639	2,489
Purchased Professional and Technical Services		38,000	38,000	38,000	
Tuition	35,000	24,449	59,449	59,449	
General Supplies	6,000	17,346	23,346	17,686	5,660
Total Instruction	407,057	204,717	611,774	598,593	13,181
Expenditures:					
Support Services:					
Salaries of Supervisors of Instruction	15,203	31,068	46,271	21,398	24,873
Salaries of Other Professional Staff	51,637	7,789	59,426	38,028	21,398
Salaries of Secretarial and Clerical Assistants	32,060	9,595	41,655	41,655	
Other Salaries	26,864		26,864	26,155	709

HAMBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures:					
Support Services (Cont'd):					
Salaries of Family/Parent Liaison	\$ 12,331		\$ 12,331	\$ 12,331	
Salaries of Master Teacher	26,735		26,735	26,735	
Personal Services - Employee Benefits	111,570	\$ (20,000)	91,570	91,570	
Purchased Professional Educational Services		12,347	12,347	5,000	\$ 7,347
Other Purchased Services (400-500 Series)	7,500	13,406	20,906	20,906	
Supplies and Materials	6,000		6,000	1,537	4,463
Other Objects		6,050	6,050	4,574	1,476
Student Activities		31,975	31,975	31,411	564
Total Support Services	289,900	92,230	382,130	321,300	60,830
Facilities Acquisition and Construction Services:					
Non-Instructional Equipment	50,000	(10,000)	40,000	16,436	23,564
Instructional Equipment	148,207	5,000	153,207	89,122	64,085
Total Facilities Acquisition and Construction Services	198,207	(5,000)	193,207	105,558	87,649
Total Expenditures	\$ 895,164	\$ 291,947	\$ 1,187,111	\$ 1,025,451	\$ 161,660
Excess/(Deficit) of Revenues and Other Financing					
Sources Over/(Under) Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ 564	\$ 564

HAMBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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	\$ 8,690,498	\$ 982,362
Differences - Budget to GAAP:		
Prior Year State Aid Payment Recognized for GAAP Statements	123,062	54,757
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(132,710)</u>	<u>(71,635)</u>
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 8,680,850</u>	<u>\$ 965,484</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	<u>\$ 8,659,511</u>	<u>\$ 1,025,451</u>
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 8,659,511</u>	<u>\$ 1,025,451</u>

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budget for the fiscal year ended June 30, 2024 was submitted to the County office and was approved by a vote of the Board of Education. 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.6:20-2A.2(m)l. Transfers of appropriations may be made by school board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

The General Fund and Special Revenue Fund budgetary revenue differs from the GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year the District cannot recognize these payments in the GAAP financial statements.

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

HAMBURG BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS/GAAP BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Elementary and Secondary Education Act			IDEA Part B	
	Title I	Title II A	Title IV	Basic	Preschool
REVENUE:					
Local Sources					
State Sources					
Federal Sources	\$ 42,643	\$ 6,585	\$ 12,693	\$ 80,449	\$ 4,584
Total Revenue	42,643	6,585	12,693	80,449	4,584
Other Financing Sources:					
Transfer In - General Fund					
Total Revenue and Other Financing Sources	42,643	6,585	12,693	80,449	4,584
EXPENDITURES:					
Instruction:					
Salaries of Teachers					
Other Salaries for Instruction	42,643			21,000	4,584
Purchased Professional and Technical Services					
Tuition				59,449	
General Supplies			6,346		
Total Instruction	42,643		6,346	80,449	4,584
Support Services:					
Salaries of Supervisors of Instruction					
Salaries of Other Professional Staff					
Salaries of Secretarial and Clerical Assistants					
Other Salaries					
Salaries of Family/Parent Liaison					
Salaries of Master Teacher					
Personal Services - Employee Benefits					
Purchased Professional - Educational Services					
Other Purchased Services (400-500 Series)		6,585	6,347		
Supplies and Materials					
Other Objects					
Student Activities					
Total Support Services		6,585	6,347		
Facilities Acquisition and Construction Services:					
Non-Instructional Equipment					
Instructional Equipment					
Total Facilities Acquisition and Construction Services					
Total Expenditures	\$ 42,643	\$ 6,585	\$ 12,693	\$ 80,449	\$ 4,584

HAMBURG BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS/GAAP BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	COVID 19 - American Rescue Plan				
	ESSER III	Learning Acceleration	Summer Learning	Beyond the School Day	Mental Health
REVENUE:					
Local Sources					
State Sources					
Federal Sources	\$ 5,907	\$ 40,497	\$ 13,841	\$ 3,450	\$ 9,574
Total Revenue	5,907	40,497	13,841	3,450	9,574
Other Financing Sources:					
Transfer In - General Fund					
Total Revenue and Other Financing Sources	5,907	40,497	13,841	3,450	9,574
EXPENDITURES:					
Instruction:					
Salaries of Teachers		40,497	13,841	3,450	
Other Salaries for Instruction	5,907				
Purchased Professional and Technical Services					
Tuition					
General Supplies					
Total Instruction	5,907	40,497	13,841	3,450	
Support Services:					
Salaries of Supervisors of Instruction					
Salaries of Other Professional Staff					
Salaries of Secretarial and Clerical Assistants					
Other Salaries					
Salaries of Family/Parent Liaison					
Salaries of Master Teacher					
Personal Services - Employee Benefits					
Purchased Professional - Educational Services					5,000
Other Purchased Services (400-500 Series)					
Supplies and Materials					
Other Objects					4,574
Student Activities					
Total Support Services					9,574
Facilities Acquisition and Construction Services:					
Non-Instructional Equipment					
Instructional Equipment					
Total Facilities Acquisition and Construction Services					
Total Expenditures	\$ 5,907	\$ 40,497	\$ 13,841	\$ 3,450	\$ 9,574

HAMBURG BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS/GAAP BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	High Impact Tutoring Grant	Preschool Education Aid	SDA Emergent and Capital Maintenance Needs Grant
REVENUE:			
Local Sources			
State Sources		\$ 684,190	\$ 5,974
Federal Sources	\$ 38,000		
Total Revenue	38,000	684,190	5,974
Other Financing Sources:			
Transfer In - General Fund		43,653	
Total Revenue and Other Financing Sources	38,000	727,843	5,974
EXPENDITURES:			
Instruction:			
Salaries of Teachers		213,031	
Other Salaries for Instruction		138,505	
Purchased Professional and Technical Services	38,000		
Tuition			
General Supplies		11,340	
Total Instruction	38,000	362,876	
Support Services:			
Salaries of Supervisors of Instruction		21,398	
Salaries of Other Professional Staff		38,028	
Salaries of Secretarial and Clerical Assistants		41,655	
Other Salaries		26,155	
Salaries of Family/Parent Liaison		12,331	
Salaries of Master Teacher		26,735	
Personal Services - Employee Benefits		91,570	
Purchased Professional - Educational Services			
Other Purchased Services (400-500 Series)			5,974
Supplies and Materials		1,537	
Other Objects			
Student Activities			
Total Support Services		259,409	5,974
Facilities Acquisition and Construction Services:			
Non-Instructional Equipment		16,436	
Instructional Equipment		89,122	
Total Facilities Acquisition and Construction Services		105,558	
Total Expenditures	\$ 38,000	\$ 727,843	\$ 5,974

HAMBURG BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS/GAAP BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Local Grants	Student Activities Fund	Total
REVENUE:			
Local Sources	\$ 2,000	\$ 31,975	\$ 33,975
State Sources			690,164
Federal Sources			258,223
Total Revenue	2,000	31,975	982,362
Other Financing Sources:			
Transfer In - General Fund			43,653
Total Revenue and Other Financing Sources	2,000	31,975	1,026,015
EXPENDITURES:			
Instruction:			
Salaries of Teachers			270,819
Other Salaries for Instruction			212,639
Purchased Professional and Technical Services			38,000
Tuition			59,449
General Supplies			17,686
Total Instruction			598,593
Support Services:			
Salaries of Supervisors of Instruction			21,398
Salaries of Other Professional Staff			38,028
Salaries of Secretarial and Clerical Assistants			41,655
Other Salaries			26,155
Salaries of Family/Parent Liaison			12,331
Salaries of Master Teacher			26,735
Personal Services - Employee Benefits			91,570
Purchased Professional - Educational Services			5,000
Other Purchased Services (400-500 Series)	2,000		20,906
Supplies and Materials			1,537
Other Objects			4,574
Student Activities		31,411	31,411
Total Support Services	2,000	31,411	321,300
Facilities Acquisition and Construction Services:			
Non-Instructional Equipment			16,436
Instructional Equipment			89,122
Total Facilities Acquisition and Construction Services			105,558
Total Expenditures	\$ 2,000	\$ 31,411	\$ 1,025,451

HAMBURG BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

District-Wide Total

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 218,063	\$ 213,031	\$ 5,032
Other Salaries for Instruction	140,994	138,505	2,489
General Supplies	16,000	11,340	4,660
	<u>375,057</u>	<u>362,876</u>	<u>12,181</u>
Total Instruction			
Support Services:			
Salaries of Supervisors of Instruction	67,668	21,398	46,270
Salaries of Other Professional Staff	38,028	38,028	
Salaries of Secretarial and Clerical Assistants	41,655	41,655	
Other Salaries	26,864	26,155	709
Salaries of Family/Parent Liaison	12,331	12,331	
Salaries of Master Teacher	26,735	26,735	
Personal Services - Employee Benefits	91,570	91,570	
Supplies and Materials	6,202	1,537	4,665
	<u>311,053</u>	<u>259,409</u>	<u>51,644</u>
Total Support Services			
Facilities Acquisition:			
Noninstructional Equipment	40,000	16,436	23,564
Instructional Equipment	153,207	89,122	64,085
	<u>193,207</u>	<u>105,558</u>	<u>87,649</u>
Total Facilities Acquisition			
Total Expenditures	<u>\$ 879,317</u>	<u>\$ 727,843</u>	<u>\$ 151,474</u>

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2023-24 Preschool Education Aid Allocation	\$ 727,550
Actual Preschool Education Aid Carryover (June 30, 2023)	122,706
Add: Budgeted Transfer from General Fund 2023-24	43,653
Add: Budgeted Tuition 2023-24	-0-
Total Preschool Education Aid Funds Available for 2023-24	893,909
Less: 2023-24 Budgeted Preschool Education Aid Funds	(879,317)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2024	14,592
Add: June 30, 2024 Unexpended Preschool Education Aid	151,474
2023-24 Carryover - Preschool Education Aid	<u>\$ 166,066</u>
Budgeted for Preschool Programs in 2023-24	<u>\$ -0-</u>

CAPITAL PROJECTS FUND

HAMBURG BOROUGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

Revenue and Other Financing Sources:	
Transfer from Capital Reserve	\$ 249,484
Interest Earned	123,094
	<hr/>
Total Revenue and Other Financing Sources	372,578
	<hr/>
Expenditures:	
Salaries	2,322
Purchased Professional and Technical Services	4,119
Architectural Services	175,587
Legal Services	65,797
Construction Services	(10,893)
Other Objects	3,159
	<hr/>
Total Expenditures	240,091
	<hr/>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	132,487
Other Financing (Uses):	
Transfers Out - General Fund	(114,000)
Transfers Out - Debt Service Fund	(9,094)
	<hr/>
Total Other Financing (Uses)	(123,094)
	<hr/>
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing (Uses)	9,393
Fund Balance - Beginning Balance	954,477
	<hr/>
Fund Balance - Ending Balance	\$ 963,870
	<hr/> <hr/>
<u>Recapitulation:</u>	
Restricted Fund Balance	\$ 963,870
	<hr/>
Fund Balance per Governmental Funds (GAAP)	\$ 963,870
	<hr/> <hr/>

HAMBURG BOROUGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
HAMBURG ELEMENTARY SCHOOL 2021 REFERENDUM
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Prior Periods	Current Year	Total	Authorized Cost
Revenue and Other Financing Sources:				
Bond Proceeds	\$ 4,201,000		\$ 4,201,000	\$ 4,201,000
Total Revenues and Other Financing Sources	4,201,000		4,201,000	4,201,000
Expenditures:				
Purchased Professional/Technical Services	52,326	\$ 1,500	53,826	57,400
Architectural Services	318,700		318,700	318,700
Legal Services	12,460		12,460	37,400
Construction Services	2,863,036	(14,052)	2,848,984	3,787,500
Total Expenditures	3,246,522	(12,552)	3,233,970	4,201,000
Excess (Deficit) of Revenue and Other Financing Sources Over (Under) Expenditures	\$ 954,478	\$ 12,552	\$ 967,030	\$ -0-

Additional Project Information:

Project Numbers	N/A
Grant Date	N/A
Bond Authorization Date	11/2/2021
Bonds Authorized	\$ 4,201,000
Bonds Issued	\$ 4,201,000
Original Authorized Cost	\$ 4,201,000

Percentage Increase over Original

Authorized Cost	0.00%
Percentage Completion	76.98%
Original Target Completion Date	06/30/25

HAMBURG BOROUGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
HAMBURG ELEMENTARY SCHOOL WATER INTRUSION
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Prior Periods	Current Year	Total	Authorized Cost
Revenue and Other Financing Sources:				
Transfer from Capital Reserve		\$ 249,484	\$ 249,484	\$ 249,484
Total Revenues and Other Financing Sources		249,484	249,484	249,484
Expenditures:				
Salaries		2,322	2,322	2,322
Purchased Professional/Technical Services		2,619	2,619	2,619
Architectural Services		175,587	175,587	175,587
Legal Services		65,797	65,797	65,797
Construction Services		3,159	3,159	3,159
Total Expenditures		249,484	249,484	249,484
Excess (Deficit) of Revenue and Other Financing Sources Over (Under) Expenditures	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -
Additional Project Information:				
Project Numbers		N/A		
Grant Date		N/A		
Bond Authorization Date		N/A		
Bonds Authorized		N/A		
Additional Authorized Cost		N/A		
Transfer from Capital Reserve		\$ 400,000		
Cancelled		(150,516)		
Revised Authorized Cost		\$ 249,484		
Percentage Increase over Original Authorized Cost		0.00%		
Percentage Completion		100.00%		
Original Target Completion Date		02/01/24		

PROPRIETARY FUNDS

HAMBURG BOROUGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2024

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 17,504
Interfund Receivable	27,840
Intergovernmental Accounts Receivable:	
Federal	3,340
State	116
Inventories	2,862

Total Current Assets	51,662
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Non-Current Assets:

Capital Assets:

Depreciable Furniture and Equipment, Net	29,530
--	--------

Total Non-Current Assets	29,530
--------------------------	--------

Total Assets	81,192
--------------	--------

LIABILITIES:

Current Liabilities:

Accounts Payable - Vendors	8,585
Unearned Revenue - Supply Chain Program	5,262
Unearned Revenue - Prepaid Sales	1,562
Unearned Revenue - Donated Commodities	215

Total Liabilities	15,624
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NET POSITION:

Investment in Capital Assets	29,530
Unrestricted	36,038

Total Net Position	\$ 65,568
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HAMBURG BOROUGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Operating Revenue:

Local Sources:

Daily Sales - Reimbursable Programs	\$ 40,284
Daily Sales - Non-Reimbursable Programs	29,510

Total Operating Revenue

69,794

Operating Expenses:

Cost of Sales - Reimbursable Programs	39,997
Cost of Sales - Non-Reimbursable Programs	29,300
Salaries, Benefits & Payroll Taxes	56,940
Supplies, Insurance & Other Costs	16,371
Management Fee	10,000
Depreciation Expense	1,354

Total Operating Expenses

153,962

Operating Loss

(84,168)

Non-Operating Revenue:

Local Sources:

Interest Income	1,240
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State Sources:

School Breakfast Program	100
School Lunch Program	1,696

Federal Sources:

National School Lunch Program	40,149
Local Food for Schools (LFS) Cooperative Program	1,100
School Breakfast Program	9,294
COVID 19 - Pandemic Electronic Benefit Transfer Program	653
Healthy Hunger-Free Kids Act	1,518
Supply Chain Program	13,743
Food Distribution Program	15,191

Total Non-Operating Revenue

84,684

Change in Net Position

516

Net Position - Beginning of Year

65,052

Net Position - End of Year

\$ 65,568

HAMBURG BOROUGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Cash Flows from Operating Activities:

Receipts from Customers	\$ 69,972
Payments to Employees	(56,940)
Payments to Food Service Vendor	(63,394)
Payments to Suppliers	(8,786)
	<hr/>

Net Cash (Used for) Operating Activities	<hr/> (59,148) <hr/>
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Cash Flows by Investing Activities:

Local Sources:

Interest Income	1,240
	<hr/>

Net Cash Provided by Investing Activities	<hr/> 1,240 <hr/>
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Cash Flows from Noncapital Financing Activities:

State Sources	1,820
Federal Sources	63,730
Interfund - General Fund	(47,840)
	<hr/>

Net Cash Provided by Noncapital Financing Activities	<hr/> 17,710 <hr/>
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Net Decrease in Cash and Cash Equivalents	(40,198)
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Cash and Cash Equivalents, July 1	<hr/> 57,702 <hr/>
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Cash and Cash Equivalents, June 30	<hr/> <hr/> \$ 17,504 <hr/> <hr/>
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Reconciliation of Operating Loss to Net Cash (Used for) Operating Activities:

Operating Loss	\$ (84,168)
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Adjustment to Reconcile Operating Loss to Cash (Used for) Operating Activities:

Depreciation	1,354
Food Distribution Program	15,191

Changes in Assets and Liabilities:

(Increase)/Decrease in Inventory	1,016
Increase/(Decrease) in Accounts Payable	7,585
Increase/(Decrease) in Unearned Revenue - Prepaid Sales	178
Increase/(Decrease) in Unearned Revenue - Donated Commodities	(304)
	<hr/>

Net Cash (Used for) Operating Activities	<hr/> <hr/> \$ (59,148) <hr/> <hr/>
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Noncash Investing, Capital and Financing Activities:

The District received USDA donated commodities valued at \$14,887 and used \$15,191 of those commodities during the fiscal year.

FIDUCIARY ACTIVITIES
(NOT APPLICABLE)

LONG-TERM LIABILITIES

HAMBURG BOROUGH SCHOOL DISTRICT
LONG-TERM LIABILITIES
STATEMENT OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds				Interest Rate	Balance July 1, 2023	Retired or Matured	Balance June 30, 2024
			Outstanding							
			Date	Amount						
School Serial Bonds	12/8/2021	\$ 4,201,000	8/15/2024	\$ 175,000	2.000%					
			8/15/2025	180,000	2.000%					
			8/15/2026	185,000	2.000%					
			8/15/2027	185,000	2.000%					
			8/15/2028	190,000	2.000%					
			8/15/2029	195,000	2.000%					
			8/15/2030	200,000	2.000%					
			8/15/2031	205,000	2.000%					
			8/15/2032	210,000	2.000%					
			8/15/2033	215,000	2.000%					
			8/15/2034	220,000	2.000%					
			8/15/2035	225,000	2.000%					
			8/15/2036	230,000	2.000%					
			8/15/2037	240,000	2.125%					
			8/15/2038	245,000	2.125%					
			8/15/2039	250,000	2.125%					
			8/15/2040	255,000	2.125%					
			8/15/2041	265,000	2.250%					
						\$ 4,045,000	\$ 175,000	\$ 3,870,000		
						\$ 4,045,000	\$ 175,000	\$ 3,870,000		

HAMBURG BOROUGH SCHOOL DISTRICT
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOT APPLICABLE

HAMBURG BOROUGH SCHOOL DISTRICT
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOT APPLICABLE

HAMBURG BOROUGH SCHOOL DISTRICT
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER SUBSCRIPTION -BASED
INFORMATION TECHNOLOGY ARRANGEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOT APPLICABLE

HAMBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 160,881		\$ 160,881	\$ 160,881	
Debt Service Aid Type II	87,057		87,057	87,057	
Total Revenues	247,938		247,938	247,938	
EXPENDITURES:					
Regular Debt Service:					
Interest	81,050		81,050	81,050	
Redemption of Principal	175,000		175,000	175,000	
Total Regular Debt Service	256,050		256,050	256,050	
Total Expenditures	256,050		256,050	256,050	
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(8,112)		(8,112)	(8,112)	
Other Financing Sources:					
Transfers In - Capital Projects Fund				9,094	\$ 9,094
Total Other Financing Sources/(Uses)				9,094	9,094
Fund Balance, July 1	16,832	\$ -0-	16,832	16,832	-0-
Fund Balance, June 30	\$ 8,720	\$ -0-	\$ 8,720	\$ 17,814	\$ 9,094
Recapitulation of Fund Balance				\$ 8,720	
Restricted for Subsequent Year's Expenditures				9,094	
Restricted				\$ 17,814	

STATISTICAL SECTION
(UNAUDITED)

This part of the District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District's overall financial health.

Contents

Exhibit

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

J-1 thru J-5

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.

J-6 thru J-9

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

J-10 thru J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.

J-14 thru J-15

Operating Information

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the School provides and the activities it performs.

J-16 thru J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report for the relevant year.

HAMBURG BOROUGH SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
UNAUDITED
(Accrual Basis of Accounting)

June 30,

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities:										
Net Investment in Capital Assets	\$ 3,775,139	\$ 3,665,238	\$ 3,873,421	\$ 3,960,821	\$ 4,240,615	\$ 4,309,691	\$ 4,516,302	\$ 4,844,174	\$ 5,499,082	\$ 5,837,213
Restricted	1,769,289	2,330,520	2,041,746	1,978,967	1,860,579	2,363,483	2,397,634	2,086,908	2,259,040	2,492,776
Unrestricted/(Deficit)	(1,145,056)	(1,128,593)	(1,134,230)	(1,165,026)	(1,216,349)	(1,172,186)	(1,097,211)	(171,802)	(484,059)	(910,920)
Total Governmental Activities Net Position	\$ 4,399,372	\$ 4,867,165	\$ 4,780,937	\$ 4,774,762	\$ 4,884,845	\$ 5,500,988	\$ 5,816,725	\$ 6,759,280	\$ 7,274,063	\$ 7,419,069
Business-Type Activities:										
Investment in Capital Assets	\$ 21,573	\$ 24,859	\$ 27,627	\$ 24,939	\$ 22,382	\$ 21,060	\$ 48,783	\$ 44,890	\$ 30,884	\$ 29,530
Unrestricted	11,526	29,482	28,253	28,042	24,831	29,326	45,432	51,495	34,168	36,038
Total Business-Type Activities Net Position	\$ 33,099	\$ 54,341	\$ 55,880	\$ 52,981	\$ 47,213	\$ 50,386	\$ 94,215	\$ 96,385	\$ 65,052	\$ 65,568
District-Wide:										
Net Investment in Capital Assets	\$ 3,796,712	\$ 3,690,097	\$ 3,901,048	\$ 3,985,760	\$ 4,262,997	\$ 4,330,751	\$ 4,565,085	\$ 4,889,064	\$ 5,529,966	\$ 5,866,743
Restricted	1,769,289	2,330,520	2,041,746	1,978,967	1,860,579	2,363,483	2,397,634	2,086,908	2,259,040	2,492,776
Unrestricted/(Deficit)	(1,133,530)	(1,099,111)	(1,105,977)	(1,136,984)	(1,191,518)	(1,142,860)	(1,051,779)	(120,307)	(449,891)	(874,882)
Total District-Wide Net Position	\$ 4,432,471	\$ 4,921,506	\$ 4,836,817	\$ 4,827,743	\$ 4,932,058	\$ 5,551,374	\$ 5,910,940	\$ 6,855,665	\$ 7,339,115	\$ 7,484,637

Source: Hamburg Borough School District Financial Reports.

HAMBURG BOROUGH SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
UNAUDITED
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 2,724,403	\$ 3,141,955	\$ 3,627,398	\$ 3,823,021	\$ 3,431,428	\$ 2,860,651	\$ 3,511,265	\$ 4,036,283	\$ 4,238,579	\$ 4,862,718
Special Education	907,684	908,010	1,166,401	1,209,057	1,071,007	1,042,313	892,236	1,070,665	1,317,972	1,533,919
Other Instruction	125,655	159,175	122,985	119,323	158,947	396,995	317,826	358,067	512,981	582,242
School Sponsored/Cocurricular					56,763	47,168	41,117	109,842	104,994	117,321
Support Services:										
Tuition	123,634	60,751	116,358	128,060	114,867	147,152	137,482	197,610	220,434	366,006
Student & Instruction Related Services	637,646	708,460	781,566	802,282	995,957	794,645	774,248	1,221,564	959,996	912,654
General Administration Services	293,494	292,217	306,422	305,703	256,191	323,148	320,266	333,900	351,963	318,208
School Administration Services	140,201	114,526	124,553	131,504	101,089	106,547	143,787	56,990	116,335	141,551
Central Services	146,292	139,329	82,884	79,419	134,224	114,032	111,394	27,835	127,421	157,589
Plant Operations and Maintenance	653,529	812,391	811,079	770,758	683,823	757,279	661,562	37,603	926,042	865,837
Pupil Transportation	109,551	96,964	130,961	168,907	164,592	144,895	167,853	20,153	253,800	382,505
Interest On Long-Term Debt	46,422	41,480	37,605	32,380	25,122	17,022	8,655	43,353	86,412	79,738
Capital Outlay					24,130	24,130	24,130	24,130	49,006	24,130
Unallocated Depreciation	227,627	214,765	223,465	218,704	206,743	197,885	241,423	243,759	245,240	245,240
Charter Schools	25,071	151,586	438,927	449,638	429,386	345,832	608,819	620,084	590,385	340,459
Total Governmental Activities Expenses	6,161,210	6,841,609	7,970,604	8,238,756	7,854,269	7,319,694	7,962,063	8,401,838	10,101,560	10,930,117
Business-Type Activities:										
Food Service	108,864	94,337	94,446	95,767	90,480	90,787	141,666	170,265	174,058	153,962
Total Business-Type Activities Expenses	108,864	94,337	94,446	95,767	90,480	90,787	141,666	170,265	174,058	153,962
Total District-Wide Expenses	\$ 6,270,074	\$ 6,935,946	\$ 8,065,050	\$ 8,334,523	\$ 7,944,749	\$ 7,410,481	\$ 8,103,729	\$ 8,572,103	\$ 10,275,618	\$ 11,084,079
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Tuition	\$ 78,620	\$ 67,891	\$ 101,590	\$ 158,908	\$ 78,793	\$ 51,966	\$ 47,105	\$ 10,000	\$ 3,796,720	\$ 21,433
Operating Grants and Contributions	1,345,751	1,609,559	2,090,504	2,309,933	1,899,489	1,630,458	1,907,488	2,120,584		3,852,206
Total Governmental Activities Program Revenues	1,424,371	1,677,450	2,192,094	2,468,841	1,978,282	1,682,424	1,954,593	2,130,584	3,796,720	3,873,639
Business-Type Activities:										
Charges for Services:										
Food Service	49,787	46,624	49,905	51,219	55,019	39,285	266	15,551	73,830	69,794
Operating Grants and Contributions	47,176	39,923	38,032	34,597	29,632	37,623	185,179	156,816	81,447	83,444
Total Business Type Activities Program Revenues	96,963	86,547	87,937	85,816	84,651	76,908	185,445	172,367	155,277	153,238
Total District-Wide Program Revenues	\$ 1,521,334	\$ 1,763,997	\$ 2,280,031	\$ 2,554,657	\$ 2,062,933	\$ 1,759,332	\$ 2,140,038	\$ 2,302,951	\$ 3,951,997	\$ 4,026,877

Source: Hamburg Borough School District Financial Reports

HAMBURG BOROUGH SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

UNAUDITED

(Modified Accrual Basis of Accounting)

	June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund:										
Restricted	\$ 1,756,639	\$ 2,317,870	\$ 2,041,746	\$ 1,978,967	\$ 1,860,579	\$ 1,665,634	\$ 2,388,564	\$ 2,063,618	\$ 2,218,711	\$ 2,450,900
Assigned	152,672	157,077	166,435	180,916	86,066	75,000	101,109	129,891	518,020	133,405
Unassigned	98,440	93,873	93,828	102,244	98,575	106,403	116,743	956,119	160,343	154,971
Total General Fund	\$ 2,007,751	\$ 2,568,820	\$ 2,302,009	\$ 2,262,127	\$ 2,045,220	\$ 1,847,037	\$ 2,606,416	\$ 3,149,628	\$ 2,897,074	\$ 2,739,276
All Other Governmental Funds:										
Restricted	\$ 12,650	\$ 12,650				\$ 7,384	\$ 9,070	\$ 3,378,927	\$ 994,806	\$ 1,008,905
Unassigned/(Deficit)								(58,932)	(54,757)	(71,635)
Total All Other Governmental Funds	\$ 12,650	\$ 12,650	\$ -0-	\$ -0-	\$ -0-	\$ 7,384	\$ 9,070	\$ 3,319,995	\$ 940,049	\$ 937,270
Total Governmental Funds:										
Restricted	\$ 1,769,289	\$ 2,330,520	\$ 2,041,746	\$ 1,978,967	\$ 1,860,579	\$ 1,673,018	\$ 2,397,634	\$ 5,442,545	\$ 3,213,517	\$ 3,459,805
Assigned	152,672	157,077	166,435	180,916	86,066	75,000	101,109	129,891	518,020	133,405
Unassigned	98,440	93,873	93,828	102,244	98,575	106,403	116,743	897,187	105,586	83,336
Total All Governmental Funds	\$ 2,020,401	\$ 2,581,470	\$ 2,302,009	\$ 2,262,127	\$ 2,045,220	\$ 1,854,421	\$ 2,615,486	\$ 6,469,623	\$ 3,837,123	\$ 3,676,546

HAMBURG BOROUGH SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

UNAUDITED

(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues:										
Tax Levy	\$ 4,042,978	\$ 4,120,129	\$ 4,237,060	\$ 4,356,984	\$ 4,642,429	\$ 4,856,078	\$ 5,157,817	\$ 5,257,913	\$ 5,534,939	\$ 5,794,726
Tuition Charges	78,620	67,891	101,590	158,908	78,793	51,966	47,105	10,000		21,433
Interest on Capital Reserve	926	1,058	1,043	986	974	1,023	1,017	811	1,260	1,001
Restricted Miscellaneous	27,981	17,290	9,065	8,483	27,237	10,554	56,709	54,085	42,593	33,975
Unrestricted Miscellaneous	2,119,882	2,204,757	2,283,418	2,372,403	2,484,105	2,399,755	6,331	12,845	141,410	222,515
State Sources	131,576	140,970	144,750	126,025	126,649	126,758	2,500,092	3,879,784	3,344,793	3,685,493
Federal Sources							188,753	224,154	571,542	258,223
Total Revenue	6,401,963	6,552,095	6,776,926	7,023,789	7,360,187	7,446,134	7,957,824	9,439,592	9,636,537	10,017,366
Expenditures:										
Instruction:										
Regular Instruction	1,637,672	1,768,489	1,825,314	1,864,393	1,852,808	1,607,654	1,993,652	2,533,044	2,409,123	2,582,700
Special Education Instruction	538,351	525,280	579,239	582,169	568,123	568,544	506,280	556,366	697,922	810,124
Other	74,883	77,812	83,455	60,736	59,723	210,448	166,304	173,094	240,280	249,193
School Sponsored/Cocurricular					56,763	47,168	21,906	56,281	55,571	59,599
Support Services:										
Tuition	123,634	60,751	116,358	128,060	114,867	147,152	137,482	197,610	220,434	366,006
Student & Instruction Related Services	544,135	596,512	618,831	622,988	784,915	623,222	647,499	729,856	745,404	693,728
General Administrative Services	250,954	249,640	258,063	255,660	212,623	279,856	277,053	274,527	291,925	242,390
School Administrative Services	81,967	64,571	64,197	65,867	62,959	52,916	75,936	29,619	57,798	66,760
Central Services	124,013	117,028	72,184	68,795	97,737	87,562	86,148	89,524	94,658	113,147
Plant Operations And Maintenance	672,276	600,670	663,599	655,368	579,727	581,721	545,438	700,286	787,978	696,438
Pupil Transportation	106,944	94,290	121,405	159,211	152,276	129,729	154,129	250,721	232,182	350,610
Unallocated Benefits	1,311,166	1,434,556	1,621,097	1,826,492	2,050,556	1,994,269	2,119,243	2,203,830	2,381,131	2,905,434
Capital Outlay	369,752	91,275	365,368	96,519	335,430	73,282	324,335	1,147,213	3,210,998	445,305
Debt Service:										
Principal	170,000	175,000	190,000	185,000	190,000	205,000	210,000	220,000	156,000	175,000
Interest and Other Charges	49,100	44,775	29,200	35,775	29,200	21,300	13,000	4,400	97,248	81,050
Charter Schools	25,071	151,586	438,927	449,638	429,386	345,832	608,819	620,084	590,385	340,459
Total Expenditures	6,079,918	6,052,235	7,047,237	7,056,671	7,577,094	6,975,655	7,887,224	9,786,455	12,269,037	10,177,943
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	322,045	499,860	(270,311)	(32,882)	(216,907)	470,479	70,600	(346,863)	(2,632,500)	(160,577)

HAMBURG BOROUGH SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

UNAUDITED

(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Other Financing Sources/(Uses):										
Bond Proceeds		\$ 90,209				\$ 38,803		\$ 4,201,000		
Cancellation of Prior Year Accounts Payable		(29,000)	\$ (8,000)	\$ (7,000)		(17,000)				
Transfers Out										
Total Other Financing Sources/(Uses)		61,209	(8,000)	(7,000)		21,803		4,201,000		
Net Change In Fund Balances	\$ 322,045	\$ 561,069	\$ (278,311)	\$ (39,882)	\$ (216,907)	\$ 492,282	\$ 70,600	\$ 3,854,137	\$ (2,632,500)	\$ (160,577)
Debt Service as a Percentage of Noncapital Expenditures	3.84%	3.69%	3.28%	3.17%	3.03%	3.28%	2.95%	2.60%	2.80%	2.63%

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

<u>Fiscal Year Ended June 30,</u>	<u>Interest on Investments</u>	<u>Tuition</u>	<u>Prior Year Refunds</u>	<u>Other</u>	<u>Total</u>
2015	\$ 4,911	\$ 78,620	\$ 4,837	\$ 2,109	\$ 90,477
2016	5,675	67,891	9,904	1,269	84,739
2017	5,524	101,590	2,489	95	109,698
2018	5,219	158,908		500	164,627
2019	5,254	78,793	11,202	105	95,354
2020	5,566	51,966	1,863	648	60,043
2021	5,405	47,105	862	1,081	54,453
2022	4,442	10,000		1,102	15,544
2023	5,200		12,785	6,965	24,950
2024	68,842	21,433	6,587	24,993	121,855

Source: Hamburg Borough School District Financial Reports

HAMBURG BOROUGH SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN YEARS

UNAUDITED

Year Ended December 31,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2014	\$ 6,038,600	\$ 204,017,600	\$ 27,961,200	\$ 4,988,600	\$ 690,600	\$ 243,696,600	\$ 550,675	\$ 244,247,275	\$ 19,855,400	\$ 1.64	\$ 260,636,321
2015	6,019,200	204,491,400	28,067,500	4,988,600	690,600	244,257,300	555,492	244,812,792	19,807,800	1.67	270,300,879
2016	6,032,600	203,919,500	28,121,000	4,988,600	690,600	243,752,300	481,142	244,233,442	20,342,000	1.71	270,607,041
2017	6,151,400	204,493,000	27,672,500	4,988,600	690,600	243,996,100	462,711	244,458,811	20,158,200	1.76	272,188,832
2018	5,777,700	205,901,700	27,171,300	4,988,600	690,600	244,529,900	457,458	244,987,358	20,158,200	1.84	268,222,994
2019	5,427,700	207,891,100	27,179,300	4,988,600	690,600	246,177,300	414,817	246,592,117	20,514,200	1.93	271,409,774
2020	5,227,700	209,840,400	26,418,400	4,988,600	1,455,000	247,930,100		247,930,100	20,649,800	2.02	273,796,329
2021	5,077,700	211,624,100	26,448,100	4,988,600	1,455,000	249,593,500		249,593,500	20,687,500	2.09	279,149,188
2022	4,639,300	213,869,400	26,167,700	4,988,600	1,455,000	251,120,000		251,121,600	21,006,600	2.12	306,137,170
2023	4,207,600	217,004,400	25,997,000	4,988,600	1,455,000	253,652,600		253,654,800	21,113,600	2.23	337,303,776

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation. Reassessment occurs when ordered by the Court.

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

^b Tax rates are per \$100 of assessed value.

HAMBURG BOROUGH SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
UNAUDITED
(Rate per \$100 of Assessed Value)

Year Ended December 31,	Hamburg Borough School District			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Direct Rate						
	General		Total Direct	Borough		Sussex County	
	Basic Rate ^a	Obligation Debt ^b		Regional School	of Hamburg		
2014*	\$ 1.55	\$ 0.09	\$ 1.64	\$ 0.61	\$ 0.84	\$ 0.56	\$ 3.64
2015	1.58	0.09	1.67	0.62	0.85	0.57	3.70
2016	1.63	0.08	1.71	0.66	0.88	0.61	3.86
2017	1.67	0.09	1.76	0.65	0.93	0.64	3.98
2018	1.75	0.09	1.84	0.64	0.95	0.64	4.06
2019	1.84	0.09	1.93	0.62	0.97	0.64	4.15
2020	1.93	0.09	2.02	0.62	1.00	0.65	4.28
2021	2.00	0.09	2.09	0.65	1.03	0.65	4.41
2022	2.06	0.06	2.12	0.70	1.06	0.69	4.56
2023	2.17	0.06	2.23	0.77	1.08	0.69	4.77

* - Revaluation

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

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

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

Source: Hamburg Borough Tax Collector and School Business Administrator.

HAMBURG BOROUGH SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

2023			2014		
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Ames Rubber Corp	\$ 3,054,600	1.20%	Ames Rubber Corp	\$ 3,054,600	1.48%
Governor Haines Realty, LLC	2,019,600	0.80%	Governor Haines Realty, LLC	2,019,600	0.98%
Envision New Jersey, LLC	1,934,000	0.76%	Envision New Jersey, LLC	1,934,000	0.93%
Springdale Village, LLC	1,750,000	0.69%	Springdale Village, LLC	1,881,700	0.91%
TRB Investments, LLC	1,174,000	0.46%	Individual Taxpayer #1	1,405,000	0.68%
Birch Vine LLC	1,050,000	0.41%	Plaza 23, LLC	1,317,900	0.64%
TCAT Properties Hamburg, LLC	1,000,200	0.39%	TRB Investments, LLC	1,174,000	0.57%
Individual Taxpayer	1,000,000	0.39%	TCAT Properties Hamburg, LLC	1,000,200	0.48%
Wachovia Bank	978,400	0.39%	Wachovia Bank	978,400	0.47%
KP Kit & Jay ,LLC	913,800	0.36%	KP Kit & Jay, LLC	913,800	0.44%
Total	\$ 14,874,600	5.85%	Total	\$ 15,679,200	7.58%

Source: Hamburg Borough Tax Assessor

HAMBURG BOROUGH 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	
2015	\$ 4,042,978	\$ 4,042,978	100.00%	\$ - 0 -
2016	4,120,129	4,120,129	100.00%	- 0 -
2017	4,237,060	4,237,060	100.00%	- 0 -
2018	4,356,984	4,356,984	100.00%	- 0 -
2019	4,642,429	4,642,429	100.00%	- 0 -
2020	4,856,078	4,856,078	100.00%	- 0 -
2021	5,157,817	5,157,817	100.00%	- 0 -
2022	5,257,913	5,257,913	100.00%	- 0 -
2023	5,534,939	5,534,939	100.00%	- 0 -
2024	5,794,726	5,794,726	100.00%	- 0 -

^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.

Source: Hamburg Borough School District's records including the Certificate and Report of School Taxes (Form A4F).

HAMBURG BOROUGH 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 ^a
	General Obligation Bonds	Loans Payable	Financed Purchases			
2015	\$ 1,365,000	\$ - 0 -	\$ - 0 -	\$ 1,365,000	0.77%	\$ 428
2016	1,190,000	- 0 -	- 0 -	1,190,000	0.66%	376
2017	1,010,000	- 0 -	- 0 -	1,010,000	0.54%	321
2018	825,000	- 0 -	- 0 -	825,000	0.43%	262
2019	635,000	- 0 -	- 0 -	635,000	0.31%	202
2020	430,000	- 0 -	- 0 -	430,000	0.20%	138
2021	220,000	- 0 -	- 0 -	220,000	0.10%	67
2022	4,201,000	- 0 -	- 0 -	4,201,000	1.77%	1,270
2023	4,045,000	- 0 -	- 0 -	4,045,000	1.69%	1,214
2024	3,870,000	- 0 -	- 0 -	3,870,000	1.62%	1,162

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

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

HAMBURG BOROUGH 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	
	General		Net General	Actual Taxable	Per Capita ^b
	Obligation		Bonded Debt	Value ^a	
	Bonds	Deductions	Outstanding	of Property	
2015	\$ 1,365,000	\$ - 0 -	\$ 1,365,000	0.56%	
2016	1,190,000	- 0 -	1,190,000	0.49%	376.34
2017	1,010,000	- 0 -	1,010,000	0.41%	320.94
2018	825,000	- 0 -	825,000	0.34%	262.49
2019	635,000	- 0 -	635,000	0.26%	202.29
2020	430,000	- 0 -	430,000	0.17%	137.78
2021	220,000	- 0 -	220,000	0.09%	67.03
2022	4,201,000	- 0 -	4,201,000	1.68%	1,270
2023	4,045,000	- 0 -	4,045,000	1.61%	1,214
2024	3,870,000	- 0 -	3,870,000	1.53%	1,162

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

^a See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the prior calendar year.

^b Population data can be found on Exhibit J-14. This ratio is calculated using valuation data for the prior calendar year

Source: Hamburg Borough School District Financial Reports.

HAMBURG BOROUGH SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2023
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes:			
Wallkill Valley Regional High School	\$ 6,590,000	11.76%	\$ 774,917
Sussex County General Obligation Debt	95,687,236	1.46%	<u>1,401,791</u>
Subtotal, Overlapping Debt			2,176,708
Hamburg Borough School District Direct Debt			<u>3,870,000</u>
Total Direct And Overlapping Debt			<u><u>\$ 6,046,708</u></u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Borough of Hamburg. This process recognizes that, when considering the District's ability to issue and repay long-term, 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 unit.

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

Sources: Assessed value data used to estimate applicable percentages provided by the Sussex County Board of Taxation; debt outstanding data provided by each governmental unit.

HAMBURG BOROUGH SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt Limit	\$ 8,297,699	\$ 8,100,157	\$ 8,079,002	\$ 8,025,750	\$ 8,046,195	\$ 8,051,160	\$ 8,153,130	\$ 8,263,079	\$ 8,883,761	\$ 10,071,785
Total Net Debt Applicable to Limit	1,365,000	1,190,000	1,010,000	825,000	635,000	430,000	220,000	4,201,000	4,045,000	3,870,000
Legal Debt Margin	\$ 6,932,699	\$ 6,932,699	\$ 6,932,699	\$ 7,200,750	\$ 7,411,195	\$ 7,621,160	\$ 7,933,130	\$ 4,062,079	\$ 4,838,761	\$ 6,201,785

Total Net Debt Applicable to the Limit
As a Percentage of Debt Limit

16.45%	14.69%	12.50%	10.28%	7.89%	5.34%	2.70%	50.84%	45.53%	38.42%
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Legal Debt Margin Calculation for Fiscal Year 2024

Equalized Valuation Basis	Hamburg Borough
2023	\$ 370,948,815
2022	332,920,058
2021	303,309,637
	<u>\$1,007,178,510</u>

Average Equalized Valuation of Taxable Property

\$ 335,726,170

Debt Limit (3% of Average Equalization Value)^a

\$ 10,071,785

Net Bonded School Debt as of June 30, 2024

3,870,000

Legal Debt Margin

\$ 6,201,785

^a Limit set by NJSIA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts.

HAMBURG BOROUGH SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS
UNAUDITED

Year	Borough Population ^a	Sussex County Per Capita Personal Income ^b	Borough Personal Income ^c	Borough Unemployment Rate ^d
2015	3,187	\$ 55,722	\$ 177,586,014	5.60%
2016	3,162	57,327	181,267,974	5.30%
2017	3,147	59,144	186,126,168	4.70%
2018	3,143	61,531	193,391,933	4.80%
2019	3,139	64,284	201,787,476	3.70%
2020	3,121	67,814	211,647,494	11.10%
2021	3,282	70,159	230,261,838	7.00%
2022	3,308	71,671	237,087,668	4.00%
2023	3,331	71,671 *	238,736,101 ***	4.60%
2024	3,331 **	71,671 *	238,736,101 ***	N/A

* - Latest Sussex County per capita personal income available (2022) was used for calculation purposes.

** - Latest population data available (2023) was used for calculation purposes.

*** - Latest population data available (2023) and latest Sussex County personal income available (2022) was used for calculation purposes.

N/A - Information is not available.

Sources:

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

Source: County of Sussex, Department of Administration and Finance.

HAMBURG BOROUGH SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
UNAUDITED

<u>Function/Program</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Instruction:										
Regular	28.2	29.8	29.8	29.8	29.8	28.0	29.2	31.2	34.7	28.5
Special Education	8.8	10.9	12.0	8.0	7.2	7.7	7.9	11.7	14.7	14.0
Support Services:										
Student & Instruction Related Services	5.6	5.4	5.4	5.8	5.4	5.8	5.8	7.7	6.3	7.0
School Administration Services	1.5	1.5	1.5	1.5	1.5	1.3	1.3	1.3	2.0	2.0
General & Business Administration Services	3.2	3.2	3.4	3.4	3.8	3.8	3.8	5.6	3.5	3.5
Plant Operations and Maintenance	4.3	4.5	4.4	4.4	4.4	4.0	4.0	4.0	4.0	4.0
Total	<u>51.6</u>	<u>55.3</u>	<u>56.5</u>	<u>52.9</u>	<u>52.2</u>	<u>50.6</u>	<u>52.0</u>	<u>61.5</u>	<u>65.2</u>	<u>59.0</u>

Source: Hamburg Borough District Personnel Records.

HAMBURG BOROUGH SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^b	Percentage Change	Teaching Staff ^c	Pupil/Teacher Ratio	Average Daily Enrollment (ADE) ^d	Average Daily Attendance (ADA) ^d	% Change In Average Daily Enrollment	Student Attendance Percentage
2015	272	\$ 5,491,066	20,188	3.91%	34.0	8.0:1	272	258	-0.73%	94.85%
2016	249	5,741,185	23,057	14.21%	35.2	7.1:1	249	238	-8.46%	95.58%
2017	250	6,462,669	25,851	12.12%	35.2	7.1:1	250	235	0.40%	94.00%
2018	234	6,739,377	28,801	11.41%	35.6	6.5:1	234	223	-6.40%	95.30%
2019	245	7,022,464	28,663	-0.48%	35.2	6.9:1	245	231	4.70%	94.29%
2020	254	6,676,073	26,284	-8.30%	35.7	7.1:1	255	240	4.08%	94.12%
2021	212	7,339,889	34,622	31.72%	35.7	5.9:1	211	199	-17.25%	94.31%
2022	261	8,414,842	32,241	-6.88%	39.7	6.6:1	232	231	9.95%	99.57%
2023	244	8,804,791	36,085	11.92%	39.5	6.4:1	241	219	3.88%	90.87%
2024	235	9,476,588	40,326	11.75%	32.0	7.3:1	242	215	0.41%	88.84%

Note: Enrollment based on annual October District count.

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

^b Costs per pupil is calculated based upon enrollment and operating expenditures as presented and may not be the same as other cost per pupil calculations.

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

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

Source: Hamburg Borough School District records.

HAMBURG BOROUGH SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>District Buildings</u>					
Hamburg Elementary School (1904, 2003)					
Square Feet	61,503	61,503	61,503	61,503	61,503
Capacity (Students)	546	546	546	546	546
Enrollment	272	249	250	234	245

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<u>District Buildings</u>					
Hamburg Elementary School (1904, 2003)					
Square Feet	61,503	61,503	61,503	61,503	61,503
Capacity (Students)	546	546	546	546	546
Enrollment	254	212	212	244	235

Number of Schools at June 30, 2024:

Elementary = 1

Note: Year of original construction is shown first in the parentheses. Enrollment is based on the annual October District count.

HAMBURG BOROUGH SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
UNAUDITED

Undistributed Expenditures:

Required Maintenance for School Facilities*

11-000-261-XXX

School Facilities	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
Hamburg Elementary	\$ 187,997	\$ 108,393	\$ 111,466	\$ 91,798	\$ 74,548

School Facilities	Fiscal Year Ending June 30,				
	2020	2021	2022	2023	2024
Hamburg Elementary	\$ 103,717	\$ 39,551	\$ 86,188	\$ 100,138	\$ 69,087

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

HAMBURG BOROUGH SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2024
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
NJSIG:		
Commercial Package Policy:		
Blanket Building & Contents (including Hardware/Software)	\$ 21,336,901	\$ 1,000
Boiler & Machinery	100,000,000	1,000
Crime/Faithful Performance	100,000	500
Comprehensive General Liability including Auto, Employee Benefits, and Abuse Liability	11,000,000	N/A
Auto Physical Damage - ACV	Included	1,000
School Board Legal Liability	11,000,000	5,000
Workers Compensation	Part 1 Statutory, Part 2: \$3,000,000	
Environmental Impairment Liability	1,000,000	50,000
Student Accident	1,000,000	
Surety Bonds:		
Treasurer	185,000	
Board Secretary	185,000	

SINGLE AUDIT SECTION

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

Independent Auditors' Report

The Honorable President and Members
 of the Board of Education
 Hamburg Borough School District
 County of Sussex, New Jersey

We have audited, in accordance with the 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 and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Hamburg Borough School District, in the County of Sussex (the "District") as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 28, 2024.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District'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 the 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 were not identified.

The Honorable President and Members
of the Board of Education
Hamburg Borough School District
Page 2

Report on Compliance and Other Matters


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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

October 28, 2024
Mount Arlington, New Jersey


NISIVOCCIA LLP



Valerie A. Dolan
Licensed Public School Accountant #2526
Certified Public Accountant



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Report on Compliance For Each Major State Program;
 Report on Internal Control Over Compliance Required by NJOMB 15-08

Independent Auditors' Report

The Honorable President and Members
 of the Board of Education
 Hamburg Borough School District
 County of Sussex, New Jersey

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Hamburg Borough School District (the District's) compliance with the types of compliance requirements identified as subject to audit in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the fiscal year ended June 30, 2024. The District's major state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2024.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. 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 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 state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

The Honorable President and Members
of the Board of Education
Hamburg Borough School District
Page 2

Responsibilities of Management for Compliance

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

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

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

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

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

Report on Internal Control Over Compliance

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

The Honorable President and Members
of the Board of Education
Hamburg Borough School District
Page 3

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

October 28, 2024
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

Valerie A. Dolan

Valerie A. Dolan
Licensed Public School Accountant #2526
Certified Public Accountant

HAMBURG BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass Through Grantor Program/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2023			Balance at June 30, 2024		
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Cash Received	Budgetary Accounts Receivable	Budgetary Unearned Revenue	Amount Provided to Subrecipients
Special Revenue Fund:										
U.S. Department of Education:										
Passed-through State Department of Education:										
Special Education Cluster:										
	84.027	IDEA193024	7/1/23 - 9/30/24	\$ 80,449			\$ 72,049	\$ (80,449)	\$ 8,400	
	84.173	IDEA193024	7/1/23 - 9/30/24	4,584			2,708	(4,584)	1,876	
	84.173	IDEA193023	7/1/22 - 9/30/23	4,590	\$ 457		457			
Total Special Education Cluster					457		75,214	(85,033)	10,276	
Elementary and Secondary Education Act:										
Title I	84.010A	ESEA193024	7/1/23 - 9/30/24	42,643			24,606	(42,643)	18,037	
Title I	84.010A	ESEA193023	7/1/22 - 9/30/23	36,658	5,150		5,150			
Subtotal Title I					5,150		29,756	(42,643)	18,037	
Title II, Part A	84.367A	ESEA193024	7/1/23 - 9/30/24	6,585			1,693	(6,585)	4,892	
Title II, Part A	84.367A	ESEA193023	7/1/22 - 9/30/23	6,387	1,161		1,161			
Subtotal Title II, Part A					1,161		2,854	(6,585)	4,892	
Title IV, Part A	84.424A	ESEA193024	7/1/23 - 9/30/24	12,693			7,004	(12,693)	5,689	
Title IV, Part A	84.424A	ESEA193023	7/1/22 - 9/30/23	10,000	1,762		1,762			
Subtotal Title IV, Part A					1,762		8,766	(12,693)	5,689	
Education Stabilization Fund:										
COVID 19 - CRRSA ESSER II	84.425D	S425D200027	3/13/20 - 9/30/23	110,594	41,669		41,669			
COVID 19 - ARP ESSER III	84.425U	S425U210027	3/13/20 - 9/30/24	248,552	5,854		11,761	(5,907)		
COVID 19 - ARP Accelerated Learning Coach	84.425U	S425U210027	3/13/20 - 9/30/24	50,000	7,472		26,694	(40,497)	21,275	
COVID 19 - ARP Evidence Based Summer Learning	84.425U	S425U210027	3/13/20 - 9/30/24	40,000	51		13,892	(13,841)		
COVID 19 - ARP Evidence Based Beyond the School Day	84.425U	S425U210027	3/13/20 - 9/30/24	40,000			3,450	(3,450)		
COVID 19 - ARP NJTSS Mental Health Support Staffing	84.425U	S425U210027	3/13/20 - 9/30/24	45,000		\$ 2,066	2,934	(9,574)	4,574	
COVID 19 - ARP GEER: NJ High Impact Tutoring Grant	84.425C	E2400298	10/11/23 - 8/31/24	38,000			38,000	(38,000)		
Total CARES Cluster					55,046	2,066	138,400	(111,269)	25,849	
Total U.S Department of Education/ Special Revenue Fund					63,576	2,066	254,990	(258,223)	64,743	

HAMBURG BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass Through Grantor Program/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2023			Balance at June 30, 2024		
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Cash Received	Budgetary Expenditures	Budgetary Accounts Receivable	Budgetary Unearned Revenue
Enterprise Fund:										
U.S. Department of Agriculture:										
Child Nutrition Cluster:										
Food Distribution Program	10.555	N/A	7/1/23 - 6/30/24	\$ 14,887			\$ 14,887	\$ (14,672)		\$ 215
Food Distribution Program	10.555	N/A	7/1/22 - 6/30/23	9,262				(519)		
School Breakfast Program	10.553	N/A	7/1/23 - 6/30/24	9,294			8,699	(9,294)	\$ 595	
School Breakfast Program	10.553	N/A	7/1/22 - 6/30/23	8,038	\$ 639		639			
National School Lunch Program	10.555	N/A	7/1/23 - 6/30/24	40,149			37,500	(40,149)	2,649	
National School Lunch Program	10.555	N/A	7/1/22 - 6/30/23	43,015	3,110		3,110			
Healthy Hunger-Free Kids Act	10.555	N/A	7/1/23 - 6/30/24	1,518			1,422	(1,518)	96	
Healthy Hunger-Free Kids Act	10.555	N/A	7/1/22 - 6/30/23	1,581	114		114			
COVID 19 - Supply Chain Assistance	10.555	N/A	7/1/22 - 6/30/24	36,485		8,512	10,493	(13,743)		5,262
Total Child Nutrition Cluster					3,863	9,031	76,864	(79,895)	3,340	5,477
Local Food for Schools (LFS) Cooperative Program	10.185	N/A	7/1/23 - 6/30/24	1,100			1,100	(1,100)		
COVID 19 - P-EBT Administrative Cost	10.649	N/A	7/1/23 - 6/30/24	653			653	(653)		
Total U.S. Department of Agriculture/Enterprise Fund					3,863	9,031	78,617	(81,648)	3,340	5,477
Total Federal Awards					\$ 67,439	\$ 11,097	\$ 333,607	\$ (339,871)	\$ 68,083	\$ 5,477
										\$ -0-

N/A - Information is not available/applicable.

HAMBURG BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2023			Balance June 30, 2024			MEMO	
				Budgetary Accounts Receivable	Budgetary Deferred Revenue	Cash Received	Budgetary Expenditures	GAAP Accounts Receivable	Budgetary Unearned Revenue	Budgetary Accounts Receivable	Cumulative Total Expenditures
General Fund:											
Equalization Aid	23-495-034-5120-078	7/1/22 - 6/30/23	\$ 807,239	\$ 76,569		\$ 76,569	\$ (857,681)			\$ 84,448	\$ 807,239
Special Education Aid	23-495-034-5120-089	7/1/22 - 6/30/23	197,985	18,779		18,779	178,491			19,494	197,985
Security Aid	23-495-034-5120-084	7/1/22 - 6/30/23	30,047	2,850		2,850	27,089			2,958	30,047
Adjustment Aid	23-495-034-5120-085	7/1/22 - 6/30/23	217,227	20,605		20,605	195,839			21,388	217,227
Extraordinary Aid	23-495-034-5120-044	7/1/22 - 6/30/23	31,533	31,533		31,533	(34,114)	\$ 34,114		34,114	34,114
Transportation Aid	23-495-034-5120-014	7/1/22 - 6/30/23	44,903	4,259		4,259	(44,903)			4,422	44,903
Non Public Transportation	23-495-034-5120-014	7/1/22 - 6/30/23	1,872	1,872		1,872					1,872
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	7/1/22 - 6/30/23	212,685	20,404		20,404					212,685
Equalization Aid	24-495-034-5120-078	7/1/23 - 6/30/24	857,681			773,233	\$ (857,681)			\$ 84,448	857,681
Special Education Aid	24-495-034-5120-089	7/1/23 - 6/30/24	197,985			178,491	(197,985)			19,494	197,985
Security Aid	24-495-034-5120-084	7/1/23 - 6/30/24	30,047			27,089	(30,047)			2,958	30,047
Adjustment Aid	24-495-034-5120-085	7/1/23 - 6/30/24	217,227			195,839	(217,227)			21,388	217,227
Extraordinary Aid	24-495-034-5120-044	7/1/23 - 6/30/24	34,114			40,481	(34,114)	\$ 34,114		34,114	34,114
Transportation Aid	24-495-034-5120-014	7/1/23 - 6/30/24	44,903				(44,903)			4,422	44,903
Non Public Transportation	24-495-034-5120-014	7/1/23 - 6/30/24	3,567				(3,567)	3,567		3,567	3,567
Reimbursed TPAF Social Security Contributions	24-495-034-5094-003	7/1/23 - 6/30/24	207,036			196,687	(207,036)	10,349		10,349	207,036
On-Behalf TPAF Post Retirement Contributions	24-495-034-5094-001	7/1/23 - 6/30/24	287,063			287,063	(287,063)				287,063
On-Behalf TPAF Long Term Disability Insurance Contributions	24-495-034-5094-004	7/1/23 - 6/30/24	430			430	(430)				430
On-Behalf TPAF Pension Contributions	24-495-034-5094-002	7/1/23 - 6/30/24	1,042,852			1,042,852	(1,042,852)				1,042,852
On-Behalf TPAF Non-Contributory Insurance	24-495-034-5094-003	7/1/23 - 6/30/24	11,893			11,893	(11,893)				11,893
Total General Fund State Aid				176,871		2,930,929	(2,934,798)	48,030		180,740	4,478,289
Special Revenue Fund:											
Preschool Education Aid Grant	24-495-034-5120-086	7/1/23 - 6/30/24	727,550			655,915	(576,076)		\$ 151,474	71,635	576,076
Preschool Education Aid Grant	23-495-034-5120-086	7/1/22 - 6/30/24	577,290	54,757	\$ 14,592	54,757			14,592		562,698
Preschool Education Aid Grant	22-495-034-5120-086	7/1/21 - 6/30/24	579,984	54,757	108,114		(108,114)				579,984
				54,757	122,706	710,672	(684,190)		166,066	71,635	1,718,758
School Development Authority:											
Emergent and Capital Maintenance Needs Grant	N/A	7/1/23 - 6/30/24	5,974			5,974	(5,974)				5,974
Total Special Revenue Fund				54,757	122,706	716,646	(690,164)		166,066	71,635	1,724,732
Enterprise Fund:											
State School Lunch Program	24-100-010-3350-023	7/1/23 - 6/30/24	1,696			1,589	(1,696)	107		107	1,696
State School Lunch Program	23-100-010-3350-023	7/1/23 - 6/30/24	2,223	133		133					2,223
State School Breakfast Program	24-100-010-3350-023	7/1/23 - 6/30/24	100			91	(100)	9		9	100
State School Breakfast Program	23-100-010-3350-023	7/1/23 - 6/30/24	138	7		7					138
Total Enterprise Fund				140		1,820	(1,796)	116		116	4,157

HAMBURG BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2023			Balance June 30, 2024			MEMO	
				Budgetary Accounts Receivable	Budgetary Deferred Revenue	Cash Received	Budgetary Expenditures	GAAP Accounts Receivable	Budgetary Unearned Revenue	Budgetary Accounts Receivable	Cumulative Total Expenditures
Debt Service Fund:											
School Building Aid	24-495-034-5120-017	7/1/23 - 6/30/24	\$ 87,057			\$ 87,057	\$ (87,057)				\$ 87,057
Total Debt Service Fund						87,057	(87,057)				87,057
Total State Awards				\$ 231,768	\$ 122,706	\$ 3,736,452	\$ (3,713,815)	\$ 48,146	\$ 166,066	\$ 252,491	\$ 6,294,235
Less: On-Behalf TPAF Pension System Contributions:											
On-Behalf TPAF Post Retirement Contributions	24-495-034-5094-001	7/1/23 - 6/30/24	\$ (287,063)				\$ 287,063				
On-Behalf Long Term Disability Insurance Contributions	24-495-034-5094-004	7/1/23 - 6/30/24	(430)				430				
On-Behalf TPAF Pension Contributions	24-495-034-5094-002	7/1/23 - 6/30/24	(1,042,852)				1,042,852				
On-Behalf TPAF Non-Contributory Insurance	24-495-034-5094-003	7/1/23 - 6/30/24	(11,893)				11,893				
Subtotal - On-Behalf TPAF Pension System Contributions							1,342,238				
Total State Awards (Net of On-Behalf TPAF Pension System Contributions)							\$ (2,371,577)				

HAMBURG BOROUGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the “Schedules”) include the federal and state grant activity of the Hamburg Borough School District under programs of the federal and state governments for the fiscal year ended June 30, 2024. The information in these schedules is presented in accordance with the requirements of 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 New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the Borough, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented on the accrual basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. INDIRECT COST RATE

The District has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4. 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 last two state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes these payments are not recognized until the subsequent budget year due to the state deferral and recording of the last two 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 revenue, whereas the GAAP basis does not. The Special Revenue Fund also does not recognize the June state aid payments in the current year.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$9,648) for the General Fund and (\$16,878) for the Special Revenue Fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds.

HAMBURG BOROUGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 2,925,150	\$ 2,925,150
Special Revenue Fund	\$ 258,223	673,286	931,509
Debt Service Fund		87,057	87,057
Food Service Fund	81,648	1,796	83,444
	<u>\$ 339,871</u>	<u>\$ 3,687,289</u>	<u>\$ 4,027,160</u>

NOTE 5. 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 6. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2024. Revenue and expenditures reported under the Federal Food Distribution Program represent current fiscal year value received and current fiscal year distributions, respectively.

HAMBURG BOROUGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP.

Unmodified

Internal control over financial reporting:

1.) Material weakness identified?	Yes	X	No
2.) Significant deficiencies identified?	Yes	X	None reported
Noncompliance material to basic financial statements noted?	Yes	X	No

Federal Awards

The District was not subject to the single audit provisions of the Uniform Guidance for the fiscal year ended June 30, 2024 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Uniform Guidance.

State Awards

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

Unmodified

Internal control over major programs:

1.) Material weakness identified?	Yes	X	No
2.) Significant deficiencies identified?	Yes	X	None reported
Noncompliance material to basic financial statements noted?	Yes	X	No

Any audit findings disclosed that are required to be reported in accordance with New Jersey's OMB Circular 15-08?

Yes	X	No
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Identification of major programs:

Program Name or Cluster	State Grant No.	Grant Period		Award Amount	Budgetary Expenditures
		Start	End		
State Aid Public:					
Special Education Aid	24-495-034-5120-089	7/1/23	6/30/24	\$ 197,985	\$ 197,985
Security Aid	24-495-034-5120-084	7/1/23	6/30/24	30,047	30,047
Equalization Aid	24-495-034-5120-078	7/1/23	6/30/24	857,681	857,681
Adjustment Aid	24-495-034-5120-085	7/1/23	6/30/24	217,227	217,227

Dollar threshold used to distinguish between Type A and B programs	\$ 750,000
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Auditee qualified as low-risk auditee?	Yes	X	No
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HAMBURG BOROUGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Status of Prior Year Findings:

There were no prior year audit findings.