

School District of
TOWN OF HAMMONTON BOARD OF EDUCATION

Town of Hammonton Board of Education
Hammonton, New Jersey

ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2024

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



YEAR ENDED JUNE 30, 2024

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

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INTRODUCTORY SECTION

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Hammonton Board of Education

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ROBIN CHIECO
Superintendent of Schools

BARBARA S. PRETTYMAN
Business Administrator/Board Secretary

January 13, 2025

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

Dear Board Members:

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

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

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

The District provides a full range of educational services appropriate to grade levels Pre-K through twelve. These include regular as well as special education for handicapped children. The District completed the 2023-2024 fiscal year with an average daily enrollment of 3,272 students, which is 69 students below the previous year's average daily enrollment. The following details the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2023-2024	3,272	(2.07)
2022-2023	3,341	.57
2021-2022	3,322	(1.51)
2020-2021	3,373	(3.02)
2019-2020	3,478	(1.05)
2018-2019	3,515	.57
2017-2018	3,495	(2.40)
2016-2017	3,581	(1.02)
2015-2016	3,627	1.01
2014-2015	3,585	(.97)

2) ECONOMIC CONDITION AND OUTLOOK: The NJ Department of Education provides an analysis of 2023-2024 Budgeted Costs Amount Per Pupil. Hammonton spends \$16,583 and is one of the lowest spending districts in the state. The cost per pupil has increased over the past few years due to additional aid revenue received. In addition, ARP-ESSER Funds have also allowed for the purchase of additional resources and supplemental programs to assist in meeting the needs of students. To maintain our current programs, we must increase staff in key areas such as bilingual/ESL (MLL). It is also a struggle to find qualified applicants to replace retiring staff.

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

3) MAJOR INITIATIVES: For the 2024-2025 school year, Hammonton continues to maintain the 1:1 initiative for students to devices as part of our regular instructional program by purchasing Chromebooks to enhance instruction. All staff utilize Google Classroom to post assignments and to reduce the amount of paper copies required. In addition, teaching staff incorporate various technology tools such as Pear Deck, IXL, and Edpuzzle to enhance instruction. LinkIt continues to be utilized to measure student growth through benchmarking as well as the Intervention Manager as a component of MTSS. PBSIS continues to be successful at High School and Middle School to improve school climate. As always, mental health assistance continues to be a major initiative for the 2024-2025 school year. The District was awarded a

Bipartisan Safer Communities Act-Stronger Connections Grant in the amount of \$1.38 million. Effective School Solutions was contracted to work with the District to provide 4 additional clinicians to deliver Tier 3 counseling services within the four buildings. This will allow for additional students to receive Tier 1 and Tier 2 services with existing staff. As students are exhibiting behaviors associated with trauma and other mental health concerns, the additional services are meeting the needs of more students, as well as supporting families. Since the Bipartisan Safer Communities Act-Stronger Connection Grant runs out at the end of the 2024-2025 school year, the District will need to hire additional counselors in order to maintain adequate mental health assistance for our student body. We are dedicated to providing an educational environment that develops, fosters and enhances student achievement and well-being with a mission to provide educational opportunities and supports that inspire students to achieve their full academic, social and civic potential.

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

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

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

Professional Development: The Hammonton School District is committed to providing teachers with resources to refine subject matter mastery and expertise needed to allow students to function as independent learners and problem-solvers. Three professional development days are used to begin the school year for additional opportunities to enhance skills and incorporate new materials into classroom instructional practices along with a CPI training for designated staff. Two additional professional development days are utilized during the school year for program evaluations and data analysis. Teacher-led teams are supported by supervisors and principals to provide professional development that is aligned to the district's mission and goals of providing educational opportunities that inspire students to achieve their full academic, social and civic potential. Our professional development committees survey our teachers and identify areas of

interest and concerns. Based on these findings, highly effective in-service training has been implemented to meet the needs of our professional staff. Throughout the 2024-2025 school year, training will be provided on mental health and wellness, student engagement, implementation of IXL, and Go Math. ELA teachers in grades 6-12 will also participate in the Literacy Consortium at Rowan University. In addition, building level teams have been established to implement student-support instructional practices throughout the district to better meet student needs and to include equity awareness.

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

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2024.

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

7) DEBT ADMINISTRATION: At June 30, 2024, the District's outstanding debt issues included \$13,145,000 of general obligation bonds. The proceeds of the bond issues were used to provide funds for the construction of the High School and Early Childhood Center and also for capital improvements to the W.E.S. Elementary School.

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

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

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

10) OTHER INFORMATION:

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

11) ACKNOWLEDGMENTS:

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

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Thomas Ramsay', with a stylized, flowing script.

Thomas Ramsay
Superintendent

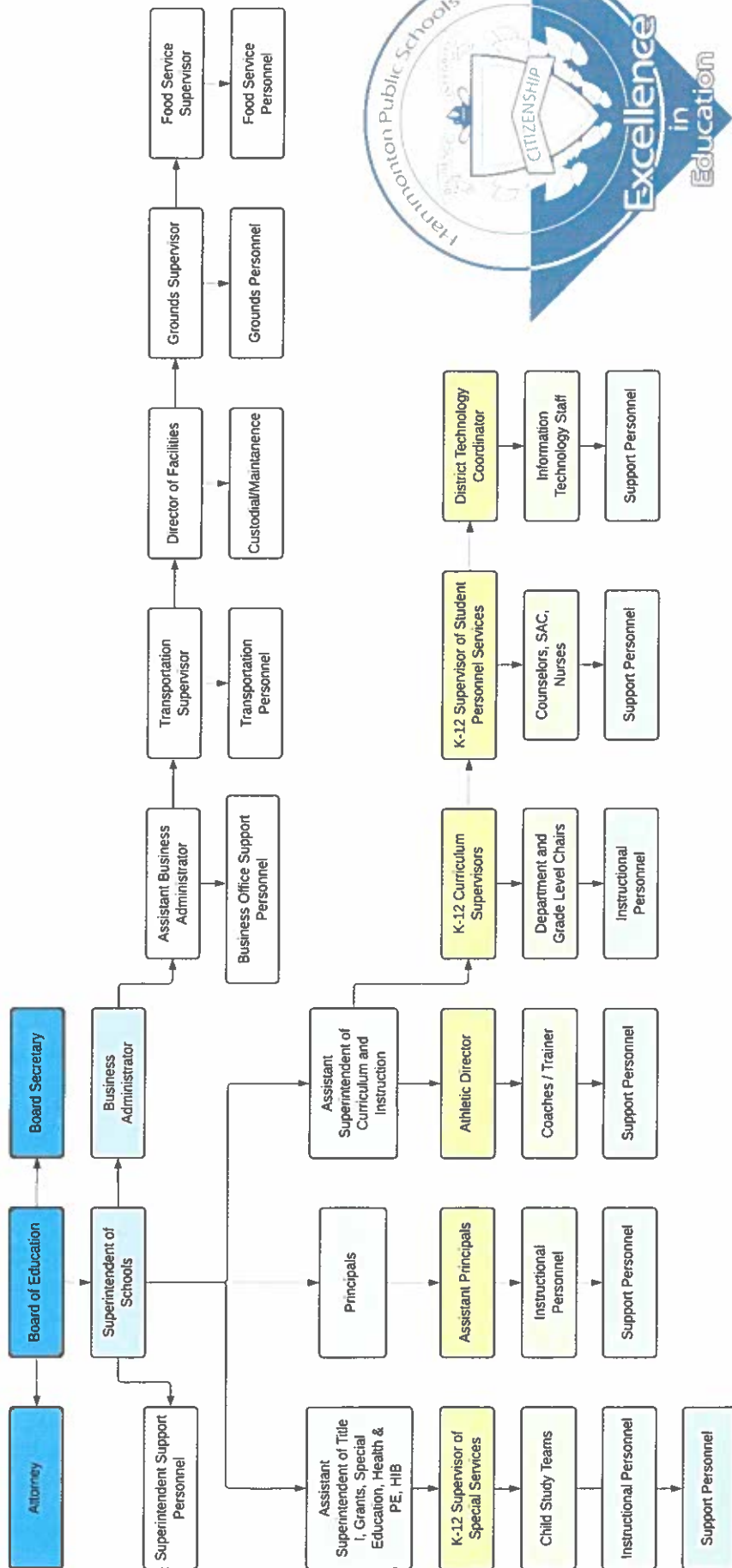
A handwritten signature in blue ink, appearing to read 'B. S. Prettyman', with a more formal, cursive style.

Barbara S. Prettyman
School Business Administrator/Board Secretary

HAMMONTON PUBLIC SCHOOLS

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www.hammontonschools.org



**TOWN OF HAMMONTON SCHOOL DISTRICT
HAMMONTON, NEW JERSEY
ROSTER OF OFFICIALS
JUNE 30, 2024**

Members of the Board of Education

TERM EXPIRES

John Lyons, President	2025
Luke Coia, Vice President	2024
Thomas Attanasi	2024
Barbara Berenato	2025
Linda Byrnes	2025
Kelly Donio	2024
Kelli Fallon	2026
Mickey Pullia	2026
Ray Scipione	2026
Roe Hunter	2024
John Thomas	2024
Jordyn Colasurdo, Student Representative	2024

Other Officials

Thomas Ramsay, Superintendent of Schools

Barbara S. Prettyman School Business Administrator/Board Secretary

William Donio, Esq., Solicitor

**TOWN OF HAMMONTON SCHOOL DISTRICT
HAMMONTON, NEW JERSEY
CONSULTANTS AND ADVISORS
JUNE 30, 2024**

AUDITOR/AUDIT FIRM

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FINANCIAL SECTION

Second Section

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Hammonton School District, County of Atlantic, State of New Jersey, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the School District as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2025 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Lakewood, New Jersey
January 13, 2025

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Town of Hammonton School District ("District") annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2024. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statement.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the fiscal year by \$28,175,840. This amount represents net position, which increased by \$6,846,310 from the previous year end.
- The District's total net position of governmental activities totaled \$26,982,144.
- General revenues accounted for \$66,343,574 in revenue, or 73% of all revenues. Program specific revenues in the form of charges for services, operating grants, contributions and capital grants accounted for \$24,843,693 or 27% to total revenues of \$91,187,267.
- Total assets of governmental activities increased by \$1,003,471 made up of changes in cash and cash equivalents, various receivables and capital assets.
- The District had \$82,319,017 in governmental expenses, of which \$23,031,982 of these expenses was offset by program specific charges for services, grants or contributions. General revenues, primarily Federal and State aid and property taxes of \$66,330,868 adequately provided for governmental activity programs.
- The General Fund had \$75,467,095 in revenues, \$293,386 in other financing sources and \$71,352,752 in expenditures. As a result, the General Fund balance increased by \$4,407,729.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

Government-wide Statements

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

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

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

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

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

Fund Financial Statements

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

The District has two kinds of funds:

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

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

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

Table 1 provides a comparative summary of the School District's net position for the years ended in 2024 and 2023.

	Table 1 Net Position	
	<u>2024</u>	<u>2023</u>
Assets		
Current and other assets	\$18,934,394	\$18,231,857
Capital assets, net	37,893,867	37,592,933
Total assets	56,828,261	55,824,790
Deferred Outflows	1,352,867	1,912,045
Liabilities		
Long-term liabilities	23,482,746	26,184,936
Other liabilities	5,043,955	68,163,413
Total liabilities	28,526,701	34,348,349
Deferred Inflows	1,478,588	2,058,956
Net position		
Invested in capital assets	24,626,642	22,792,706
Restricted	14,033,108	10,688,599
Unrestricted	(10,483,910)	(12,151,775)
Total net position	\$28,175,840	\$21,329,530

Table 2
Changes in Net Position

	<u>2024</u>	<u>2023</u>
Revenues		
Program Revenues		
Charges for Services	\$12,155,011	\$9,869,140
Operating Grants and Contributions	12,688,682	17,300,758
General Revenues		
Property Taxes	20,149,897	19,982,897
Grants and Entitlements	45,211,143	42,113,186
Other	982,534	637,535
Total Revenues	<u>91,187,267</u>	<u>89,903,516</u>
 Program Expenses		
Instruction	47,787,470	45,526,180
Support Services		
Tuition	3,356,026	3,419,702
Pupils and Instructional Staff	11,738,984	10,713,496
General Administration, School		
Administration, Business	7,866,656	7,437,045
Operation and Maintenance	6,835,996	6,567,575
Pupil Transportation	4,273,234	4,370,133
Interest on Debt	460,651	517,913
Business Type Activities	2,021,940	1,890,169
Total Expenses	<u>84,340,957</u>	<u>80,442,212</u>
 Increase (Decrease) in Net Position	<u>\$6,846,310</u>	<u>\$9,461,304</u>

Business-type Activities

The District's business-type activities net position decreased \$197,523 from the previous year end. Operating and non-operating revenues decreased \$92,505 and expenses increased by \$131,771 over the prior year.

Governmental Activities

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

Table 3

	<u>Total Cost of</u> <u>Services 2024</u>	<u>Net Cost of</u> <u>Services 2024</u>	<u>Total Cost of</u> <u>Services 2023</u>	<u>Net Cost of</u> <u>Services 2023</u>
Revenues				
Instruction	\$47,787,470	\$28,967,487	\$45,526,180	\$25,631,909
Support services:				
Tuition	3,356,026	3,356,026	3,419,702	3,419,702
Pupils and instructional staff	11,738,984	9,231,723	10,713,495	8,105,545
General Administration, School				
Administration, Business	7,866,656	6,711,417	7,437,045	5,690,565
Plant operations/maintenance	6,835,996	6,596,347	6,567,575	6,072,108
Pupil transportation	4,273,234	3,963,384	4,370,133	3,848,619
Interest on long term debt	460,651	460,651	517,913	517,913
Total expenses	\$82,319,017	\$59,287,035	\$78,458,868	\$53,164,150

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The School District's major funds are accounted for using the modified accrual basis of accounting. All governmental funds had total net revenues \$83,475,615 and expenditures of \$79,025,517. The net change in fund balance for the year was an increase of \$4,450,098.

General Fund Budgetary Highlights

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

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2024, the District had invested \$37.8 million in a broad range of capital assets, including land, buildings, improvements, machinery and equipment.

	Governmental		Business-type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Land	\$324,908	\$324,908	\$ -	\$ -	\$324,908	\$324,908
Construction in progress	5,454,515	5,215,057	-	-	5,454,515	5,215,057
Site improvements	2,869,692	1,846,765	-	-	2,869,692	1,846,765
Bldgs and Bldg impr.	25,814,777	27,026,114	-	-	25,814,777	27,026,114
Machinery & equipment	2,730,769	2,559,888	577,647	538,236	3,308,416	3,098,124
Right-to-use lease assets	121,559	81,965	-	-	121,559	81,965
Total	\$37,316,220	\$37,054,697	\$577,647	\$538,236	\$37,893,867	\$37,592,933

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

Long-term Obligations

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

	Balance 6/30/23	Increased	Decreased	Balance 6/30/24
Governmental Activities				
Bonds payable	\$14,715,000	\$ -	\$1,570,000	\$13,145,000
Right-to-use lease liability	85,228	78,381	41,384	122,225
Compensated absences				
Payable	3,687,183	167,980	-	3,855,163
Total Governmental Activities	<u>\$18,487,411</u>	<u>\$246,361</u>	<u>\$1,611,384</u>	<u>\$17,122,388</u>
Business-type Activities				
Compensated absences				
Payable	\$44,286	\$5,308	\$ -	\$49,594
Total Business-type Activities	<u>\$44,286</u>	<u>\$5,308</u>	<u>\$ -</u>	<u>\$49,594</u>

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

The legal debt limit for the District is \$64,835,508 of which \$51,690,508 or 79.73% is available to be authorized by voter approval.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Mitigation of pandemic risks have resulted in a significant strain on the school district and the local taxpayers. The 2024-2025 state aid funding increase was significant however, based on the current state of the economy, we are unable to predict what the future holds as far as future state aid allocations.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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TOWN OF HAMMONTON SCHOOL DISTRICT

Statement of Net Position

June 30, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 15,322,931	\$ 598,736	\$ 15,921,667
Receivables, net	8,536	-	8,536
Due from other governments	2,944,457	54,295	2,998,752
Internal balances	(41,893)	41,893	-
Inventory	-	5,439	5,439
Capital assets not being depreciated:			
Land and CIP	5,779,423	-	5,779,423
Capital assets, net of accumulated depreciation and amortization	31,536,797	577,647	32,114,444
Total Assets	<u>55,550,251</u>	<u>1,278,010</u>	<u>56,828,261</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Deferred Outflows	<u>1,352,867</u>	<u>-</u>	<u>1,352,867</u>
LIABILITIES			
Accounts payable	1,458,449	29,186	1,487,635
Accrued interest payable	175,719	-	175,719
Intergovernmental payable	20,966	-	20,966
Unearned revenue	1,195,304	5,534	1,200,838
Net Pension Liability	8,469,561	-	8,469,561
Noncurrent liabilities:			
Due within one year	1,658,797	-	1,658,797
Due beyond one year	15,463,591	49,594	15,513,185
Total liabilities	<u>28,442,387</u>	<u>84,314</u>	<u>28,526,701</u>
DEFERRED INFLOWS OF RESOURCES			
Refunding of Long Term Debt	346,719	-	346,719
Pension Deferred Inflows	1,131,869	-	1,131,869
	<u>1,478,588</u>	<u>-</u>	<u>1,478,588</u>
NET POSITION			
Net investment in capital assets	24,048,995	577,647	24,626,642
Restricted for:			
Capital Reserve	7,250,701	-	7,250,701
Maintenance Reserve	2,582,478	-	2,582,478
Emergency Reserve	341,445	-	341,445
Unemployment Compensation	530,750	-	530,750
Excess Surplus	2,739,696	-	2,739,696
Scholarships	140,624	-	140,624
Student Activities	447,414	-	447,414
Unrestricted (Deficit)	(11,099,959)	616,049	(10,483,910)
Total net position	<u>\$ 26,982,144</u>	<u>\$ 1,193,696</u>	<u>\$ 28,175,840</u>

See Accompanying Notes to the Financial Statements

TOWN OF HAMMONTON SCHOOL DISTRICT

Statement of Activities

For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities
Governmental activities:						
Instruction:						
Regular	\$ 26,442,851	\$ 11,872,356	\$ 11,386,517	\$ 6,718,833	\$ (20,209,857)	\$ (20,209,857)
Special education	3,518,600	1,465,037	-	453,749	(4,529,888)	(4,529,888)
Other instruction	3,048,638	1,439,988	-	260,884	(4,227,742)	(4,227,742)
Support services:						
Tuition	3,356,026	-	-	-	(3,356,026)	(3,356,026)
Student & instruction related services	8,891,348	2,847,636	-	2,507,261	(9,231,723)	(9,231,723)
School administrative services	3,156,365	1,498,421	-	1,019,742	(3,635,044)	(3,635,044)
General administrative services	1,207,822	198,791	-	36,015	(1,370,598)	(1,370,598)
Plant operations and maintenance	5,513,218	1,322,778	-	239,649	(6,596,347)	(6,596,347)
Pupil transportation	3,202,968	1,070,266	115,949	193,901	(3,963,384)	(3,963,384)
Business and other support services	1,256,150	549,107	-	99,482	(1,705,775)	(1,705,775)
Unallocated benefits	22,305,762	(22,305,762)	-	-	-	-
Interest on long-term debt	460,651	-	-	-	(460,651)	(460,651)
Total governmental activities	82,360,399	(41,382)	11,502,466	11,529,516	(59,287,035)	(59,287,035)
Business-type activities:						
Food Service	2,013,480	-	652,545	1,159,166	-	(201,769)
After School Program	8,460	-	-	-	-	(8,460)
Total business-type activities	2,021,940	-	652,545	1,159,166	-	(210,229)
Total primary government	\$ 84,382,339	\$ (41,382)	\$ 12,155,011	\$ 12,688,682	\$ (59,287,035)	\$ (59,497,264)
General revenues:						
Taxes:						
Property taxes, levied for general purposes, net					18,487,722	18,487,722
Taxes levied for debt service					1,662,175	1,662,175
Federal and State aid not restricted					45,211,143	45,211,143
Investment Earnings					429,719	442,425
Miscellaneous Income					105,374	105,374
Prior year encumbrances					155,428	155,428
Refund prior year expenditures					197,807	197,807
Capital Lease Income					81,500	81,500
Total general revenues, special items, extraordinary items and transfers					66,330,868	66,343,574
Change in Net Position					7,043,833	6,846,310
Net Position, July 1					19,938,311	21,329,530
Net Position—ending					\$ 26,982,144	\$ 28,175,840

B. Fund Financial Statements

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Governmental Funds

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TOWN OF HAMMONTON SCHOOL DISTRICT

Balance Sheet
Governmental Funds
June 30, 2024

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 7,484,192	\$ 588,038	\$ 8,072,230
Capital reserve cash	7,250,701	-	7,250,701
Interfund accounts receivable	557,419	-	557,419
Receivables, net	8,536	-	8,536
Receivables from other governments	788,220	2,156,237	2,944,457
Total assets	<u>\$ 16,089,068</u>	<u>\$ 2,744,275</u>	<u>\$ 18,833,343</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 759,366	\$ 699,083	\$ 1,458,449
Interfund payable	133,852	465,460	599,312
Due to other governments	-	20,966	20,966
Unearned revenue	56,000	1,139,303	1,195,303
Total liabilities	<u>949,218</u>	<u>2,324,812</u>	<u>3,274,030</u>
Fund Balances:			
Restricted:			
Capital Reserve	7,250,701	-	7,250,701
Maintenance Reserve	2,582,478	-	2,582,478
Emergency Reserve	341,445	-	341,445
Unemployment Compensation	530,750	-	530,750
Excess Surplus	2,739,696	-	2,739,696
Scholarships	-	140,624	140,624
Student Activities	-	447,414	447,414
Assigned:			
Designated for subsequent year's expenditures	2,248,434	-	2,248,434
Unassigned:			
General fund	(553,654)	-	(553,654)
Special revenue fund (deficit)	-	(168,575)	(168,575)
Total Fund balances	<u>15,139,850</u>	<u>419,463</u>	<u>15,559,313</u>
Total liabilities and fund balances	<u>\$ 16,089,068</u>	<u>\$ 2,744,275</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$77,501,681, and the accumulated depreciation is \$40,185,461. 37,316,220

Deferred outflows and deferred inflows related to pensions represent the consumption and acquisition, respectively, of resources that relate to future periods; therefore, such amounts are not reported in the fund financial statements. 220,998

Amounts payable related to pensions are not liquidated with current financial resources; therefore, such amounts are not recorded in the fund financial statements. (8,469,561)

Accrued interest payments on long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. (175,719)

Deferred inflows of resources related to the loss on Bond Refunding of Debt are applicable to future periods and therefore are not reported in the funds. (346,719)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the current period and therefore are not reported in the funds. (17,122,388)

Net position of governmental activities \$ 26,982,144

TOWN OF HAMMONTON SCHOOL DISTRICT
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Local tax levy	\$ 18,487,722	\$ -	\$ 1,662,175	\$ 20,149,897
Tuition from LEAs within State	11,350,969	-	-	11,350,969
Tuition from other governmental sources within State	35,548	-	-	35,548
Transportation fees from other leas	115,949	-	-	115,949
Interest earned on capital reserves	173,826	-	-	173,826
interest	222,893	-	-	222,893
Miscellaneous	105,374	-	-	105,374
Local sources	-	932,455	-	932,455
State sources	44,853,166	1,581,072	269,329	46,703,567
Federal sources	88,648	3,128,754	-	3,217,402
Total revenues	<u>75,467,095</u>	<u>5,642,281</u>	<u>1,931,504</u>	<u>83,040,880</u>
EXPENDITURES				
Current:				
Regular instruction	18,934,978	2,657,519	-	21,592,497
Special education instruction	2,965,782	-	-	2,965,782
Other instruction	2,690,379	-	-	2,690,379
Support services and undistributed costs:				
Tuition	3,345,325	-	-	3,345,325
Student & instruction related services	6,191,523	1,646,879	-	7,838,402
General administrative services	1,158,364	-	-	1,158,364
School administrative services	2,035,297	622,496	-	2,657,793
Plant operations and maintenance	5,020,963	-	-	5,020,963
Pupil transportation	2,936,693	-	-	2,936,693
Business and other support services	1,220,709	-	-	1,220,709
Unallocated Benefits	22,709,318	448,829	-	23,158,147
Transfer to Charter School	10,701	-	-	10,701
Debt service:				
Principal	-	-	1,570,000	1,570,000
Interest and other charges	-	-	474,282	474,282
Capital outlay	2,132,720	252,760	-	2,385,480
Total expenditures	<u>71,352,752</u>	<u>5,628,483</u>	<u>2,044,282</u>	<u>79,025,517</u>
Excess (Deficiency) of revenues over expenditures	<u>4,114,343</u>	<u>13,798</u>	<u>(112,778)</u>	<u>4,015,363</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	28,572	112,777	141,349
Transfers out	(141,349)	-	-	(141,349)
Financing agreement income	81,500	-	-	81,500
Refund prior year expenditures	197,807	-	-	197,807
Prior year encumbrances	155,428	-	-	155,428
Total other financing sources and uses	<u>293,386</u>	<u>28,572</u>	<u>112,777</u>	<u>434,735</u>
Net change in fund balances	<u>4,407,729</u>	<u>42,370</u>	<u>(1)</u>	<u>4,450,098</u>
Fund balance—July 1 (deficit)	10,732,121	377,093	1	11,109,215
Fund balance—June 30 (deficit)	<u>\$ 15,139,850</u>	<u>\$ 419,463</u>	<u>\$ -</u>	<u>\$ 15,559,313</u>

See Accompanying Notes to the Financial Statements

TOWN OF HAMMONTON SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2024

Total net change in fund balances - governmental funds (from B-2) **\$4,450,098**

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

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

Depreciation expense	\$ (2,000,394)	
Amortization expense	(38,787)	
Right-to-use asset additions	78,381	
Capital outlays	2,222,323	261,523

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

Serial Bonds	1,570,000	
Obligations under Leases	41,384	1,611,384

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

Proceeds of Obligations under Leases		(78,381)
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Amortization of premium on bond refunding in the statement of activities.		101,172
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Payment of accrued interest on long term debt is an expenditure in the governmental funds, but the payment reduces the liability in the statement of net position and is not reported in the statement of activities.		13,631
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Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period.

852,386

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

(167,980)

Change in net position of governmental activities

\$7,043,833

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Proprietary Funds

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TOWN OF HAMMONTON SCHOOL DISTRICT

Statement of Net Position

Proprietary Funds

June 30, 2024

	Business-type Activities - Enterprise Funds		
	Food Service	Latchkey Program (Non Major Fund)	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 542,742	\$ 55,994	\$ 598,736
Accounts receivable	54,295	-	54,295
Interfund accounts receivable	133,852	-	133,852
Inventories	5,439	-	5,439
Total current assets	<u>736,328</u>	<u>55,994</u>	<u>792,322</u>
Noncurrent assets:			
Furniture, machinery & equipment	1,353,325	137,816	1,491,141
Less accumulated depreciation	<u>(813,472)</u>	<u>(100,022)</u>	<u>(913,494)</u>
Total noncurrent assets	<u>539,853</u>	<u>37,794</u>	<u>577,647</u>
Total assets	<u>\$ 1,276,181</u>	<u>\$ 93,788</u>	<u>\$ 1,369,969</u>
LIABILITIES			
Current liabilities:			
Interfund Accounts Payable	\$ 91,959	\$ -	\$ 91,959
Accounts Payable	29,186	-	29,186
Unearned Revenue	5,534	-	5,534
Compensated absences	49,594	-	49,594
Total current liabilities	<u>176,273</u>	<u>-</u>	<u>176,273</u>
Total liabilities	<u>176,273</u>	<u>-</u>	<u>176,273</u>
NET POSITION			
Net investment in capital assets	539,853	37,794	577,647
Unrestricted	560,055	55,994	616,049
Total net position	<u>\$ 1,099,908</u>	<u>\$ 93,788</u>	<u>\$ 1,193,696</u>

See Accompanying Notes to the Financial Statements

TOWN OF HAMMONTON SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2024

	Business-type Activities - Enterprise Fund		
	Food Service	Latchkey Program (Non Major Fund)	Total Enterprise
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$ 389,047	\$ -	\$ 389,047
Daily sales - non-reimbursable programs	238,076	-	238,076
Special functions	6,187	-	6,187
Miscellaneous	19,235	-	19,235
Total operating revenues	652,545	-	652,545
Operating expenses:			
Cost of sales-Reimbursable programs	807,620	-	807,620
Cost of sales-Nonreimbursable programs	38,858	-	38,858
Salaries	727,586	-	727,586
Employee benefits	271,889	-	271,889
General supplies & materials	93,190	-	93,190
Other costs	34,283	-	34,283
Depreciation	40,054	8,460	48,514
Total operating expenses	2,013,480	8,460	2,021,940
Operating (loss)	(1,360,935)	(8,460)	(1,369,395)
Nonoperating revenues:			
State sources:			
State school lunch program	41,321	-	41,321
State school breakfast program	5,694	-	5,694
Federal sources:			
National school lunch program	771,822	-	771,822
National school breakfast program	184,890	-	184,890
Supply Chain Assistance Award	79,944	-	79,944
P-EBT Administrative Cost	3,112	-	3,112
Food distribution program	72,383	-	72,383
Interest and investment revenue	11,803	903	12,706
Total nonoperating revenues	1,170,969	903	1,171,872
Change in net position	(189,966)	(7,557)	(197,523)
Total net position—beginning	1,289,874	101,345	1,391,219
Total net position—ending	\$ 1,099,908	\$ 93,788	\$ 1,193,696

See Accompanying Notes to the Financial Statements

TOWN OF HAMMONTON SCHOOL DISTRICT

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	Business-type Activities - Enterprise Funds		
	Food Service	Latchkey Program (Non Major Fund)	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 504,410	\$ -	\$ 504,410
Payments to employees	(1,002,019)	-	(1,002,019)
Payments to suppliers	(900,437)	(112)	(900,549)
Net cash provided/(used) by operating activities	(1,398,046)	(112)	(1,398,158)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash received from state and federal reimbursements	1,235,725	-	1,235,725
Net cash provided by non-capital financing activities	1,235,725	-	1,235,725
CASH FLOWS FROM CAPITAL AND RELATED FINANCING			
Purchases of capital assets	(69,576)	(18,349)	(87,925)
Net cash (used) by capital and related financing activities	(69,576)	(18,349)	(87,925)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	11,803	903	12,706
Net cash provided by investing activities	11,803	903	12,706
Net increase (decrease) in cash and cash equivalents	(220,094)	(17,558)	(237,652)
Balances—beginning of year	762,836	73,552	836,388
Balances—end of year	\$ 542,742	\$ 55,994	\$ 598,736
Reconciliation of operating income/(loss) to net cash provided/(used) by operating activities:			
Operating income/(loss)	\$ (1,360,935)	\$ (8,460)	\$ (1,369,395)
Adjustments to reconcile operating income(loss) to net cash provided/(used) by operating activities			
Depreciation and net amortization	40,054	8,460	48,514
Federal commodities	72,383	-	72,383
(Increase)/Decrease in accounts receivable, net	(133,852)	-	(133,852)
Decrease in inventories	2,808	-	2,808
(Decrease)/Increase in accounts payable	(1,677)	(112)	(1,789)
(Decrease)/Increase in interfund accounts payable	(7,852)	-	(7,852)
(Decrease)/Increase in unearned revenue	(14,283)	-	(14,283)
(Decrease)/Increase in compensated absences payable	5,308	-	5,308
Total adjustments	(37,111)	8,348	(28,763)
Net cash provided/(used) by operating activities	\$ (1,398,046)	\$ (112)	\$ (1,398,158)

Noncash Investing, Capital, and Financing Activities:

During the year, the District received \$72,383 of food commodities from the U.S. Department of Agriculture

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Fiduciary Fund
Not Applicable

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TOWN OF HAMMONTON SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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Town of Hammonton School District
Notes to Financial Statements
June 30, 2024

Note 1. Summary of Significant Accounting Policies

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

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

A. Reporting Entity

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

The purpose of the district is to educate students in grades K-12 as well as providing educational services for the Borough of Folsom students in grades 9-12 and the Township of Waterford students in grades 7-12. Beginning with the 2011-2012 school year the District was approved as a Choice School. The Town of Hammonton School District had an approximate enrollment at June 30, 2024 of 3,272 students.

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

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

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

Town of Hammonton School District
Notes to Financial Statements
June 30, 2024

Note 1. Summary of Significant Accounting Policies (continued)

B. Basic Financial Statements – Government Wide Statements:

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

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

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

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

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

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

Town of Hammonton School District
Notes to Financial Statements
June 30, 2024

Note 1. Summary of Significant Accounting Policies (continued)

C. Basic Financial Statements – Fund Financial Statements:

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

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

The following fund types are used by the District:

1. Governmental Funds:

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

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

Town of Hammonton School District
Notes to Financial Statements
June 30, 2024

Note 1. Summary of Significant Accounting Policies (continued)

Fund Balances – Governmental Funds

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

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

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

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

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

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

2. Proprietary Funds:

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

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

Town of Hammonton School District
Notes to Financial Statements
June 30, 2024

Note 1. Summary of Significant Accounting Policies (continued)

3. Fiduciary Funds:

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

The school district reports no fiduciary funds.

D. Basis of Accounting:

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

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

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

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

Town of Hammonton School District
Notes to Financial Statements
June 30, 2024

Note 1. Summary of Significant Accounting Policies (continued)

E. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election in November. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-2(g). Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. However, any transfer that cumulatively exceeds ten percent of the advertised budget category must receive the approval of the County Superintendent of Schools.

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

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

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

<u>Account Name</u>	<u>Amount</u>
Salaries of Teachers – Grades 6 - 8	(106,000)
Regular Programs – General Supplies	327,040
Regular Programs – Textbooks	(375,187)
Regular Programs – Home Instruction Salaries of Teachers	100,000
Multiple Disabilities – Other Salaries of Instruction	(100,000)
Emotional Regulation Impairment – Salaries of Teachers	(180,000)
Multiple Disabilities – Salaries of Teachers	(249,335)
Resource Room/Resource Center – Salaries of Teachers	164,000
Tuition to CSSD & Regional Day Schools	(312,192)
Tuition to Private Schools for the Disabled	(115,000)
Students – Extraordinary Services Salaries	113,815
Students – Extraordinary Services Purchased Professional Educational Services	(125,388)
Improvement of Instructional Services – Salaries of Supervisors of Instruction	(146,211)

Town of Hammonton School District
Notes to Financial Statements
June 30, 2024

Note 1. Summary of Significant Accounting Policies (continued)

Improvement of Instructional Services – Salaries of Other Professional Staff	152,211
Undistributed Expenditures – Support Services – Gen. Admin. – Judgements Against School District	365,000
Admin. Info Technology – Purchased Technical Services	(116,603)
Required Maintenance for School Facilities – Cleaning, Repair, and Maintenance Services	(226,549)
Equipment – School Sponsored	101,432
Equipment – General Administration	133,121
Equipment – Support Services – Admin. Info. Tech.	192,835
Equipment – Undistr. Expenditures – Care and Upkeep of Grounds	100,913
Equipment – Undistr. Expenditures – Care and Upkeep of Grounds	127,916
Facilities Acquisition and Construction Services – Architectural/Engineering Services	106,252
Facilities Acquisition and Construction Services – Construction Services	1,347,541

F. Encumbrance Accounting:

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

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

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

G. Assets, Liabilities and Equity:

Cash, Cash Equivalents and Investments

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

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

Town of Hammonton School District
Notes to Financial Statements
June 30, 2024

Note 1. Summary of Significant Accounting Policies (continued)

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

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

Investments

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

Interfund Transactions

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

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

Inventories

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

Capital Assets

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

Town of Hammonton School District
Notes to Financial Statements
June 30, 2024

Note 1. Summary of Significant Accounting Policies (continued)

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

Compensated Absences

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

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

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

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

Unearned Revenue

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

Accrued Liabilities and Long-Term Obligations

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

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

Town of Hammonton School District
Notes to Financial Statements
June 30, 2024

Note 1. Summary of Significant Accounting Policies (continued)

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation reduced by the outstanding balance of any debt used for the acquisition, construction or improvement of those assets. Net positions are reported as restricted when there are limitations imposed on their use, either through the enabling legislation adopted by the School district, or through external restrictions imposed by creditors, grantors, or law or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance Reserves

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

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

Revenues

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

Town of Hammonton School District
Notes to Financial Statements
June 30, 2024

Note 1. Summary of Significant Accounting Policies (continued)

Expenditures

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

Tuition Receivable

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

Tuition Payable

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

Management Estimates

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

Allocation of Costs

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

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2024:

- Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62.*

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

Town of Hammonton School District
Notes to Financial Statements
June 30, 2024

Note 1. Summary of Significant Accounting Policies (continued)

Accounting Pronouncements Effective in Future Reporting Periods

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

- Statement No. 101, *Compensated Absences*. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023.
- Statement No. 102, *Certain Risk Disclosures*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024.
- Statement No. 103, *Financial Reporting Model Improvements*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

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

Note 2. Investments

As of June 30, 2024, the district had no investments. However, if the District had investments they would be subject to the following risks.

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

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

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

Note 3. Cash

Custodial Credit Risk—Deposits. Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The district's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. At June 30, 2024, the carrying amount of the District's deposits (cash and cash equivalents) was \$15,921,667 and the bank balance was \$19,169,655.

Town of Hammonton School District
Notes to Financial Statements
June 30, 2024

Note 3. Cash (continued)

As of June 30, 2024, the School District's bank balance was exposed to custodial credit risk as follows:

FDIC/GUDPA Insured	\$ 17,076,582
Uninsured	<u>2,093,073</u>
Bank balance, June 30, 2024	<u><u>\$ 19,169,655</u></u>

Note 4. Receivables

Receivables at June 30, 2024, consisted of other receivables (tuition, taxes and other), inter-fund and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Government Wide Financial Statements
State and Federal Aid	\$ <u>2,944,457</u>	\$ <u>2,998,752</u>
Inter-funds	557,419	
Other	<u>8,536</u>	<u>8,536</u>
Total Receivables, Net	<u><u>\$ 3,510,412</u></u>	<u><u>\$ 3,007,288</u></u>

Note 5. Inventory

Inventory in the Food Service Enterprise Fund at June 30, 2024, consisted of the following which included \$88 in Federal Commodities:

Food	\$ 4,363
Supplies	<u>1,076</u>
	<u><u>\$ 5,439</u></u>

Town of Hammonton School District
Notes to Financial Statements
June 30, 2024

Note 6. Capital Assets

Capital asset activity for the year ended June 30, 2024 was as follows:

	<u>Balance June 30, 2023</u>	<u>Additions</u>	<u>Disposals / Adjustments</u>	<u>Balance June 30, 2024</u>
Governmental Activities:				
Capital assets that are not being depreciated:				
Land	\$ 324,908	\$ -	\$ -	\$ 324,908
Construction in Progress	<u>5,215,057</u>	<u>239,458</u>	<u>-</u>	<u>5,454,515</u>
Total capital assets not being depreciated	<u>5,539,965</u>	<u>239,458</u>	<u>-</u>	<u>5,779,423</u>
Capital assets being depreciated and amortized:				
Site improvements	5,366,255	1,232,293	-	6,598,548
Bldg and bldg improve	56,753,595	48,069	-	56,801,664
Machinery & equipment	7,347,743	702,503	-	8,050,246
Right-to-use lease assets	<u>193,419</u>	<u>78,381</u>	<u>-</u>	<u>271,800</u>
Totals at historical cost	<u>69,661,012</u>	<u>2,061,246</u>	<u>-</u>	<u>71,722,258</u>
Less accumulated depr and amort for:				
Site improvements	(3,519,490)	(209,366)	-	(3,728,856)
Bldg and bldg improve	(29,727,481)	(1,259,406)	-	(30,986,887)
Machinery & equipment	(4,787,855)	(531,622)	-	(5,319,477)
Right-to-use lease assets	<u>(111,454)</u>	<u>(38,787)</u>	<u>-</u>	<u>(150,241)</u>
Total accum deprec and amort	<u>(38,146,280)</u>	<u>(2,039,181)</u>	<u>-</u>	<u>(40,185,461)</u>
Total capital assets being depr, net of accum depr	<u>31,514,732</u>	<u>(22,065)</u>	<u>-</u>	<u>31,536,797</u>
Governmental activities capital assets, net	<u>\$ 37,054,697</u>	<u>\$ 261,523</u>	<u>\$ -</u>	<u>\$ 37,316,220</u>
Business-type activities:				
Equipment	\$ 1,430,327	\$ 87,925	\$ (27,111)	\$ 1,491,141
Less accum depr for:				
Equipment	<u>(892,091)</u>	<u>(48,514)</u>	<u>27,111</u>	<u>(913,494)</u>
Business-type activities capital assets, net	<u>\$ 538,236</u>	<u>\$ 39,411</u>	<u>\$ -</u>	<u>\$ 577,647</u>

Town of Hammonton School District
Notes to Financial Statements
June 30, 2024

Note 6. Capital Assets (continued)

Depreciation and amortization expense as charged to governmental functions as follows:

Regular instruction	\$	1,087,382
Special education		134,182
Other instruction		131,888
Student & instruction related services		260,813
School administrative services		137,239
General administrative services		18,207
Plant operations and maintenance		121,152
Pupil transportation		98,025
Business and other support services		50,292
	\$	<u>2,039,181</u>

Note 7. Long-Term Obligations

Long-term liability activity for the year ended June 30, 2024 was as follows:

	<u>Balance 6-30-23</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 6-30-24</u>	<u>Amounts Due Within One year</u>
Governmental Activities					
Bonds & loans payable:					
School bonds	\$ 14,715,000	\$ -	\$ 1,570,000	\$ 13,145,000	\$ 1,615,000
Other liabilities:					
Lease Liability	85,228	78,381	41,384	122,225	43,797
Compensated absences payable	<u>3,687,183</u>	<u>167,980</u>	<u>-</u>	<u>3,855,163</u>	<u>-</u>
Governmental activities long-term liabilities					
	\$ <u>18,487,411</u>	\$ <u>246,361</u>	\$ <u>1,611,384</u>	\$ <u>17,122,388</u>	\$ <u>1,658,797</u>
Business-type Activities:					
Other liabilities:					
Compensated absences Payable	\$ <u>44,286</u>	\$ <u>5,308</u>	\$ <u>-</u>	\$ <u>49,594</u>	\$ <u>-</u>
Business-type activities long-term liabilities					
	\$ <u>44,286</u>	\$ <u>5,308</u>	\$ <u>-</u>	\$ <u>49,594</u>	\$ <u>-</u>

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

A. Bonds Payable:

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

Town of Hammonton School District
Notes to Financial Statements
June 30, 2024

Note 7. Long-Term Obligations (continued)

Description of Bonds Payable

At June 30, 2024, bonds payable consisted of the following issues:

\$4,175,000 Refunding School Bonds dated 6/18/2020 payable in annual installments through August 1, 2025. Interest is paid semiannually at varying rates between 3.00% and 4.00% per annum. The balance as of June 30, 2024 was \$1,485,000.

\$7,050,000 Refunding School Bonds dated 5/11/2016 payable in annual installments through August 1, 2030. Interest is paid semiannually at varying rates between 2.00% and 3.25% per annum. The balance as of June 30, 2024 was \$6,780,000.

\$6,695,000 Refunding School Bonds dated 12/20/17 payable in annual installments through July 1, 2030. Interest is paid semiannually at varying rates between 3.00% and 4.00% per annum. The balance as of June 30, 2024 was \$4,880,000.

Debt service requirements on serial bonds payable at June 30, 2024 are as follows:

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,615,000	\$ 411,281	\$ 2,026,281
2026	1,705,000	347,906	2,052,906
2027	1,830,000	285,731	2,115,731
2028	1,915,000	222,707	2,137,707
2029	1,950,000	160,403	2,110,403
2030-2031	4,130,000	131,302	4,261,302
	<u>\$ 13,145,000</u>	<u>\$ 1,559,330</u>	<u>\$ 14,704,330</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2024 the Board had authorized but not issued bonds in the amount of \$0.

C. Lease Liabilities:

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

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

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

Town of Hammonton School District
Notes to Financial Statements
June 30, 2024

Note 7. Long-Term Obligations (continued)

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

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

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

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

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

The District has determined all of their lease agreements qualify as right-to-use assets. As of June 30, 2024, total future minimum lease payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 43,797	\$ 6,111	\$ 49,908
2026	35,460	3,921	39,381
2027	24,581	2,148	26,729
2028	18,387	919	19,306
	\$122,225	\$ 13,099	\$ 135,324

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

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

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

Town of Hammonton School District
Notes to Financial Statements
June 30, 2024

Note 8. Pension Plans (continued)

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

The following represents the membership tiers for PERS:

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

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

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

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

Town of Hammonton School District
Notes to Financial Statements
June 30, 2024

Note 8. Pension Plans (continued)

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

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

Components of Net Pension Liability - At June 30, 2024, the School District reported a liability of \$8,469,561 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2022, to the measurement date of June 30, 2023. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2023. The School District's proportion measured as of June 30, 2023, was 0.05847378%, which was a decrease of 0.003826% from its proportion measured as of June 30, 2022.

Pension Expense/(Credit) and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2024, the School District's proportionate share of the PERS expense/(credit), calculated by the plan as of June 30, 2023 is (\$59,163). This expense/(credit) is recognized by the School District in the government-wide financial statements.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 80,980	\$ 34,621
Changes of Assumptions	18,606	513,292
Net Difference between Projected and Actual Earnings on Pension Plan Investments	39,003	-
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	416,942	583,956
School District contributions subsequent to measurement date	797,336	-
	<u>\$ 1,352,867</u>	<u>\$ 1,131,869</u>

Town of Hammonton School District
Notes to Financial Statements
June 30, 2024

Note 8. Pension Plans (continued)

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

\$797,336 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2023-2024 total salaries for PERS employees multiplied by an employer pension contribution rate of 17.61%. The payable is due on April 1, 2025 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending <u>June 30,</u>	<u>Amount</u>
2025	\$ (480,564)
2026	(282,991)
2027	315,380
2028	(95,821)
2029	<u>(32,342)</u>
	<u><u>\$ (576,338)</u></u>

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

Additionally, the State has no proportionate share of the PERS net pension liability attributable to the District as of June 30, 2024. At June 30, 2024, the State's proportionate share of the employer pension expense and related revenue, associated with the District, calculated by the plan as of the June 30, 2023 measurement date was \$26,413.

Town of Hammonton School District
Notes to Financial Statements
June 30, 2024

Note 8. Pension Plans (continued)

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

Actuarial Assumptions – The collective 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 assumptions:

Inflation:

Price	2.75%
Wage	3.25%

Salary Increases:

2.75 - 6.55%

Based on Years of Service

Investment Rate of Return

7.00%

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

The actuarial assumptions used in the July 1, 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 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 rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 are summarized in the following table:

Town of Hammonton School District
Notes to Financial Statements
June 30, 2024

Note 8. Pension Plans (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Markets 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%
	<u>100.00%</u>	

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 nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability of the participating employers as of June 30, 2023, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
District's Proportionate Share of the Net Pension Liability	<u>\$ 11,118,521</u>	<u>\$ 8,469,561</u>	<u>\$ 6,347,126</u>

Town of Hammonton School District
Notes to Financial Statements
June 30, 2024

Note 8. Pension Plans (continued)

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

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2024 and 2023:

	<u>6/30/2024</u>	<u>6/30/2023</u>
Collective Deferred Outflows of Resources	\$ 1,080,204,730	\$ 1,660,772,008
Collective Deferred Inflows of Resources	1,780,216,457	3,236,303,935
Collective Net Pension Liability	14,606,489,066	15,219,184,920
 District's portion of the Plan's total Net Pension Liability	 0.05847%	 0.06230%

B. Teachers' Pension and Annuity Fund (TPAF)

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

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

The following represents the membership tiers for TPAF:

Tier	Definition
1	Members who are 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.

Town of Hammonton School District
Notes to Financial Statements
June 30, 2024

Note 8. Pension Plans (continued)

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

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

Basis of Presentation - The schedule of employer and nonemployer allocations and the schedule of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of TPAF and the State as an employer/nonemployer entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of TPAF or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of TPAF to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for TPAF is set by N.J.S.A 18A:66 and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2023, the State's pension contribution was more than the actuarial determined amount.

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

Components of Net Pension Liability - At June 30, 2024, the State's proportionate share of the TPAF net pension liability, attributable to the School District was \$104,007,675. The School District's proportionate share was \$0.

Town of Hammonton School District
Notes to Financial Statements
June 30, 2024

Note 8. Pension Plans (continued)

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

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 State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2023, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.203806%, which was a decrease of 0.0005941% from its proportion measured as of June 30, 2022.

For the fiscal year ended June 30, 2024, the State of New Jersey recognized a pension expense in the amount of \$2,555,166 for the State's proportionate share of the TPAF pension expense attributable to the School District. This pension expense was based on the pension plans June 30, 2023 measurement date.

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	
Price	2.75%
Wage	3.25%
Salary Increases:	
	2.75 - 4.25%
	Based on Years of Service
Investment Rate of Return	7.00%

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

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

Town of Hammonton School District
Notes to Financial Statements
June 30, 2024

Note 8. Pension Plans (continued)

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

Long-Term Expected Rate of Return - B In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 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 Markets 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%
	<u>100.00%</u>	

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 will be made based on 100% of actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

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

Town of Hammonton School District
Notes to Financial Statements
June 30, 2024

Note 8. Pension Plans (continued)

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	<u>\$ 122,643,922</u>	<u>\$ 104,007,675</u>	<u>\$ 88,311,525</u>

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

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2024 and 2023:

	6/30/2024	6/30/2023
Collective Deferred Outflows of Resources	\$ 2,502,380,838	\$ 5,004,259,312
Collective Deferred Inflows of Resources	14,830,205,473	19,682,774,794
Collective Net Pension Liability	51,109,961,824	51,676,587,303
 District's Portion	 0.20381%	 0.20440%

C. Defined Contribution Retirement Program (DCRP)

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

Town of Hammonton School District
Notes to Financial Statements
June 30, 2024

Note 8. Pension Plans (continued)

C. Defined Contribution Retirement Program (DCRP) (continued)

Individuals eligible for membership in the DCRP include:

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

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

For the year ended June 30, 2024, employee contributions totaled \$178,950 and the District's employer contribution, recognized in pension expense, was \$97,609. There were no forfeitures during the fiscal year.

Note 9. Other Post-Retirement Benefits

General Information about the OPEB Plan

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

Town of Hammonton School District
Notes to Financial Statements
June 30, 2024

Note 9. Other Post-Retirement Benefits (continued)

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

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

Basis of Presentation

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

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability of \$52,361,668,239 as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. 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	based on years	based on years
	of service	of service	of service

Town of Hammonton School District
Notes to Financial Statements
June 30, 2024

Note 9. Other Post-Retirement Benefits (continued)

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

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

OPEB Obligation and OPEB Expense - The State's proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2023 was \$114,412,720. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2023, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The State's proportionate share of the OPEB Obligation associated with the District was based on projection of the State's long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2023, the State proportionate share of the OPEB Obligation attributable to the School District was 0.218505%, which was an increase of 0.00309% from its proportion measured as of June 30, 2022.

For the fiscal year ended June 30, 2024, the State of New Jersey recognized an OPEB expense in the amount of \$3,332,069 for the State's proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2023 measurement date.

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 rate is increasing to 14.8% in fiscal year 2026, and decreases to 4.50% in fiscal year 2033. For HMO, the trend rate 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 trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Town of Hammonton School District
Notes to Financial Statements
June 30, 2024

Note 9. Other Post-Retirement Benefits (continued)

Discount rate

The discount rate used to measure the total OPEB liability was 3.65%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

The following presents the total nonemployer OPEB liability as of June 30, 2023, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2023		
	At 1% Decrease (2.65%)	At Discount Rate (3.65%)	At 1% Increase (4.65%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 134,129,272	\$ 114,412,720	\$ 98,582,618
State of New Jersey's Total Nonemployer OPEB Liability	\$ 61,385,066,712	\$ 52,361,668,239	\$ 45,116,926,835

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

The following presents the total nonemployer OPEB liability as of June 30, 2023, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2023		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 94,980,197	\$ 114,412,720	\$ 139,840,227
State of New Jersey's Total Nonemployer OPEB Liability	\$ 43,468,257,358	\$ 52,361,668,239	\$ 63,998,719,320

* See Healthcare Cost Trend Assumptions for details of rates.

Town of Hammonton School District
Notes to Financial Statements
June 30, 2024

Note 9. Other Post-Retirement Benefits (continued)

Additional Information

Collective balances of the Local Group at June 30, 2023 are as follows:

	<u>Deferred Outflows of</u>	<u>Deferred Inflows of</u>
Differences between Expected & Actual Experience	\$ 7,639,717,639	\$ 13,791,541,217
Change in Assumptions	7,445,895,322	14,449,948,556
Contributions Made in Fiscal Year Year Ending 2024 After June 30, Measurement Date **	<u>TBD</u>	<u>N/A</u>
	<u>\$ 15,085,612,961</u>	<u>\$ 28,241,489,773</u>

<u>Fiscal Year Ending June 30,</u>	
2024	\$ (2,611,225,301)
2025	(2,611,225,301)
2026	(2,269,523,460)
2027	(1,338,024,839)
2028	(273,877,609)
Thereafter	<u>(4,052,000,302)</u>
	<u>\$ (13,155,876,812)</u>

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

Plan Membership

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

Active Plan Members	217,212
Currently Receiving Benefits	<u>152,383</u>
	<u>369,595</u>

Town of Hammonton School District
Notes to Financial Statements
June 30, 2024

Note 9. Other Post-Retirement Benefits (continued)

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2024 (measurement date June 30, 2023) is as follows:

Total OPEB Liability

Service Cost	\$ 2,136,235,476
Interest Cost	1,844,113,951
Differences Between Expected and Actual Experiences	(980,424,863)
Changes of Assumptions	105,539,463
Contributions: Member	47,258,104
Gross Benefit Payments	<u>(1,437,516,858)</u>
Net Change in Total OPEB Liability	1,715,205,273
Total OPEB Liability (Beginning)	<u>50,646,462,966</u>
Total OPEB Liability (Ending)	<u><u>\$ 52,361,668,239</u></u>
Total Covered Employee Payroll	\$ 15,314,749,297
Net OPEB Liability as a Percentage of Payroll	342%

Note 10. Deferred Compensation

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

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

Town of Hammonton School District
Notes to Financial Statements
June 30, 2024

Note 11. Compensated Absences

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policies. Sick leave benefits provide for ordinary sick pay and is capped based on the various employee contracts. In the district-wide Statement of Net Position, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year.

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. At June 30, 2024, the liability for compensated absences reported was \$3,855,163. The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2024, a liability existed for compensated absences in the Food Service Program in the amount of \$49,594.

Note 12. Capital Reserve Account

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

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

The activity in the capital reserve for the 2024 fiscal year is as follows:

Beginning balance, July 1, 2023	\$ 4,924,295
Interest Earnings	99,576
Withdrawal	(1,773,170)
Board Resolution dated June 6, 2024	4,000,000
Ending balance, June 30, 2024	<u><u>\$ 7,250,701</u></u>

The 2024-2025 Budget includes a withdrawal from the Capital Reserve Account in the amount of \$266,186.

Town of Hammonton School District
Notes to Financial Statements
June 30, 2024

Note 13. Emergency Reserve

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

The activity in the emergency reserve for the 2024 fiscal year is as follows:

Beginning balance, July 1, 2023	\$ 330,936
Interest Earnings	10,509
Ending balance, June 30, 2024	<u>\$ 341,445</u>

Note 14. Maintenance Reserve

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

The activity in the maintenance reserve for the 2024 fiscal year is as follows:

Beginning balance, July 1, 2023	\$ 2,156,917
Interest Earnings	63,791
Budgeted Withdrawal	(138,230)
Board Resolution dated June 6, 2024	500,000
Ending balance, June 30, 2024	<u>\$ 2,582,478</u>

The 2024-2025 Budget includes a withdrawal from the Maintenance Reserve Account in the amount of \$140,730.

Note 15. Tuition Reserve

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

The activity in the tuition reserve for the 2024 fiscal year is as follows:

Beginning balance, July 1, 2023	\$ 2,080
Budgeted Withdrawal	(2,080)
Ending balance, June 30, 2024	<u>\$ -</u>

Town of Hammonton School District
Notes to Financial Statements
June 30, 2024

Note 16. Deficit Funds Balances

The District has a deficit fund balance of \$168,575 and \$553,654 in the Special Revenue Fund and General Fund, respectively, as of June 30, 2024 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last state aid payment in the subsequent fiscal year, the school district can not recognize the last state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last state aid payment, the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of correction action. The District deficit in the GAAP funds statement of \$168,575 in the Special Revenue Fund and \$553,654 in the General Fund are equal to or less than the last state payment(s).

Note 17. Fund Balances

Restricted Fund Balance

General Fund:

Capital Reserve – As of June 30, 2024, there is a balance of \$7,250,701 in the Capital Reserve Account of which \$163,157 has been appropriated and included as anticipated revenue and \$103,029 has been designated for debt service for the year ended June 30, 2025.

Maintenance Reserve – As of June 30, 2024, there is a balance of \$2,582,478 in the Maintenance Reserve Account of which \$140,730 has been appropriated and included as anticipated revenue for the year ended June 30, 2025.

Emergency Reserve – As of June 30, 2024, there is a balance of \$341,445 in the Emergency Reserve Account of which \$0 has been appropriated and included as anticipated revenue for the year ended June 30, 2025.

Unemployment Compensation Reserve – As of June 30, 2025, there is a balance of \$530,750 in the Unemployment Compensation Reserve Account of which \$2,000 has been appropriated and included as anticipated revenue for the year ended June 30, 2025.

Excess Surplus – As of June 30, 2024, there is a balance of \$2,739,696 in the Excess Surplus Account of which \$0 has been appropriated and included as anticipated revenue for the year ended June 30, 2025.

Town of Hammonton School District
Notes to Financial Statements
June 30, 2024

Note 17. Fund Balances (continued)

Special Revenue Fund:

Scholarships Reserve – As of June 30, 2024, there is a balance of \$140,624 in the Scholarships Reserve Account of which \$0 has been appropriated and included as anticipated revenue for the year ended June 30, 2025.

Student Activities Reserve – As of June 30, 2024, there is a balance of \$447,414 in the Student Activities Reserve Account of which \$0 has been appropriated and included as anticipated revenue for the year ended June 30, 2025.

Assigned Fund Balance

General Fund – As of June 30, 2024, \$2,248,434 has been included as anticipated revenue for the subsequent year ended June 30, 2025.

Unassigned Fund Balance (Deficit)

General Fund – As of June 30, 2024, there is a deficit balance of (\$553,654) in the general fund for the year ended June 30, 2024. The deficit is a result from the delay in the payment of state aid until the following fiscal year.

Special Revenue Fund – As of June 30, 2024, the special revenue fund deficit is (\$168,575). The deficit is a result from the delay in the payment of state aid until the following fiscal year.

Note 18. Calculation of Excess Surplus

In accordance with NJSA 18A:7F-7, as amended, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2024 is \$2,739,696.

Note 19. Risk Management

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

Property and Liability Insurance – The District maintains commercial insurance coverage for property, liability and surety bonds. During the fiscal year ended June 30, 2024 the District did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

Town of Hammonton School District
Notes to Financial Statements
June 30, 2024

Note 19. Risk Management (continued)

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2023-2024	\$0	\$59,768	\$7,435	\$31,454	\$530,750
2022-2023	0	65,540	4,011	85,937	495,001
2021-2022	0	59,164	1,128	0	511,387

Note 20. Economic Dependency

The District is heavily reliant on local property taxation to fund the District operations and debt service. Property taxes funded approximately 24% of the Districts 2023-2024 governmental operations.

Note 21. Interfund Receivables and Payables

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	\$ 557,419	\$ 133,852
Special Revenue Fund	-	465,460
Food Service Program	133,852	91,959
	<u>\$ 691,271</u>	<u>\$ 691,271</u>

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

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers out</u>
General Fund	\$ -	\$ 141,349
Special Revenue	28,572	-
Debt Service	112,777	-
	<u>\$ 141,349</u>	<u>\$ 141,349</u>

Note 22. Deficit in Net Position

Unrestricted Net Position – The School District governmental activities had a deficit in unrestricted net position in the amount of \$11,099,959 at June 30, 2024. The primary cause of this deficit is the School District not recognizing the receivable for the last two state aid payments and the recording of the net pension liability for the Public Employees’ Retirement System (PERS) and of June 30, 2024. This deficit in unrestricted net position for government activities does not indicate the school district is facing financial difficulties.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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TOWN OF HAMMONTON SCHOOL DISTRICT

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2024

REVENUES:

Local Sources:

Local Tax Levy
 Tuition from LEAs within State
 Tuition from Other Governmental Sources within State
 Transportation Fees from Other LEA's
 Interest earned on Reserves
 Interest earned
 Miscellaneous

Total - Local Sources

State Sources:

Equalization Aid
 Categorical Special Education Aid
 Categorical Security Aid
 Categorical Transportation Aid
 Special Education Extraordinary Aid
 Public School Choice Aid
 Non Public Transportation Aid
 TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)
 TPAF Non-Contributory (On-Behalf - Non-Budgeted)
 TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)
 Reimbursed TPAF Social Security Contributions (non-budgeted)

Total - State Sources

Federal Sources:

FFCRA/SEMI
 Medicaid Reimbursement and unrestricted federal funds

Total Revenues

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
\$	18,487,722	\$	18,487,722	\$	\$
	11,265,066	-	11,265,066	11,350,969	85,903
	-	-	-	35,548	35,548
	2,000	-	2,000	115,949	113,949
	6,350	-	6,350	173,826	167,476
	-	-	-	255,893	255,893
	100,000	-	100,000	105,374	5,374
Total - Local Sources	29,861,138	-	29,861,138	30,525,281	664,143
State Sources:					
Equalization Aid	25,486,553	-	25,486,553	25,486,553	-
Categorical Special Education Aid	2,297,445	-	2,297,445	2,297,445	-
Categorical Security Aid	773,246	-	773,246	773,246	-
Categorical Transportation Aid	757,886	-	757,886	757,886	-
Special Education Extraordinary Aid	150,000	-	150,000	488,224	338,224
Public School Choice Aid	1,841,784	-	1,841,784	1,841,784	-
Non Public Transportation Aid	-	-	-	26,390	26,390
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)	-	-	-	2,465,562	2,465,562
TPAF Non-Contributory (On-Behalf - Non-Budgeted)	-	-	-	9,059,124	9,059,124
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)	-	-	-	2,922	2,922
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	1,897,658	1,897,658
Total - State Sources	31,306,914	-	31,306,914	45,096,794	13,789,880
Federal Sources:					
FFCRA/SEMI	95,316	-	95,316	88,648	(6,668)
Medicaid Reimbursement and unrestricted federal funds	95,316	-	95,316	88,648	(6,668)
Total Revenues	61,263,368	-	61,263,368	75,710,723	14,447,355

(continued)

TOWN OF HAMMONTON SCHOOL DISTRICT

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	926,847	(27,000)	899,847	866,119	33,728
Grades 1-5	5,015,392	(60,000)	4,955,392	4,765,180	190,212
Grades 6-8	4,874,019	(106,000)	4,768,019	4,687,784	80,235
Grades 9-12	6,881,841	(31,000)	6,850,841	6,847,642	3,199
Regular Programs - Home Instruction:					
Salaries of Teachers	150,000	100,000	250,000	222,032	27,968
Purchased Professional-Educational Services	25,000	8,000	33,000	27,868	5,132
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	418,429	(6,282)	412,147	336,915	75,232
Purchased Professional-Educational Services	154,700	(17,706)	136,994	81,026	55,968
Purchased Technical Services	37,240	-	37,240	7,488	29,752
Other Purchased Services	128,000	500	128,500	94,858	33,642
General Supplies	1,017,074	327,040	1,344,114	850,041	494,073
Textbooks	556,271	(375,187)	181,084	146,834	34,250
Other Objects	12,800	-	12,800	1,191	11,609
Total Regular Programs	20,197,613	(187,635)	20,009,978	18,934,978	1,075,000
Special Education - Instruction:					
Learning and/or Language Disabilities					
Salaries of Teachers	575,458	(30,500)	544,958	544,441	517
Other Salaries for Instruction	198,485	(12,500)	185,985	151,687	34,298
Purchased Professional-Educational Services	2,000	-	2,000	-	2,000
General Supplies	6,259	-	6,259	674	5,585
Other Objects	987	-	987	574	413
Total Learning and/or Language Disabilities	783,189	(43,000)	740,189	697,376	42,813
Emotional Regulation Impairment					
Salaries of Teachers	228,506	(15,000)	213,506	187,111	26,395
Other Salaries for Instruction	109,109	(16,000)	93,109	54,615	38,494
Purchased Professional-Educational Services	2,700	29,000	31,700	20,031	11,669
General Supplies	1,000	-	1,000	479	521
Textbooks	1,000	-	1,000	-	1,000
Total Emotional Regulation Impairment	342,315	(2,000)	340,315	262,236	78,079
Multiple Disabilities					
Salaries of Teachers	810,274	12,000	822,274	707,331	114,943
Other Salaries for Instruction	409,996	(100,000)	309,996	255,714	54,282
Purchased Professional Educational Services	3,430	-	3,430	362	3,068
General Supplies	28,350	849	29,199	23,273	5,926
Textbooks	3,190	5,424	8,614	5,551	3,063
Other Objects	-	224	224	223	1
Total Multiple Disabilities	1,255,240	(81,503)	1,173,737	992,454	181,283

(continued)

TOWN OF HAMMONTON SCHOOL DISTRICT

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Resource Room/Resource Center					
Salaries of Teachers	573,812	(164,000)	409,812	334,408	75,404
Other Salaries for Instruction	173,048	(40,000)	133,048	86,599	46,449
General Supplies	9,200	8	9,208	5,637	3,571
Total Resource Room/Resource Center	756,060	(203,992)	552,068	426,644	125,424
Preschool Disabilities - Full -Time					
Salaries of Teachers	335,010	-	335,010	289,846	45,164
Other Salaries for Instruction	121,710	(6,000)	115,710	71,549	44,161
Other Purchased Services	100	-	100	-	100
General Supplies	13,900	-	13,900	7,546	6,354
Other Objects	115	-	115	-	115
Total Preschool Disabilities - Full-Time	470,835	(6,000)	464,835	368,941	95,894
Home Instruction					
Purchased Professional Education Services	115,300	203,275	318,575	218,131	100,444
Total Home Instruction	115,300	203,275	318,575	218,131	100,444
Total Special Education - Instruction	3,722,939	(133,220)	3,589,719	2,965,782	623,937
Bilingual Education - Instruction:					
Salaries of Teachers	1,100,319	(31,167)	1,069,152	1,024,712	44,440
Other Salaries for Instruction	293,528	42,167	335,695	323,964	11,731
Purchased Professional Educational Services	6,780	-	6,780	2,107	4,673
General Supplies	43,468	4,000	47,468	42,320	5,148
Total Bilingual Education - Instruction	1,444,095	15,000	1,459,095	1,393,103	65,992
School Sponsored Cocurricular Activities - Instruction:					
Salaries	380,000	6,360	386,360	346,030	40,330
Purchased Services	26,770	2,147	28,917	19,529	9,388
Supplies and Materials	37,710	1,361	39,071	31,937	7,134
Other Objects	4,600	(2,000)	2,600	485	2,115
Total School Sponsored Cocurricular Activities - Instruction	449,080	7,868	456,948	397,981	58,967
School-Sponsored Athletics - Instruction					
Salaries	585,000	7,237	592,237	587,501	4,736
Purchased Services	35,500	55,438	90,938	56,696	34,242
Supplies and Materials	215,000	(28,402)	186,598	167,423	19,175
Other Objects	4,300	-	4,300	2,675	1,625
Transfers to Cover Deficit (Agency Funds)	110,000	(6,600)	103,400	85,000	18,400
Total School-Sponsored Athletics - Instruction	949,800	27,673	977,473	899,295	78,178
Total Instruction	26,763,527	(270,314)	26,493,213	24,591,139	1,902,074

(continued)

TOWN OF HAMMONTON SCHOOL DISTRICT

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	28,800	7,333	36,133	36,133	-
Tuition to Other LEAs Within the State - Special	149,875	6,000	155,875	936	154,939
Tuition to Co. Voc. School District - Regular	336,458	-	336,458	328,684	7,774
Tuition to Co. Voc. School District - Special	25,000	-	25,000	25,000	-
Tuition to CSSD & Regional Day Schools	1,225,000	(312,192)	912,808	803,014	109,794
Tuition to Private Schools for the Disabled - Within State	2,357,522	(115,000)	2,242,522	2,069,408	173,114
Tuition - State Facilities	82,150	-	82,150	82,150	-
Total Undistributed Expenditures - Instruction	4,204,805	(413,859)	3,790,946	3,345,325	445,621
Undistributed Expenditures - Attendance and Social Work:					
Salaries	91,364	2,000	93,364	92,049	1,315
Purchased Professional & Technical Services	44,000	-	44,000	42,645	1,355
Other Purchased Services	1,000	-	1,000	997	3
Supplies and Materials	2,875	-	2,875	1,598	1,277
Total Undistributed Expenditures - Attendance and Social Work	139,239	2,000	141,239	137,289	3,950
Undistributed Expenditures - Health Services:					
Salaries	391,701	48,816	440,517	437,720	2,797
Purchased Professional and Technical Services	38,100	25,727	63,827	52,520	11,307
Other Purchased Services	4,250	27,150	31,400	19,521	11,879
Supplies and Materials	22,425	14,250	36,675	31,647	5,028
Total Undistributed Expenditures - Health Services	456,476	115,943	572,419	541,408	31,011
Undistributed Expenditures - Other Support Services - Students - Related Services:					
Salaries	442,486	(27,000)	415,486	412,587	2,899
Purchased Professional-Educational Services	83,000	15,583	98,583	98,583	-
Supplies and Materials	10,883	-	10,883	1,954	8,929
Other Objects	579	-	579	-	579
Total Undistributed Expenditures - Other Support Services - Students - Related Services	536,948	(11,417)	525,531	513,124	12,407
Undistributed Expenditures - Other Support Services - Students - Extraordinary Services:					
Salaries	843,858	113,815	957,673	930,806	26,867
Purchased Professional Educational Services	277,800	(125,388)	152,412	142,267	10,145
Supplies and Materials	9,993	1,215	11,208	7,137	4,071
Total Undistributed Expenditures - Other Support Services - Students - Extraordinary Services:	1,131,651	(10,358)	1,121,293	1,080,210	41,083

(continued)

TOWN OF HAMMONTON SCHOOL DISTRICT

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Other Support Services - Students - Regular					
Salaries of Other Professional Staff	1,107,850	(8,000)	1,099,850	1,000,844	99,006
Salaries of Secretarial and Clerical Assistants	168,747	-	168,747	164,945	3,802
Purchased Professional Educational Services	6,928	-	6,928	-	6,928
Other Purchased Professional & Technical Services	5,189	(100)	5,089	1,125	3,964
Other Purchased Services	7,750	500	8,250	3,152	5,098
Supplies and Materials	18,980	9,083	28,063	21,221	6,842
Other Objects	2,625	-	2,625	2,187	438
Total Undistributed Expenditures - Other Support Services - Regular	1,318,069	1,483	1,319,552	1,193,474	126,078
Undistributed Expenditures - Other Support Services - Students - Special:					
Salaries of Other Professional Staff	1,064,342	32,056	1,096,398	1,029,693	66,705
Salaries of Secretarial and Clerical Assistants	123,056	(36,516)	86,540	81,790	4,750
Purchased Professional Educational Services	166,000	(21,571)	144,429	47,330	97,099
Other Purchased Professional and Technical Services	13,755	-	13,755	10,824	2,931
Miscellaneous Purchased Services	12,133	-	12,133	6,386	5,747
Supplies and Materials	27,430	-	27,430	20,420	7,010
Other Objects	2,465	-	2,465	600	1,865
Total Undistributed Expenditures - Other Support Services - Students - Special	1,409,181	(26,031)	1,383,150	1,197,043	186,107
Undistributed Expenditures - Other Support Services - Improvement of Instructional Services					
Salaries of Supervisors of Instruction	988,830	(146,211)	842,619	807,164	35,455
Salaries of Other Professional Staff	-	152,211	152,211	151,328	883
Salaries of Secretarial and Clerical Assistants	72,090	3,914	76,004	64,745	11,259
Purchased Professional Educational Services	82,328	(17,854)	64,474	12,773	51,701
Purchased Professional and Technical Services	6,750	-	6,750	6,340	410
Other Purchased Services	-	8,500	8,500	8,070	430
Supplies and Materials	2,400	7,721	10,121	8,916	1,205
Other Objects	-	3,479	3,479	2,466	1,013
Total Undistributed Expenditures - Other Support Services - Improvement of Instructional Services	1,152,398	11,760	1,164,158	1,061,802	102,356
Undistributed Expenditures - Educational Media Services - School Library					
Salaries	360,011	4,163	364,174	362,724	1,450
Purchased Professional and Technical Services	40,050	(1,163)	38,887	32,758	6,129
Other Purchased Services	5,130	-	5,130	1,083	4,047
Supplies and Materials	41,200	(10,500)	30,700	18,358	12,342
Other Objects	34,015	(1,000)	33,015	27,000	6,015
Total Undistributed Expenditures - Educational Media Services - School Library	480,406	(8,500)	471,906	441,923	29,983

(continued)

TOWN OF HAMMONTON SCHOOL DISTRICT

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Instructional Staff Training Services					
Purchased Professional-Educational Services	37,700	(181)	37,519	14,120	23,399
Purchased Professional and Technical Services	1,300	-	1,300	1,176	124
Other Purchased Services	11,279	4,175	15,454	8,870	6,584
Supplies and Materials	13,098	(2,875)	10,223	312	9,911
Other Objects	11,909	(9,143)	2,766	772	1,994
Total Undistributed Expenditures - Instructional Staff Training Srvc	75,286	(8,024)	67,262	25,250	42,012
Undistributed Expenditures - Support Services - Gen. Admin.:					
Salaries	321,560	50,000	371,560	315,060	56,500
Legal Services	195,500	-	195,500	111,262	84,238
Audit Fees	30,000	-	30,000	26,500	3,500
Architectural/Engineering Services	62,000	5,740	67,740	37,541	30,199
Other Purchased Professional Services	2,000	-	2,000	533	1,467
Purchased Technical Services	80	-	80	-	80
Communications/Telephone	134,700	(9,239)	125,461	97,722	27,739
BOE Other Purchased Services	2,100	12,600	14,700	14,700	-
Other Purchased Services	190,000	(12,900)	177,100	157,538	19,562
General Supplies	10,500	861	11,361	5,734	5,627
BOE IN-House Training/Meeting Supplies	1,825	500	2,325	1,936	389
Judgments Against School District	-	365,000	365,000	364,472	528
Miscellaneous Expenditures	6,000	(500)	5,500	3,337	2,163
Membership Dues and Fees	18,200	3,829	22,029	22,029	-
Total Undistributed Expenditures - Support Services - Gen. Admin.	974,465	415,891	1,390,356	1,158,364	231,992
Undistributed Expenditures - Support Serv. - School Admin.:					
Salaries of Principals/Assistant Principals	1,247,524	-	1,247,524	1,184,297	63,227
Salaries of Secretarial and Clerical Assistants	765,396	-	765,396	698,967	66,429
Purchased Professional and Technical Services	600	-	600	504	96
Other Purchased Services	109,280	(3,096)	106,184	68,630	37,554
Supplies and Materials	72,700	8,870	81,570	74,032	7,538
Other Objects	14,395	(1,974)	12,421	8,867	3,554
Total Undistributed Expenditures - Support Serv. - School Admin.	2,209,895	3,800	2,213,695	2,035,297	178,398
Undistributed Expenditures - Central Services					
Salaries	539,966	-	539,966	538,424	1,542
Purchased Professional Services	46,000	12,613	58,613	55,422	3,191
Purchased Technical Services	62,000	-	62,000	61,302	698
Misc. Purchased Services (400-500 series)	9,800	1,200	11,000	10,873	127
Supplies and Materials	6,200	5,445	11,645	11,105	540
Interest on Lease Purchased Agreements	400	-	400	-	400
Miscellaneous Expenditures	4,400	-	4,400	3,848	552
Total Undistributed Expenditures - Central Services	668,766	19,258	688,024	680,974	7,050

(continued)

TOWN OF HAMMONTON SCHOOL DISTRICT

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Admin. Info Technology					
* Salaries	337,137	-	337,137	331,844	5,293
Purchased Technical Services	215,405	(116,603)	98,802	82,844	15,958
Other Purchased Services (400-500 series)	115,000	(3,000)	112,000	104,981	7,019
Supplies and Materials	23,884	312	24,196	20,066	4,130
Other Objects	820	-	820	-	820
Total Undistributed Expenditures - Admin. Info Technology	692,246	(119,291)	572,955	539,735	33,220
Undistributed Expenditures - Required Maint for School Facilities					
Interest Earned on Maintenance Reserve	2,500	-	2,500	-	2,500
Salaries	433,975	-	433,975	396,884	37,091
Cleaning, Repair, and Maintenance Services	553,412	(226,549)	326,863	123,772	203,091
General Supplies	148,557	8,261	156,818	39,389	117,429
Other Objects	1,960	-	1,960	625	1,335
Total Undistributed Expenditures - Required Maint for School Facilities	1,140,404	(218,288)	922,116	560,670	361,446
Undistributed Expenditures - Operation and Maintenance of Plant Services:					
Salaries	981,775	(35,000)	946,775	894,968	51,807
Salaries of Non-Instructional Aides	403,000	67,000	470,000	469,002	998
Purchased Professional and Technical Services	4,600	-	4,600	1,200	3,400
Cleaning, Repair, and Maintenance Services	73,100	(2,000)	71,100	47,860	23,240
Rental of Land & Buildings Other than Lease	4,620	2,000	6,620	6,135	485
Other Purchased Property Services	74,700	(3,000)	71,700	55,602	16,098
Insurance	240,000	-	240,000	232,550	7,450
Miscellaneous Purchased Services	21,300	(7,000)	14,300	6,002	8,298
General Supplies	347,775	70,207	417,982	376,879	41,103
Energy (Natural Gas)	400,000	(48,997)	351,003	331,722	19,281
Energy (Electricity)	1,068,500	48,000	1,116,500	1,091,168	25,332
Energy (Gasoline)	18,000	(885)	17,115	15,074	2,041
Other Objects	1,750	885	2,635	1,770	865
Total Undistributed Expenditures - Operation and Maintenance of Plant Services	3,639,120	91,210	3,730,330	3,529,932	200,398
Undistributed Expenditures - Care and Upkeep of Grounds					
Salaries	357,868	(18,000)	339,868	335,589	4,279
Purchased Professional & Technical Services	100	-	100	-	100
Cleaning, Repair, and Maintenance Services	42,610	4,149	46,759	24,105	22,654
Travel	-	500	500	185	315
General Supplies	188,000	(71,166)	116,834	56,161	60,673
Other Objects	6,530	-	6,530	3,845	2,685
Total Undistributed Expenditures - Care and Upkeep of Grounds	595,108	(84,517)	510,591	419,885	90,706

(continued)

TOWN OF HAMMONTON SCHOOL DISTRICT

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Security					
Salaries	99,540	-	99,540	88,898	10,642
Purchased Professional & Technical Services	371,750	36,300	408,050	397,671	10,379
Cleaning, Repair, & Maintenance Services	19,915	(6,300)	13,615	3,282	10,333
General Supplies	51,900	(14,558)	37,342	20,625	16,717
Total Undistributed Expenditures - Security	543,105	15,442	558,547	510,476	48,071
Total Operation & Maintenance Services	5,917,737	(196,153)	5,721,584	5,020,963	700,621
Undistributed Expenditures - Student Transportation Services:					
Salaries of Non-Instructional Aides	230,856	-	230,856	210,447	20,409
Sal for Pupil Transp (Between Home and School)-Reg.	1,174,715	31,290	1,206,005	1,175,554	30,451
Sal for Pupil Transp (Between Home and School)-Sp Ed	236,528	-	236,528	216,529	19,999
Sal for Pupil Transp (Other than Between Home & School)	70,000	23,710	93,710	93,710	-
Other Purchased Professional and Technical Services	10,000	-	10,000	8,034	1,966
Cleaning, Repair, and Maintenance Services	63,000	-	63,000	11,257	51,743
Contracted Services - (Betw Home/Sch) - Vendors	652	-	652	-	652
Contracted Services - (Other than betw Home/Sch) - Vendors	8,300	-	8,300	-	8,300
Contracted Services - (Betw Home/Sch) - Joint Agr	83,000	-	83,000	40,310	42,690
Contracted Services - (Special Education) - Vendors	1,200	-	1,200	-	1,200
Contracted Services - (Special Education) - Joint Agr	815,000	-	815,000	728,548	86,452
Contracted Services - ESCs	30,000	(25,000)	5,000	-	5,000
Contracted Services - (Special Education) - ESCs	82,000	(19,779)	62,221	8,422	53,799
Contracted Services - Aid in Lieu of Payments-Non Pub Sch	72,000	-	72,000	70,172	1,828
Contracted Services - Aid in Lieu of Payments-Charter	1,022	143	1,165	1,165	-
Contracted Services - Aid in Lieu of Payments-Choice	12,264	(143)	12,121	11,999	122
Miscellaneous Purchased Services	54,000	-	54,000	50,121	3,879
General Supplies	246,000	(42,877)	203,123	155,587	47,536
Transportation Supplies	194,000	67	194,067	154,838	39,229
Other Objects	2,000	-	2,000	-	2,000
Total Undistributed Expenditures - Student Transportation Serv.	3,386,537	(32,589)	3,353,948	2,936,693	417,255
Interest Earned on Current Expense Emergency Reserves	50	-	50	-	50
Unallocated Benefits:					
Social Security Contributions	810,300	33,000	843,300	825,293	18,007
Other Retirement Contributions - PERS	958,000	-	958,000	932,101	25,899
Unemployment Compensation	2,000	-	2,000	1,140	860
Workmen's Compensation	510,000	25,000	535,000	505,904	29,096
Health Benefits	6,988,598	(70,000)	6,918,598	6,459,638	458,960
Tuition Reimbursement	42,000	41,200	83,200	79,039	4,161
Other Employee Benefits	505,300	(1,200)	504,100	399,233	104,867
Unused Vac. Payment to Term/Ret Staff	152,856	-	152,856	81,704	71,152
Total Unallocated Benefits	9,969,054	28,000	9,997,054	9,284,052	713,002

(continued)

TOWN OF HAMMONTON SCHOOL DISTRICT

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)	-	-	-	2,465,562	(2,465,562)
TPAF Non-Contributory (On-Behalf - Non-Budgeted)	-	-	-	9,059,124	(9,059,124)
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)	-	-	-	2,922	(2,922)
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	1,897,658	(1,897,658)
Total On-behalf Contributions	-	-	-	13,425,266	(13,425,266)
Total Undistributed Expenditures	34,723,209	(228,087)	34,495,122	44,618,192	(10,123,070)
Total Current Expense	61,486,736	(498,401)	60,988,335	69,209,331	(8,220,996)
Capital Outlay:					
Interest Deposit to Capital Reserve	3,800	-	3,800	-	3,800
Equipment					
Kindergarten	-	5,267	5,267	5,267	-
Grades 6- 8	-	7,295	7,295	7,295	-
Grades 9- 12	-	7,830	7,830	7,830	-
School sponsored	-	101,432	101,432	87,444	13,988
Undistributed Expenditures:					
Support Services-students-reg.	-	3,500	3,500	3,120	380
Support services-instructional staff	-	4,000	4,000	3,098	902
General administration	-	133,121	133,121	133,121	-
School administration	-	2,022	2,022	2,022	-
Central Services	-	4,535	4,535	-	4,535
Support Services - Admin. Info. Tech.	-	192,835	192,835	174,758	18,077
Undistr. Expenditures - Required Maintenance	-	58,770	58,770	58,770	-
Undistr. Expenditures - Custodial	-	10,000	10,000	5,946	4,054
Undistr. Expenditures - Care and Upkeep of Grounds	-	100,913	100,913	100,913	-
Undistr. Expenditures - Security	-	50,081	50,081	4,558	45,523
Non- instructional Equipment	-	58,770	58,770	58,770	-
School buses - Regular	-	39,221	39,221	-	39,221
Undistr. Expenditures - School buses - Special	50,000	127,916	177,916	-	177,916
Total Equipment	50,000	907,508	957,508	652,912	304,596
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	-	106,252	106,252	87,458	18,794
Construction Services	1,200,000	1,347,541	2,547,541	1,229,193	1,318,348
Assessment for Debt Service on SDA Funding	163,157	-	163,157	163,157	-
Total Facilities Acquisition and Construction Services	1,363,157	1,453,793	2,816,950	1,479,808	1,337,142
Total Capital Outlay	1,416,957	2,361,301	3,778,258	2,132,720	1,645,538
Transfer of Funds to Charter Schools	43,229	-	43,229	10,701	32,528

(continued)

TOWN OF HAMMONTON SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Total Expenditures	62,946,922	1,862,900	64,809,822	71,352,752	(6,542,930)
Other Financing Sources (Uses):					
Capital Reserve-Transfer to Debt Service	(112,777)	-	(112,777)	(112,777)	-
Local Contribution - Transfer to Special Revenue Fund	(28,572)	-	(28,572)	(28,572)	-
Capital Lease Income	-	-	-	81,500	81,500
Prior year encumbrances	-	-	-	155,428	155,428
Refund prior year expenditures	-	-	-	197,807	197,807
Total Other Financing Sources (Uses)	(141,349)	-	(141,349)	293,386	434,735
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(1,824,903)	(1,862,900)	(3,687,803)	4,651,357	8,339,160
Fund Balances, July 1	13,480,435	-	13,480,435	13,480,435	-
Fund Balances, June 30	\$ 11,655,532	\$ (1,862,900)	\$ 9,792,632	\$ 18,131,792	\$ 8,339,160
Recapitulation of Budget Transfers:					
Prior Year Encumbrances	\$ 762,069				
Prior Year Encumbrances Cancelled	(205)				
Withdrawal from Capital Reserve	1,101,036				
	\$ 1,862,900				

(continued)

TOWN OF HAMMONTON SCHOOL DISTRICT

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2024

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Maintenance Reserve				\$ 2,441,748	
Maintenance Reserve Designated for Subsequent Year's Exp.				140,730	
Emergency Reserve				341,445	
Capital Reserve				6,984,515	
Capital Reserve Designated for Subsequent Year's Exp.				163,157	
Capital Reserve Designated for Debt Service				103,029	
Unemployment Compensation				528,750	
Unemployment Compensation Designated for Subsequent Year's Exp.				2,000	
Excess Surplus				2,739,696	
Assigned Fund Balance:					
Year End Encumbrances				914,553	
Designated for Subsequent Year's Expenditures				2,248,434	
Unassigned Fund Balance				1,523,735	
				18,131,792	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis:				(2,991,942)	
Fund Balance per Governmental Funds (GAAP)				\$ 15,139,850	

(continued)

TOWN OF HAMMONTON SCHOOL DISTRICT

Budgetary Comparison Schedule

Special Revenue Fund

For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources:					
Local Programs	\$ 436,428	\$ (374,521)	\$ 61,907	\$ 930,213	\$ 868,306
Total - Local Sources	436,428	(374,521)	61,907	930,213	868,306
State Sources:					
Preschool Education Aid	2,200,518	-	2,200,518	1,438,245	(762,273)
Nonpublic aid	113,495	14,350	127,845	107,049	(20,796)
Other State Aid	-	83,271	83,271	57,448	(25,823)
Total - State Sources	2,314,013	97,621	2,411,634	1,602,742	(808,892)
Federal Sources:					
Title I	594,919	124,749	719,668	618,475	(101,193)
I.D.E.A., Part B	696,011	188,321	884,332	868,522	(15,810)
Other	128,163	2,677,135	2,805,298	1,754,961	(1,050,337)
Total - Federal Sources	1,419,093	2,990,205	4,409,298	3,241,958	(1,167,340)
Total Revenues	4,169,534	2,713,305	6,882,839	5,774,913	(1,107,926)
EXPENDITURES:					
Instruction					
Salaries of Teachers	1,314,182	(17,716)	1,296,466	1,087,066	209,400
Other Salaries for Instruction	283,935	95,924	379,859	340,421	39,438
Purchased Professional, Technical & Educational Services	756,494	391,186	1,147,680	1,093,301	54,379
General Supplies	85,212	99,540	184,752	125,336	59,416
Textbooks	8,191	1,117	9,308	9,114	194
Other Objects	-	7,082	7,082	2,281	4,801
Total instruction	2,448,014	577,133	3,025,147	2,657,519	367,628
Support Services					
Salaries of Principals/Program Directors	47,788	19,303	67,091	67,088	3
Salaries of Other Professional Staff	304,107	227,321	531,428	491,552	39,876
Salaries of Secretary's and Other Salaries	52,336	11,520	63,856	63,856	-
Personal Services - Employee Benefits	199,085	300,286	499,371	448,829	50,542
Purchased Professional and Technical Services	93,994	1,542,411	1,636,405	719,731	916,674
Other Purchased Services	33,217	50,309	83,526	66,540	16,986
Travel	5,000	-	5,000	-	5,000
Supplies and Materials	521,428	(376,006)	145,422	33,095	112,327
Scholarships Awarded	-	-	-	6,650	(6,650)
Student Activities	-	-	-	819,740	(819,740)
Total support services	1,256,955	1,775,144	3,032,099	2,717,081	315,018
Facilities acquisition and construction services					
Instructional equipment	231,064	-	231,064	15,080	215,984
Non-Instructional equipment	262,073	180,555	442,628	176,230	266,398
Construction Services	-	180,473	180,473	180,473	-
Total facilities acquisition and construction services	493,137	361,028	854,165	371,783	482,382
Total expenditures	4,198,106	2,713,305	6,911,411	5,746,383	1,165,028
Excess (Deficiency) of Revenues Over (Under) Expenditures	(28,572)	-	(28,572)	28,530	57,102
OTHER FINANCING SOURCES (USES)					
Transfer from Operating Budget - Preschool	28,572	-	28,572	28,572	-
Total other financing sources and uses	28,572	-	28,572	28,572	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	57,102	57,102
Fund Balance, July 1				530,936	
Fund Balance, June 30				<u>\$ 588,038</u>	
Recapitulation:					
Restricted:					
Scholarships				\$ 140,624	
Student Activities				447,414	
Total Fund Balance				<u>\$ 588,038</u>	

See Accompanying Notes to the Financial Statements

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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TOWN OF HAMMONTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2024

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

	General Fund	Special Revenue
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 75,710,723	\$ 5,774,913
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized		
Prior year	-	28,278
Current year	-	(146,178)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	2,748,314	153,843
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(2,991,942)	(168,575)
Total revenues reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 75,467,095</u>	<u>\$ 5,642,281</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 71,352,752	\$ 5,746,383
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes		
Prior year	-	28,278
Current year	-	(146,178)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 71,352,752</u>	<u>\$ 5,628,483</u>

See Accompanying Notes to the Financial Statements

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability (Asset)	0.058474%	0.062300%	0.060075%	0.060808%	0.057614%	0.058204%	0.058789%	0.060652%	0.070345%	0.069498%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 8,469,561	\$ 9,401,929	\$ 7,116,784	\$ 9,916,212	\$ 10,381,141	\$ 11,460,122	\$ 13,685,233	\$ 17,963,393	\$ 15,791,086	\$ 13,011,915
District's Covered Employee Payroll	\$ 4,835,743	\$ 4,639,584	\$ 4,481,720	\$ 4,441,505	\$ 4,346,161	\$ 4,292,183	\$ 4,105,495	\$ 4,062,230	\$ 4,096,106	\$ 4,156,086
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its covered employee payroll	175.14%	202.65%	158.80%	223.26%	238.86%	267.00%	333.34%	442.21%	385.51%	313.08%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	39.41%	40.47%	35.63%	42.51%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%

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

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

(continued)

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 781,518	\$ 785,633	\$ 703,548	\$ 665,211	\$ 561,625	\$ 580,071	\$ 547,556	\$ 539,844	\$ 604,780	\$ 572,931
Contributions in Relation to the Contractually Required Contribution	(781,518)	(785,633)	(703,548)	(665,211)	(561,625)	(580,071)	(547,556)	(539,844)	(604,780)	(572,931)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Employee Payroll	\$ 4,639,584	\$ 4,481,720	\$ 4,441,505	\$ 4,346,161	\$ 4,292,183	\$ 4,105,495	\$ 4,062,230	\$ 4,096,106	\$ 4,156,086	\$ 4,398,336
Contributions as a Percentage of Covered Employee Payroll	16.84%	17.53%	15.70%	15.31%	13.08%	14.13%	13.48%	13.18%	14.55%	13.03%

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

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

(continued)

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability (Asset)	0.203806%	0.204400%	0.197729%	0.198312%	0.198734%	0.194972%	0.196938%	0.195411%	0.194530%	0.196987%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability (Asset) associated with the District	\$ 104,007,675	\$ 105,459,100	\$ 96,020,121	\$ 130,586,022	\$ 121,965,013	\$ 124,036,957	\$ 132,782,502	\$ 153,722,385	\$ 122,951,456	\$ 105,283,211
Total	<u>\$ 104,007,675</u>	<u>\$ 105,459,100</u>	<u>\$ 96,020,121</u>	<u>\$ 130,586,022</u>	<u>\$ 121,965,013</u>	<u>\$ 124,036,957</u>	<u>\$ 132,782,502</u>	<u>\$ 153,722,385</u>	<u>\$ 122,951,456</u>	<u>\$ 105,283,211</u>
District's Covered Employee Payroll	\$ 25,821,445	\$ 25,252,591	\$ 24,226,099	\$ 23,177,232	\$ 22,921,558	\$ 21,957,911	\$ 21,222,897	\$ 20,831,365	\$ 20,445,981	\$ 20,056,657
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its covered employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.68%	47.68%	35.52%	24.60%	26.95%	26.48%	25.41%	22.33%	28.71%	33.64%

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

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

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

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

	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability							
Service cost	\$ 4,616,935	\$ 6,075,711	\$ 6,833,953	\$ 3,781,690	\$ 3,777,871	\$ 4,246,674	\$ 5,131,237
Interest	4,029,476	2,891,326	3,383,895	3,215,403	3,923,712	4,180,451	3,616,191
Changes of benefit terms	-	-	(138,843)	-	-	-	-
Differences between expected and actual experience	(528,609)	1,729,197	(22,702,982)	25,093,205	(15,995,790)	(9,384,772)	-
Changes of assumptions or other inputs	230,609	(29,267,615)	128,694	26,581,480	1,331,540	(11,352,424)	(15,430,462)
Member contributions	103,261	91,877	86,510	76,787	81,262	91,425	97,051
Benefit payments	(3,141,042)	(2,863,944)	(2,665,561)	(2,533,381)	(2,741,388)	(2,645,286)	(2,635,651)
Net change in total OPEB liability	5,310,630	(21,343,448)	(15,074,334)	56,215,184	(9,622,793)	(14,863,932)	(9,221,634)
Total OPEB liability - beginning	109,102,090	130,445,538	145,519,872	89,304,688	98,927,481	113,791,413	123,013,047
Total OPEB liability - ending	\$ 114,412,720	\$ 109,102,090	\$ 130,445,538	\$ 145,519,872	\$ 89,304,688	\$ 98,927,481	\$ 113,791,413
Covered-employee payroll							
Total OPEB liability as a percentage of covered-employee payroll	\$ 30,657,188	\$ 29,892,175	\$ 28,707,819	\$ 27,618,737	\$ 27,267,719	\$ 26,250,094	\$ 25,328,392
	373.20%	364.99%	538.45%	526.89%	327.51%	376.87%	449.26%

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

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

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

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

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

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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TOWN OF HAMMONTON SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
YEAR ENDED JUNE 30, 2024

Public Employees' Retirement System (PERS)

Changes in Benefit Terms

None

Changes in Assumptions

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2023	7.00%	2019	6.28%	2015	4.90%
2022	7.00%	2018	5.66%	2014	5.39%
2021	7.00%	2017	5.00%		
2020	7.00%	2016	3.98%		

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2023	7.00%	2019	7.00%	2015	7.65%
2022	7.00%	2018	7.00%	2014	7.90%
2021	7.00%	2017	7.00%		
2020	7.00%	2016	7.65%		

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

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms

None.

Changes in Assumptions

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2023	7.00%	2019	5.60%	2015	4.13%
2022	7.00%	2018	4.86%	2014	4.68%
2021	7.00%	2017	4.25%		
2020	5.40%	2016	3.22%		

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2023	7.00%	2019	7.00%	2015	7.90%
2022	7.00%	2018	7.00%	2014	7.90%
2021	7.00%	2017	7.00%		
2020	7.00%	2016	7.65%		

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

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms

None.

Changes in Assumptions

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

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

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

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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TOWN OF HAMMONTON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenue and Expenditures
Budgetary Basis
FOR THE FISCAL YEAR ENDED June 30, 2024

	Brain Alliance HS	HEF FY20 MS Teacher of the Year Grant	HEF FY23 HS Teacher of the Year Grant	HEF Interactive Tech WES	HEF Care Closet WES	HEF Food Pantry ECEC	HEF Book Club HS	AtlantiCare School Health Grant	HEF Positive Behavior MS	HEF Franklin Institute HS
REVENUES:										
Local Sources	\$ 284	\$ 378	\$ 66	\$ 2,468	\$ 3,682	\$ 2,632	\$ 2,410	\$ 7,300	\$ 2,388	\$ 1,443
State Sources	-	-	-	-	-	-	-	-	-	-
Federal Sources	-	-	-	-	-	-	-	-	-	-
Total revenues	<u>\$ 284</u>	<u>\$ 378</u>	<u>\$ 66</u>	<u>\$ 2,468</u>	<u>\$ 3,682</u>	<u>\$ 2,632</u>	<u>\$ 2,410</u>	<u>\$ 7,300</u>	<u>\$ 2,388</u>	<u>\$ 1,443</u>
EXPENDITURES:										
Instruction:										
Salaries of teachers	-	-	-	-	-	-	-	-	-	-
Other salaries of instruction	-	-	-	-	-	-	-	-	-	-
Purchased professional, technical and educational services	-	-	-	-	-	-	-	-	-	-
General supplies	-	-	66	2,468	-	-	2,410	-	-	-
Textbooks	-	-	-	-	-	-	-	-	-	-
Other objects	-	-	-	-	-	-	-	-	-	440
Total instruction	<u>-</u>	<u>-</u>	<u>66</u>	<u>2,468</u>	<u>-</u>	<u>-</u>	<u>2,410</u>	<u>-</u>	<u>-</u>	<u>440</u>
Support services:										
Salaries of principals/program directors	-	-	-	-	-	-	-	-	-	-
Salaries of other professional staff	-	-	-	-	-	-	-	4,000	-	-
Personnel services- employee benefits	-	-	-	-	-	-	-	-	-	-
Purchased professional and technical services	-	-	-	-	-	-	-	-	-	-
Other purchased services	284	378	-	-	-	-	-	1,720	323	408
Supplies and materials	-	-	-	-	3,682	2,632	-	1,580	2,065	595
Scholarships Awarded	-	-	-	-	-	-	-	-	-	-
Student Activities	-	-	-	-	-	-	-	-	-	-
Total support services	<u>284</u>	<u>378</u>	<u>-</u>	<u>-</u>	<u>3,682</u>	<u>2,632</u>	<u>-</u>	<u>7,300</u>	<u>2,388</u>	<u>1,003</u>
Facilities acquisition and construction services										
Instructional equipment	-	-	-	-	-	-	-	-	-	-
Non-Instructional equipment	-	-	-	-	-	-	-	-	-	-
Construction Services	-	-	-	-	-	-	-	-	-	-
Total facilities acquisition and construction services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>284</u>	<u>378</u>	<u>66</u>	<u>2,468</u>	<u>3,682</u>	<u>2,632</u>	<u>2,410</u>	<u>7,300</u>	<u>2,388</u>	<u>1,443</u>
Other Financing Sources (Uses)										
Transfer from Operating Budget - Preschool	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

TOWN OF HAMMONTON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenue and Expenditures
Budgetary Basis
FOR THE FISCAL YEAR ENDED June 30, 2024

	HEF HS	HEF Library Books	HEF Gaming Pass HS	HEF FY24 WES Taste of the Town Award	HEF FY23 MS Teacher of the Year Grant	HEF FY24 WES Teacher of the Year Grant	HEF FY24 MS Teacher of the Year Grant	HEF FY24 HS Teacher of the Year Grant	HEF Blue Devils Pantry HS	HEF Coffee Cart MS	HEF Greenhouse WES
REVENUES:											
Local Sources	\$ 1,301	\$ 2,275	\$ 249	\$ 165	\$ 499	\$ 484	\$ 479	\$ 4,925	\$ 2,252	\$ 4,993	
State Sources	-	-	-	-	-	-	-	-	-	-	-
Federal Sources	-	-	-	-	-	-	-	-	-	-	-
Total revenues	\$ 1,301	\$ 2,275	\$ 249	\$ 165	\$ 499	\$ 484	\$ 479	\$ 4,925	\$ 2,252	\$ 4,993	
EXPENDITURES:											
Instruction:											
Salaries of teachers	-	-	-	-	-	-	-	-	-	-	-
Other salaries of instruction	-	-	-	-	-	-	-	-	-	-	-
Purchased professional, technical and educational services	-	-	-	-	-	-	-	-	-	-	-
General supplies	-	-	249	165	499	484	479	-	2,252	-	-
Textbooks	-	-	-	-	-	-	-	-	-	-	-
Other objects	-	-	-	-	-	-	-	-	-	-	-
Total instruction	-	-	249	165	499	484	479	-	2,252	-	-
Support services:											
Salaries of principals/program directors	-	-	-	-	-	-	-	-	-	-	-
Salaries of other professional staff	-	-	-	-	-	-	-	-	-	-	-
Salaries of secretary's and other salaries	-	-	-	-	-	-	-	-	-	-	-
Personnel services- employee benefits	-	-	-	-	-	-	-	-	-	-	-
Purchased professional and technical services	-	-	-	-	-	-	-	-	-	-	-
Other purchased services	-	866	-	-	-	-	-	-	-	-	-
Supplies and materials	1,301	1,409	-	-	-	-	-	4,925	-	-	4,993
Scholarships Awarded	-	-	-	-	-	-	-	-	-	-	-
Student Activities	-	-	-	-	-	-	-	-	-	-	-
Total support services	1,301	2,275	-	-	-	-	-	4,925	-	-	4,993
Facilities acquisition and construction services											
Instructional equipment	-	-	-	-	-	-	-	-	-	-	-
Non-Instructional equipment	-	-	-	-	-	-	-	-	-	-	-
Construction Services	-	-	-	-	-	-	-	-	-	-	-
Total facilities acquisition and construction services	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	1,301	2,275	249	165	499	484	479	4,925	2,252	4,993	
Other Financing Sources (Uses)											
Transfer from Operating Budget - Preschool	-	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

TOWN OF HAMMONTON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenue and Expenditures
Budgetary Basis
FOR THE FISCAL YEAR ENDED June 30, 2024

	HEF FY23 EC Teacher of the Year Grant	HEF Kids in Motion WES	HEF Reading Incentive HS	Scholarship Fund	Student Activity / Athletics Fund	Total Local Funds	Nonpublic Textbooks
REVENUES:							
Local Sources	\$ 500	\$ 5,000	\$ 548	\$ 4,385	\$ 879,107	\$ 930,213	\$ -
State Sources	-	-	-	-	-	-	9,114
Federal Sources	-	-	-	-	-	-	-
Total revenues	\$ 500	\$ 5,000	\$ 548	\$ 4,385	\$ 879,107	\$ 930,213	\$ 9,114
EXPENDITURES:							
Instruction:							
Salaries of teachers	-	-	-	-	-	-	-
Other salaries of instruction	-	-	-	-	-	-	-
Purchased professional, technical and educational services	-	-	-	-	-	-	-
General supplies	500	-	-	-	-	9,572	-
Textbooks	-	-	-	-	-	-	9,114
Other objects	-	-	-	-	-	440	-
Total instruction	500	-	-	-	-	10,012	9,114
Support services:							
Salaries of principals/program directors	-	-	-	-	-	-	-
Salaries of other professional staff	-	-	-	-	-	4,000	-
Salaries of secretary's and other salaries	-	-	-	-	-	-	-
Personnel services- employee benefits	-	-	-	-	-	-	-
Purchased professional and technical services	-	-	-	-	-	-	-
Other purchased services	-	-	-	-	-	3,979	-
Supplies and materials	-	1,138	548	-	-	24,868	-
Scholarships Awarded	-	-	-	6,650	-	6,650	-
Student Activities	-	-	-	-	819,740	819,740	-
Total support services	-	1,138	548	6,650	819,740	859,237	-
Facilities acquisition and construction services							
Instructional equipment	-	-	-	-	-	-	-
Non-Instructional equipment	-	3,862	-	-	-	3,862	-
Construction Services	-	-	-	-	-	-	-
Total facilities acquisition and construction services	-	3,862	-	-	-	3,862	-
Total expenditures	500	5,000	548	6,650	819,740	873,111	9,114
Other Financing Sources (Uses)							
Transfer from Operating Budget - Preschool	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	(2,265)	59,367	57,102	-
Fund Balance, July 1	-	-	-	142,889	388,047	530,936	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 140,624	\$ 447,414	\$ 588,038	\$ -

TOWN OF HAMMONTON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenue and Expenditures
Budgetary Basis
FOR THE FISCAL YEAR ENDED June 30, 2024

[illegible]

TOWN OF HAMMONTON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenue and Expenditures
Budgetary Basis
FOR THE FISCAL YEAR ENDED June 30, 2024

				ARP ESSER Evidence Based Summer Learning Support & Enrichment	ARP ESSER Accelerated Learning Coach & Educator Support	Carryover Title I Part A	Carryover Title III English Language Enhanc.	Title III English Language Enhancement	Title IV Student Support and Academic Enrichment	Carryover Title IV Student Support and Academic Enrichment	I.D.E.A. Part - B Basic	Carryover I.D.E.A. Part - B Basic
REVENUES:												
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-	-	-	-	-	-	-	-	-
Federal Sources	546,471	72,004	126,464	1,211	784	51,228	43,497	5,264	839,850	772		
Total revenues	<u>\$ 546,471</u>	<u>\$ 72,004</u>	<u>\$ 126,464</u>	<u>\$ 1,211</u>	<u>\$ 784</u>	<u>\$ 51,228</u>	<u>\$ 43,497</u>	<u>\$ 5,264</u>	<u>\$ 839,850</u>	<u>\$ 772</u>		
EXPENDITURES:												
Instruction:												
Salaries of teachers	243,109	23,594	-	600	-	-	-	-	-	-	-	-
Other salaries of instruction	35,338	12,834	-	-	-	38,809	-	-	-	-	-	-
Purchased professional, technical and educational services	-	-	-	-	-	-	-	-	-	-	-	-
General supplies	8,636	1,745	43,854	-	-	-	7,273	3,880	817,119	-	-	-
Textbooks	-	-	-	-	-	-	-	-	-	-	-	-
Other objects	1,841	-	-	-	-	-	-	-	-	-	-	-
Total instruction	<u>288,924</u>	<u>38,173</u>	<u>43,854</u>	<u>600</u>	<u>-</u>	<u>38,809</u>	<u>7,273</u>	<u>3,880</u>	<u>817,119</u>	<u>-</u>	<u>-</u>	<u>-</u>
Support services:												
Salaries of principals/program directors	-	-	-	325	-	-	-	-	-	-	-	-
Salaries of other professional staff	72,123	5,459	19,680	200	-	6,000	21,220	1,286	-	-	-	-
Salaries of secretary's and other salaries	-	-	-	-	-	-	-	-	-	-	-	-
Personnel services- employee benefits	181,428	14,222	1,505	86	-	3,428	14,541	98	-	-	-	-
Purchased professional and technical services	1,299	-	53,808	-	-	-	-	-	-	-	-	-
Other purchased services	-	13,613	6,863	-	784	2,991	463	-	22,731	-	772	-
Supplies and materials	2,697	537	754	-	-	-	-	-	-	-	-	-
Scholarships Awarded	-	-	-	-	-	-	-	-	-	-	-	-
Student Activities	-	-	-	-	-	-	-	-	-	-	-	-
Total support services	<u>257,547</u>	<u>33,831</u>	<u>82,610</u>	<u>611</u>	<u>784</u>	<u>12,419</u>	<u>36,224</u>	<u>1,384</u>	<u>22,731</u>	<u>772</u>	<u>-</u>	<u>-</u>
Facilities acquisition and construction services												
Instructional equipment	-	-	-	-	-	-	-	-	-	-	-	-
Non-Instructional equipment	-	-	-	-	-	-	-	-	-	-	-	-
Construction Services	-	-	-	-	-	-	-	-	-	-	-	-
Total facilities acquisition and construction services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>546,471</u>	<u>72,004</u>	<u>126,464</u>	<u>1,211</u>	<u>784</u>	<u>51,228</u>	<u>43,497</u>	<u>5,264</u>	<u>839,850</u>	<u>772</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)												
Transfer from Operating Budget - Preschool	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, July 1	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

TOWN OF HAMMONTON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenue and Expenditures
Budgetary Basis
FOR THE FISCAL YEAR ENDED June 30, 2024

	ARP ESSER Evidence Based	Extended Day Learning Support & Enrichment	New Jersey High Impact Tutoring Grant	Bipartisan Safer Communities Act (BSCA) Grant	ARP ESSER III	Total Federal Funds	Totals
REVENUES:							
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 930,213
State Sources	-	-	-	-	-	-	1,602,742
Federal Sources	27,900	32,879	10,188	508,477	789,089	3,241,958	3,241,958
Total revenues	\$ 27,900	\$ 32,879	\$ 10,188	\$ 508,477	\$ 789,089	\$ 3,241,958	\$ 5,774,913
EXPENDITURES:							
Instruction:							
Salaries of teachers	-	-	-	6,782	-	438,998	1,087,066
Other salaries of instruction	-	-	-	-	164,913	131,291	340,421
Purchased professional, technical and educational services	27,900	-	-	-	68,625	1,054,452	1,093,301
General supplies	-	-	-	-	-	65,388	125,336
Textbooks	-	-	-	-	-	-	9,114
Other objects	-	-	-	-	-	1,841	2,281
Total instruction	27,900	-	-	6,782	277,848	1,691,970	2,657,519
Support services:							
Salaries of principals/program directors	-	-	-	-	11,500	19,303	67,088
Salaries of other professional staff	-	-	-	-	79,472	226,017	491,552
Salaries of secretary's and other salaries	-	11,520	-	-	-	11,520	63,856
Personnel services- employee benefits	-	881	-	519	32,388	258,812	448,829
Purchased professional and technical services	-	4,836	-	-	111,779	703,702	719,731
Other purchased services	-	15,642	10,188	-	12,017	62,561	66,540
Supplies and materials	-	-	-	-	-	3,988	33,095
Scholarships Awarded	-	-	-	-	-	-	6,650
Student Activities	-	-	-	-	-	-	819,740
Total support services	-	32,879	10,188	519	247,156	1,285,903	2,717,081
Facilities acquisition and construction services							
Instructional equipment	-	-	-	-	-	-	15,080
Non-Instructional equipment	-	-	-	-	112,085	112,085	176,230
Construction Services	-	-	-	-	152,000	152,000	180,473
Total facilities acquisition and construction services	-	-	-	-	264,085	264,085	371,783
Total expenditures	27,900	32,879	10,188	7,301	789,089	3,241,958	5,746,383
Other Financing Sources (Uses)							
Transfer from Operating Budget - Preschool	-	-	-	-	-	-	28,572
Total Other Financing Sources (Uses)	-	-	-	-	-	-	28,572
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	57,102
Fund Balance, July 1	-	-	-	-	-	-	530,936
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 588,038

(continued)

TOWN OF HAMMONTON SCHOOL DISTRICT
Special Revenue Fund
Preschool Education Aid Schedule of Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2024

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 726,068	\$ 648,068	\$ 78,000
Other Salaries for Instruction	239,747	209,130	30,617
Instructional Supplies	73,195	42,655	30,540
	<u>1,039,010</u>	<u>899,853</u>	<u>139,157</u>
Total instruction			
Support services:			
Salaries of Supervisors of Instruction	35,828	35,828	-
Salaries of Program Directors	47,788	47,785	3
Salaries of Other Professional Staff	140,229	140,229	-
Salaries of Secretary's and Other Salaries	52,336	52,336	-
Salaries of Master Teachers	85,478	85,478	-
Personnel Service Benefits	195,325	190,017	5,308
Purchased Professional - Educational Svcs	10,574	-	10,574
Other Purchased Professional Svcs	30,000	-	30,000
Cleaning, Repair & Maintenance Svcs	20,000	-	20,000
Travel	5,000	-	5,000
Non-Instructional Supplies	100,000	211	99,789
	<u>722,558</u>	<u>551,884</u>	<u>170,674</u>
Total support services			
Facilities acquisition and construction services			
Instructional equipment	231,064	15,080	215,984
NonInstructional equipment	236,458	-	236,458
	<u>467,522</u>	<u>15,080</u>	<u>452,442</u>
Total facilities acquisition and construction services			
	<u>\$ 2,229,090</u>	<u>\$ 1,466,817</u>	<u>\$ 762,273</u>

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2023-2024 Preschool Education Aid Allocation	\$ 1,685,748
Add: Actual ECPA Carryover (June 30, 2023)	678,743
Add: Budgeted Transfer from the General Fund 2023-24	28,572
Total Preschool Education Aid Funds Available for 2023-24 Budget	2,393,063
Less: 2023-24 Budgeted Preschool Education Aid(Including prior year budgeted carryover)	(2,229,090)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2024	163,973
Add: June 30, 2024 Unexpended Preschool Education Aid	762,273
2023-24 Carryover - Preschool Education Aid/Preschool	\$ 926,246
2023-24 Preschool Education Aid Carryover Budgeted for Preschool Programs 2024-25	<u>\$ 163,973</u>

See Accompanying Notes to the Financial Statements

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F. Capital Projects Fund

Not Applicable

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G. Proprietary Funds

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TOWN OF HAMMONTON SCHOOL DISTRICT

Enterprise Funds
Combining Schedule of Net Position
For the Fiscal Year ended June 30, 2024

	Food Service	Latchkey Program	2024
ASSETS:			
Cash and cash equivalents	\$ 542,742	\$ 55,994	\$ 598,736
Accounts Receivable:			
State	2,520	-	2,520
Federal	51,775	-	51,775
Interfund	133,852	-	133,852
Inventories	5,439	-	5,439
Total Current Assets	736,328	55,994	792,322
Capital Assets:			
Equipment	1,353,325	137,816	1,491,141
Accumulated depreciation	(813,472)	(100,022)	(913,494)
Total capital assets	539,853	37,794	577,647
Total assets	<u>\$ 1,276,181</u>	<u>\$ 93,788</u>	<u>\$ 1,369,969</u>
LIABILITIES AND FUND EQUITY:			
Current liabilities:			
Interfund accounts payable	\$ 91,959	\$ -	\$ 91,959
Accounts payable	29,186	-	29,186
Unearned revenue	5,534	-	5,534
Compensated absences payable	49,594	-	49,594
Total current liabilities	176,273	-	176,273
Net Position:			
Unrestricted	560,055	55,994	616,049
Investment in capital assets	539,853	37,794	577,647
Total net position	1,099,908	93,788	1,193,696
Total liabilities and net position	<u>\$ 1,276,181</u>	<u>\$ 93,788</u>	<u>\$ 1,369,969</u>

See Accompanying Notes to the Financial Statements

TOWN OF HAMMONTON SCHOOL DISTRICT

Enterprise Funds
Combining Schedule of Revenues, Expenses
and Changes in Net Position
For the Fiscal Year ended June 30, 2024

	Food Service	Latchkey	2024
OPERATING REVENUES:			
Local Sources:			
Daily sales- reimbursable programs			
School lunch, breakfast, snack, summer program	\$ 389,047	\$ -	\$ 389,047
Daily sales non- reimbursable programs	238,076	-	238,076
Miscellaneous	19,235	-	19,235
Special Functions	6,187	-	6,187
	<u>652,545</u>	<u>-</u>	<u>652,545</u>
Total Operating Revenues			
OPERATING EXPENSES:			
Salaries	727,586	-	727,586
Employee benefits	271,889	-	271,889
Supplies & Materials	93,190	-	93,190
Depreciation	40,054	8,460	48,514
Cost of sales-Reimbursable programs	807,620	-	807,620
Cost of sales-Nonreimbursable programs	38,858	-	38,858
Other	34,283	-	34,283
	<u>2,013,480</u>	<u>8,460</u>	<u>2,021,940</u>
Total operating expenses			
Operating income (loss)	<u>(1,360,935)</u>	<u>(8,460)</u>	<u>(1,369,395)</u>
Nonoperating revenues:			
State sources			
State school lunch program	41,321	-	41,321
State school breakfast program	5,694	-	5,694
Federal sources			
National school lunch program	771,822	-	771,822
National school breakfast program	184,890	-	184,890
Supply Chain Assistance Award	79,944	-	79,944
P-EBT Administrative Cost	3,112	-	3,112
Food Distribution Program	72,383	-	72,383
Interest revenue	11,803	903	12,706
	<u>1,170,969</u>	<u>903</u>	<u>1,171,872</u>
Total nonoperating revenues			
Net income/(loss) before transfers	(189,966)	(7,557)	(197,523)
Change in Net Position	(189,966)	(7,557)	(197,523)
Net Position, July 1	<u>1,289,874</u>	<u>101,345</u>	<u>1,391,219</u>
Net Position, June 30	<u>\$ 1,099,908</u>	<u>\$ 93,788</u>	<u>\$ 1,193,696</u>

See Accompanying Notes to the Financial Statements

TOWN OF HAMMONTON SCHOOL DISTRICT
Combining Schedule of Cash Flows
All Proprietary Fund Types and Similar Trust Funds
For the Fiscal Year ended June 30, 2024

	Food Service	Latchkey	2024
Cash flows from operating activities:			
Cash received from customers	\$ 504,410	\$ -	\$ 504,410
Cash payments to employees for services	(1,002,019)	-	(1,002,019)
Cash payments to suppliers for goods and services	(900,437)	(112)	(900,549)
Net cash provided/(used) by operating activities	(1,398,046)	(112)	(1,398,158)
Cash flows from noncapital financing activities:			
Cash received from state and federal reimbursements	1,235,725	-	1,235,725
Net cash provided by noncapital financing activities	1,235,725	-	1,235,725
Cash flows from capital and related financing activities:			
Purchases of capital assets	(69,576)	(18,349)	(87,925)
Net cash (used) by capital and related financing activities	(69,576)	(18,349)	(87,925)
Cash flows from investing activities:			
Interest on investments	11,803	903	12,706
Net cash provided by investing activities	11,803	903	12,706
Net increase (decrease) in cash and cash equivalents	(220,094)	(17,558)	(237,652)
Cash and cash equivalents, July 1	762,836	73,552	836,388
Cash and cash equivalents, June 30	\$ 542,742	\$ 55,994	\$ 598,736
Reconciliation of operating income/(loss) to net cash provided/(used) by operating activities:			
Operating income/(loss)	\$ (1,360,935)	\$ (8,460)	\$ (1,369,395)
Adjustments to reconcile operating income/(loss) to cash provided (used) by operating activities:			
Depreciation	40,054	8,460	48,514
Federal Commodities	72,383	-	72,383
Change in assets and liabilities:			
Decrease/(Increase) in accounts receivable	(133,852)	-	(133,852)
Decrease/(Increase) in inventory	2,808	-	2,808
(Decrease)/Increase in accounts payable	(1,677)	(112)	(1,789)
(Decrease)/Increase in interfund accounts payable	(7,852)	-	(7,852)
(Decrease)/Increase in unearned revenue	(14,283)	-	(14,283)
(Decrease)/Increase in compensated absence payable	5,308	-	5,308
Net cash provided/(used) by operating activities	\$ (1,398,046)	\$ (112)	\$ (1,398,158)

See Accompanying Notes to the Financial Statements

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H. Fiduciary Fund

Not Applicable

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I. Long-Term Debt

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TOWN OF HAMMONTON SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
June 30, 2024

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2023	Retired	Balance June 30, 2024
			Date	Amount				
Refunding School Bonds	5/11/16	\$ 7,050,000	8/1/24	\$ 35,000	2.000%			
			8/1/25	535,000	3.000%			
			8/1/26	1,170,000	3.000%			
			8/1/27	1,205,000	3.000%			
			8/1/28	1,245,000	3.125%			
			8/1/29	1,285,000	3.250%			
			8/1/30	1,305,000	3.250%	\$ 6,815,000	\$ 35,000	\$ 6,780,000
Refunding School Bonds	6/18/20	4,175,000	8/1/24	975,000	4.000%			
			8/1/25	510,000	4.000%	2,415,000	930,000	1,485,000
Refunding School Bonds W.E.S. Elementary School	12/20/17	6,695,000	7/1/24	605,000	4.000%			
			7/1/25-26	660,000	4.000%			
			7/1/27	710,000	4.000%			
			7/1/28	705,000	3.000%			
			7/1/29	750,000	3.000%			
			7/1/30	790,000	3.000%	5,485,000	605,000	4,880,000
						\$ 14,715,000	\$ 1,570,000	\$ 13,145,000

TOWN OF HAMMONTON SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2024

	Original Budget	Final Budget	Actual
REVENUES:			
Local Sources:			
Local Tax Levy	\$ 1,662,175	\$ 1,662,175	\$ 1,662,175
	<u>1,662,175</u>	<u>1,662,175</u>	<u>1,662,175</u>
State Sources:			
Debt Service Aid Type II	269,329	269,329	269,329
	<u>269,329</u>	<u>269,329</u>	<u>269,329</u>
Total - State Sources	<u>269,329</u>	<u>269,329</u>	<u>269,329</u>
Total Revenues	<u>1,931,504</u>	<u>1,931,504</u>	<u>1,931,504</u>
EXPENDITURES:			
Regular Debt Service:			
Interest	474,282	474,282	474,282
Redemption of Principal	1,570,000	1,570,000	1,570,000
	<u>2,044,282</u>	<u>2,044,282</u>	<u>2,044,282</u>
Total Regular Debt Service	<u>2,044,282</u>	<u>2,044,282</u>	<u>2,044,282</u>
Total expenditures	<u>2,044,282</u>	<u>2,044,282</u>	<u>2,044,282</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(112,778)	(112,778)	(112,778)
OTHER FINANCING SOURCES (USES)			
Transfers in	112,777	112,777	112,777
	<u>112,777</u>	<u>112,777</u>	<u>112,777</u>
Total other financing sources (uses)	<u>112,777</u>	<u>112,777</u>	<u>112,777</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(1)	(1)	(1)
Fund Balance, July 1	1	1	1
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures			
Budgeted Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

STATISTICAL SECTION (Unaudited)

Third Section

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Financial Trends Information

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

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net investment in capital assets	\$ 12,924,025	\$ 13,211,245	\$ 13,356,794	\$ 12,501,011	\$ 12,818,941	\$ 13,481,102	\$ 13,160,536	\$ 16,832,176	\$ 22,254,470	\$ 20,193,832
Restricted	8,202,910	8,566,519	7,846,385	7,998,797	7,972,155	8,503,743	6,566,051	6,718,782	10,688,599	14,033,108
Unrestricted (Deficit)	(17,770,393)	(18,940,740)	(19,419,775)	(19,306,209)	(18,711,735)	(18,705,504)	(13,424,464)	(13,051,967)	(13,004,758)	(7,244,796)
Total governmental activities net position	\$ 3,356,542	\$ 2,837,024	\$ 1,783,404	\$ 1,193,599	\$ 2,079,361	\$ 3,279,341	\$ 3,279,341	\$ 6,302,123	\$ 10,498,991	\$ 26,982,144
Business-type activities										
Net investment in capital assets	\$ 347,927	\$ 310,114	\$ 764,480	\$ 732,617	\$ 675,814	\$ 616,447	\$ 592,417	\$ 565,003	\$ 538,236	\$ 577,647
Restricted	50,000	-	-	-	-	-	-	-	-	-
Unrestricted	525,085	653,613	72,173	91,857	157,154	92,539	221,905	804,232	852,983	616,049
Total business-type activities net position	\$ 923,012	\$ 963,727	\$ 836,653	\$ 824,474	\$ 832,968	\$ 708,986	\$ 814,322	\$ 1,369,235	\$ 1,391,219	\$ 1,193,696
District-wide										
Net investment in capital assets	\$ 13,271,952	\$ 13,521,359	\$ 14,121,274	\$ 13,233,628	\$ 13,494,755	\$ 14,097,549	\$ 13,752,953	\$ 17,397,179	\$ 22,792,706	\$ 20,771,479
Restricted	8,252,910	8,566,519	7,846,385	7,998,797	7,972,155	8,503,743	6,566,051	6,718,782	10,688,599	14,033,108
Unrestricted (Deficit)	(17,245,308)	(18,287,127)	(19,347,602)	(19,214,352)	(18,554,581)	(18,612,965)	(13,202,559)	(12,247,735)	(12,151,775)	(6,628,747)
Total district net position	\$ 4,279,554	\$ 3,800,751	\$ 2,620,057	\$ 2,018,073	\$ 2,912,329	\$ 3,988,327	\$ 7,116,445	\$ 11,868,226	\$ 21,329,530	\$ 28,175,840

Source: ACFR Schedule A-1

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities										
Instruction										
Regular	\$ 23,340,075	\$ 23,616,748	\$ 25,253,408	\$ 35,850,496	\$ 34,674,171	\$ 32,972,030	\$ 38,657,264	\$ 36,323,876	\$ 36,510,468	\$ 38,315,207
Special education	4,044,510	3,930,847	4,594,059	6,634,800	5,910,504	5,789,476	6,554,666	6,056,303	5,115,465	4,983,637
Other instruction	1,742,035	1,859,616	1,989,960	2,365,023	2,371,418	2,864,594	2,697,225	3,399,287	3,900,247	4,488,626
Support Services:										
Tuition	1,972,518	2,240,798	3,228,284	2,318,045	2,737,676	2,964,167	2,927,972	3,177,949	3,419,702	3,356,026
Student & instruction related services	6,795,710	6,502,957	6,727,957	9,214,405	8,925,679	9,178,761	11,219,182	11,361,857	10,713,495	11,738,773
General administrative services	890,705	905,976	940,450	1,032,113	1,018,914	1,006,161	1,047,364	998,674	1,056,041	1,406,613
School administrative services	2,413,952	2,535,640	2,709,324	3,740,802	3,665,577	3,716,854	4,197,928	4,431,091	4,664,991	4,654,786
Business administrative services	970,690	1,428,241	1,216,390	1,962,460	1,525,487	1,599,977	1,676,735	1,778,051	1,716,013	1,805,257
Plant operations and maintenance	4,321,308	4,794,990	5,029,133	5,748,212	5,471,043	5,426,128	6,241,854	6,795,692	6,567,575	6,835,996
Pupil transportation	2,196,897	2,358,823	2,573,389	2,972,101	3,086,411	3,101,079	3,169,670	4,209,843	4,370,133	4,273,234
Interest on long-term debt	1,132,063	1,109,565	623,150	828,638	777,134	649,111	558,024	569,518	517,913	460,651
Total governmental activities expenses	49,820,463	51,284,201	54,885,504	72,667,095	70,164,014	69,268,338	78,947,884	79,102,141	78,552,043	82,318,806
Business-type activities:										
Food service	1,571,045	1,575,856	1,706,805	1,651,452	1,614,795	1,532,795	1,462,565	1,790,068	1,881,693	2,013,480
Child Care	112,572	78,190	8,630	10,066	9,066	7,441	7,441	26,779	8,476	8,460
Total business-type activities expense	1,683,617	1,654,046	1,715,435	1,661,518	1,623,861	1,540,236	1,470,006	1,816,847	1,890,169	2,021,940
Total district expenses	\$ 51,504,080	\$ 52,938,247	\$ 56,600,939	\$ 74,328,613	\$ 71,787,875	\$ 70,808,574	\$ 80,417,890	\$ 80,918,988	\$ 80,442,212	\$ 84,340,746
Program Revenues										
Governmental activities:										
Charges for services:										
Tuition	\$ 9,854,615	\$ 10,157,368	\$ 9,975,782	\$ 9,883,460	\$ 9,293,534	\$ 9,342,121	\$ 9,275,245	\$ 9,072,178	\$ 9,125,539	\$ 11,386,517
Transportation fees from other LEA's	72,947	94,371	108,371	84,489	92,510	39,545	1,256	47,458	115,214	115,949
Student & instruction related services	-	-	-	-	-	-	445,869	-	-	-
Operating grants and contributions	6,115,780	5,604,529	2,722,657	19,056,324	14,532,501	12,078,916	19,340,981	16,035,884	16,024,929	11,529,305
Total governmental activities program revenues	16,043,342	15,856,268	12,806,810	29,024,273	23,918,545	21,460,582	29,063,351	25,155,520	25,265,682	23,031,771
Business-type activities:										
Charges for services										
Food service	695,274	709,738	654,159	633,811	662,419	429,007	96,009	130,971	628,387	652,545
Child care	117,173	83,433	25	-	-	-	-	-	-	-
Operating grants and contributions	843,503	900,247	932,864	937,595	966,618	845,111	1,478,395	2,239,554	1,275,829	1,159,166
Total business-type activities program revenues	1,655,950	1,693,418	1,587,048	1,571,406	1,629,037	1,274,118	1,574,404	2,370,525	1,904,216	1,811,711
Total district program revenues	17,699,292	17,549,686	14,393,858	30,595,679	25,547,582	22,734,700	30,637,755	27,526,045	27,169,898	24,843,482
Net (Expense)/Revenue										
Governmental activities	(33,777,121)	(35,427,933)	(42,078,694)	(43,642,822)	(46,245,469)	(47,807,756)	(49,884,533)	(49,884,533)	(53,286,361)	(59,287,035)
Business-type activities	(27,667)	39,372	(128,387)	(90,112)	5,176	(266,118)	104,398	553,678	14,047	(210,229)
Total district-wide net expense	\$ (33,804,788)	\$ (35,388,561)	\$ (42,207,081)	\$ (43,732,934)	\$ (46,240,293)	\$ (48,073,874)	\$ (49,780,135)	\$ (49,330,855)	\$ (53,272,314)	\$ (59,497,264)

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 16,506,429	\$ 16,506,429	\$ 17,224,826	\$ 17,665,378	\$ 18,018,685	\$ 18,018,685	\$ 18,086,685	\$ 18,198,582	\$ 18,320,722	\$ 18,487,722
Taxes levied for debt service	1,673,376	2,083,577	1,831,416	1,735,360	1,631,010	1,631,010	1,631,010	1,644,835	1,662,175	1,662,175
Unrestricted grants and contributions	16,882,546	15,918,801	21,731,505	23,450,750	27,271,317	29,251,174	31,966,533	37,832,033	42,113,186	45,211,143
Capital lease	-	-	-	-	-	-	75,000	77,250	79,568	81,500
Investment earnings	17,799	17,502	16,964	17,244	84,757	120,415	50,094	25,499	137,278	429,719
Miscellaneous income	190,592	323,399	187,796	152,787	45,200	54,235	108,460	102,411	55,489	105,374
Canceled accounts payable prior year	1,763	-	-	-	-	34,475	37	2,008	17,465	-
Prior year encumbrances	-	-	-	-	-	-	-	-	-	155,428
Prior year adjustment	-	58,707	32,567	108,596	-	-	-	14,686	-	-
Transfer to cover deficit	-	-	-	(77,098)	-	(138,906)	-	-	-	-
Refund prior year expenditures	-	-	-	-	80,262	56,648	258,640	246,185	339,798	197,807
Total governmental activities	35,272,505	34,908,415	41,025,074	43,053,017	47,131,231	49,007,736	52,176,459	58,143,489	62,725,681	66,330,868
Business-type activities:										
Investment earnings	1,469	1,343	1,313	835	3,318	3,230	938	1,235	7,937	12,706
Transfer to cover deficit	-	-	-	77,098	-	138,906	-	-	-	-
Total business-type activities	1,469	1,343	1,313	77,933	3,318	142,136	938	1,235	7,937	12,706
Total district-wide	\$ 35,273,974	\$ 34,909,758	\$ 41,026,387	\$ 43,130,950	\$ 47,134,549	\$ 49,149,872	\$ 52,177,397	\$ 58,144,724	\$ 62,733,618	\$ 66,343,574
Change in Net Position										
Governmental activities	\$ 1,495,384	\$ (519,518)	\$ (1,053,620)	\$ (589,805)	\$ 885,762	\$ 1,199,980	\$ 2,291,926	\$ 8,258,956	\$ 9,439,320	\$ 7,043,833
Business-type activities	(26,198)	40,715	(127,074)	(12,179)	8,494	(123,982)	105,336	554,913	21,984	(197,523)
Total district	\$ 1,469,186	\$ (478,803)	\$ (1,180,694)	\$ (601,984)	\$ 894,256	\$ 1,075,998	\$ 2,397,262	\$ 8,813,869	\$ 9,461,304	\$ 6,846,310

Source: ACFR Schedule A-2

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Restricted	\$ 7,951,568	\$ 8,278,946	\$ 5,911,737	\$ 5,649,881	\$ 4,652,080	\$ 1,284,973	\$ 6,134,319	\$ 6,267,202	\$ 9,336,919	\$ 13,445,070
Assigned	300,000	332,306	1,892,463	2,236,991	3,295,852	7,218,768	3,504,133	2,191,369	2,586,972	3,162,987
Committed	85,195	86,444	31,018	-	-	-	-	-	-	-
Unassigned (Deficit)	(460,749)	(840,528)	(718,405)	(1,154,738)	(881,932)	(813,335)	56,793	(210,195)	(1,191,770)	(1,468,207)
Total general fund	\$ 7,876,014	\$ 7,857,168	\$ 7,116,813	\$ 6,732,134	\$ 7,066,000	\$ 7,690,406	\$ 9,695,245	\$ 8,248,376	\$ 10,732,121	\$ 15,139,850
All Other Governmental Funds										
Restricted (Deficit)	\$ (48,658)	\$ (44,733)	\$ (45,518)	\$ -	\$ -	\$ -	\$ 431,732	\$ 451,580	\$ 530,936	\$ 588,038
Assigned	236,323	346,263	87,703	111,925	24,223	2	83,901	83,900	1	-
Unassigned (Deficit)	-	-	-	(44,734)	(39,038)	(51,731)	(50,142)	(139,041)	(153,843)	(168,575)
Total all other governmental funds	\$ 187,665	\$ 301,530	\$ 42,185	\$ 67,191	\$ (14,815)	\$ (51,729)	\$ 465,491	\$ 396,439	\$ 377,094	\$ 419,463

Source: ACFR Schedule B-1

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Tax levy	\$ 18,179,805	\$ 18,590,006	\$ 19,056,242	\$ 19,400,738	\$ 19,649,695	\$ 19,649,695	\$ 19,717,695	\$ 19,843,417	\$ 19,982,897	\$ 20,149,897
Tuition charges	9,854,615	10,157,368	9,972,782	9,882,710	9,293,534	9,342,121	9,275,245	9,072,178	9,125,539	11,386,517
Tuition from individuals	-	-	3,000	750	-	-	-	-	-	-
Transportation fees from other LEA's	72,947	94,371	108,371	84,489	92,510	39,545	1,256	47,458	115,214	115,949
Interest earnings	17,799	17,502	16,964	17,244	84,757	120,415	50,094	25,499	137,278	429,719
Miscellaneous	190,592	323,399	187,796	152,787	45,200	54,235	108,460	102,411	55,489	105,374
Local sources	44,422	36,561	29,382	33,402	24,086	22,064	575,431	729,387	933,090	932,455
State sources	21,777,444	21,629,304	22,503,418	24,155,112	27,891,581	29,865,575	32,396,043	38,643,024	43,540,530	46,703,356
Federal sources	2,228,162	1,927,222	1,921,362	1,989,899	1,978,283	1,922,689	3,435,716	4,683,565	7,107,828	3,217,402
Total revenue	\$2,365,786	\$2,775,733	\$3,799,317	\$5,717,131	\$9,059,646	\$1,016,339	\$6,559,940	\$73,146,939	\$80,997,865	\$83,040,669
Expenditures										
Instruction										
Regular Instruction	17,030,103	17,292,906	17,475,579	17,313,000	18,480,473	18,085,276	19,239,686	19,679,647	20,552,994	21,592,497
Special education instruction	2,833,375	2,820,809	3,126,747	3,230,194	3,195,304	3,223,279	3,239,855	3,304,337	2,960,093	2,965,782
Other instruction	1,311,181	1,396,175	1,412,019	1,422,249	1,512,463	1,894,293	1,562,909	1,966,068	2,382,572	2,690,379
Support Services:										
Tuition	1,375,645	1,581,196	2,146,504	2,318,045	2,737,676	2,964,167	2,927,972	3,167,488	3,405,042	3,345,325
Student & instruction related services	5,025,883	4,876,964	4,738,094	4,785,537	4,983,067	5,237,467	6,022,524	6,578,245	7,102,722	7,838,191
General administrative services	771,690	789,706	797,759	737,601	765,636	769,589	737,749	719,442	821,313	1,158,364
School Administrative services	1,729,060	1,832,249	1,838,160	1,859,910	2,014,435	2,136,515	2,117,276	2,403,064	2,706,548	2,657,793
Plant operations and maintenance	3,577,016	4,043,281	4,127,997	4,331,123	4,083,227	4,148,913	4,527,952	4,879,829	4,933,995	5,020,963
Pupil transportation	1,715,234	1,765,000	1,898,312	1,925,262	2,118,636	2,208,215	2,086,481	2,875,024	3,164,334	2,936,693
Business administrative services	725,770	840,089	903,574	918,505	942,902	974,390	984,403	1,138,144	1,181,424	1,220,709
Unallocated employee benefits	11,214,715	12,229,786	13,624,521	14,423,298	15,152,218	15,793,355	18,015,349	22,212,066	21,770,185	23,158,147
Transfer to charter school	-	-	-	-	-	-	-	10,461	14,660	10,701
Capital outlay	2,896,801	803,399	332,353	472,033	545,150	583,770	394,323	3,743,376	5,913,258	2,385,480
Debt service:										
Principal	1,330,000	1,365,000	1,515,000	1,505,000	1,550,000	1,600,000	1,655,000	1,724,000	1,530,000	1,570,000
Interest and other charges	1,150,211	1,102,861	894,965	866,545	806,861	741,835	590,933	587,172	531,156	474,282
Total expenditures	\$2,686,684	\$2,739,421	\$4,831,584	\$6,108,302	\$8,888,048	\$60,361,064	\$64,102,412	\$74,988,303	\$78,970,296	\$79,023,306
Excess (Deficiency) of revenues over (under) expenditures	(320,898)	36,312	(1,032,267)	(391,171)	171,598	655,275	1,457,528	(1,841,364)	2,027,569	4,015,363
Other Financing sources (uses)										
Refund prior year expenditures	-	-	-	-	80,262	36,648	258,640	246,185	339,798	197,807
Prior year adjustment	-	58,707	32,567	108,596	-	-	37	2,008	-	-
Canceled accounts payable prior year	1,763	-	-	-	-	34,475	-	-	17,465	-
Prior year encumbrances	-	-	-	-	-	-	-	-	-	155,428
Capital lease income (non-budgeted)	-	-	-	-	-	-	75,000	77,250	79,568	81,500
Transfers in	1,167,967	-	626,524	272,000	433,537	388,901	491,677	565,367	91,480	141,349
Transfers out	(1,167,967)	-	(626,524)	(349,098)	(433,537)	(527,807)	(491,677)	(565,367)	(91,480)	(141,349)
Total other financing sources (uses)	1,763	58,707	32,567	31,498	80,262	(67,783)	333,677	325,443	436,831	434,735
Net change in fund balances	\$ (319,135)	\$ 95,019	\$ (999,700)	\$ (359,673)	\$ 251,860	\$ 587,492	\$ 1,791,205	\$ (1,515,921)	\$ 2,464,400	\$ 4,450,098
Debt service as a percentage of noncapital expenditures	4.98%	4.75%	4.42%	4.26%	4.04%	3.92%	3.53%	3.24%	2.82%	2.67%

Source: ACFR Schedule B-2

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

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Transportation Fees from other LEA's	Misc.	Total
2015	\$ 17,799	\$ 9,854,615	\$ 72,947	\$ 190,592	\$ 10,135,953
2016	17,502	10,157,368	94,371	323,399	10,592,640
2017	16,921	9,975,782	108,371	187,796	10,288,870
2018	17,244	9,883,460	84,489	152,787	10,137,980
2019	84,757	9,293,534	92,510	45,200	9,516,001
2020	120,415	9,342,121	39,545	54,235	9,556,316
2021	50,094	9,275,245	1,256	108,460	9,435,055
2022	25,499	9,072,178	47,458	102,411	9,247,546
2023	137,278	9,125,539	115,214	55,489	9,433,520
2024	429,719	11,386,517	115,949	105,374	12,037,559

Source: District Records

Revenue Capacity Information

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

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Ofam	Commercial	Industrial	Apartment	Total Assessed Value	Less: Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2015	\$ 29,576,100	\$ 975,867,900	\$ 40,985,200	\$ 6,629,100	\$ 265,759,500	\$ 23,079,100	\$ 13,575,100	\$ 1,355,472,000	\$ 222,000,100	\$ 3,977,331	\$ 1,359,227,331	2.082	\$ 1,349,929,444
2016	29,106,200	979,218,400	40,698,900	6,634,500	265,007,500	18,006,800	18,459,400	1,357,131,700	-	-	1,357,131,700	1.367	1,345,322,069
2017	28,768,600	982,882,600	39,759,200	6,642,400	273,798,800	17,815,100	13,916,400	1,363,583,100	-	-	1,363,568,100	1.404	1,366,061,706
2018	27,671,800	985,192,700	39,471,000	6,699,500	272,919,900	17,828,900	13,670,200	1,363,454,000	15,000	-	1,363,406,500	1.423	1,371,361,775
2019	28,067,700	988,533,000	39,683,600	6,836,200	269,342,700	18,024,300	13,670,200	1,364,157,700	47,500	-	1,364,157,700	1.442	1,444,618,526
2020	28,070,400	994,522,100	38,536,500	6,726,000	270,282,300	17,852,700	13,286,200	1,369,276,200	-	-	1,369,276,200	1.440	1,466,053,960
2021	26,660,100	1,003,267,400	40,067,300	6,674,800	270,787,000	17,852,700	15,929,700	1,381,239,000	-	-	1,381,239,000	1.440	1,507,625,162
2022	26,418,400	1,014,790,000	40,346,200	6,615,300	271,307,000	17,852,700	18,441,500	1,395,771,100	-	-	1,395,771,100	1.436	1,538,139,613
2023	26,489,600	1,037,532,800	42,040,600	6,719,000	280,290,500	17,852,700	18,214,700	1,429,139,900	-	-	1,429,139,900	1.432	1,634,720,644
2024	27,419,500	1,052,538,800	42,347,300	6,718,700	275,336,400	17,852,700	18,264,300	1,440,477,700	-	-	1,440,477,700	1.432	1,747,427,268

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

^a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies^b Tax rates are per \$100

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

Fiscal Year Ended June 30,	Town of Hammonton Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General		Town of Hammon- ton	Atlantic County	
		Obligation Debt Service ^b	Total Direct			
2015	1.214	0.153	2.082	0.624	0.495	3.201
2016	1.269	0.135	1.367	0.653	0.504	2.524
2017	1.296	0.127	1.423	0.677	0.558	2.658
2018	1.322	0.120	1.442	0.698	0.556	2.696
2019	1.320	0.120	1.440	0.697	0.572	2.709
2020	1.320	0.120	1.440	0.707	0.572	2.719
2021	1.320	0.116	1.436	0.706	0.591	2.733
2022	1.320	0.112	1.432	0.716	0.575	2.723
2023	1.320	0.111	1.431	0.741	0.575	2.747
2024	1.321	0.111	1.432	0.776	0.544	2.752

Source: District Records and Municipal Tax Collector

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

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

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

	2024			2015		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Taxpayer						
NJ Manufacturers Ins. Comp	\$ 27,068,400	1	1.54%			
Kramer Beverage Real Estate LLC	9,147,800	2	0.52%			
Rt 206 Inc.	9,138,200	3	0.52%			
CT07-75 SWH LLC & DT07-75 SWH LLC	8,488,900	4	0.48%			
Atlantic Health Land Holding LLC	8,358,900	5	0.48%			
Wal-Mart RE Business Trust	7,650,000	6	0.44%			
Peachtree LLC	6,603,000	7	0.38%			
Pyramid Healthcare	5,963,500	8	0.34%			
Atlanticare Regional Medical Center	4,988,700	9	0.28%			
Main Rd Apts. LLC	4,709,500	10	0.27%			
Total	\$ 92,116,900		5.25%	\$ -		0.00%

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

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	\$ 18,179,805	\$ 18,179,805	100%	
2016	18,590,006	18,590,006	100%	
2017	19,056,242	19,056,242	100%	
2018	19,400,738	19,400,738	100%	
2019	19,649,695	19,649,695	100%	
2020	19,649,695	19,649,695	100%	
2021	19,717,695	19,717,695	100%	
2022	19,843,417	19,843,417	100%	
2023	19,982,897	19,982,897	100%	
2024	20,149,897	20,149,897	100%	

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

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

Debt Capacity Information

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

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

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Lease Obligations			
2015	\$ 27,464,000	\$ -	\$ 27,464,000	0.152%	41,659
2016	26,099,000	-	26,099,000	0.166%	43,336
2017	24,409,000	-	24,409,000	0.179%	43,695
2018	22,949,000	-	22,949,000	0.193%	44,254
2019	21,399,000	-	21,399,000	0.218%	46,557
2020	19,624,000	-	19,624,000	0.248%	48,668
2021	17,969,000	-	17,969,000	0.282%	50,631
2022	16,245,000	83,349	16,328,349	0.342%	55,802
2023	14,715,000	85,228	14,800,228	0.394%	58,310
2024	13,145,000	122,225	13,267,225	0.421%	55,918

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

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

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

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

<u>General Bonded Debt Outstanding</u>				
Fiscal Year Ended June 30,	General Obligation Bonds	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
2015	\$ 27,464,000	\$ 27,464,000	2.02%	1,867
2016	26,099,000	26,099,000	1.92%	1,785
2017	24,409,000	24,409,000	1.79%	1,692
2018	22,949,000	22,949,000	1.68%	1,597
2019	21,399,000	21,399,000	1.57%	1,519
2020	19,624,000	19,624,000	1.43%	1,408
2021	17,969,000	17,969,000	1.31%	1,293
2022	16,245,000	16,245,000	1.19%	1,099
2023	14,715,000	14,715,000	1.07%	1,099
2024	13,145,000	13,145,000	0.96%	888

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

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

TOWN OF HAMMONTON
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2024
Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Town of Hammonton	\$ 16,110,131	100.00%	\$ 16,110,131
Other debt			
Atlantic County	233,275,018	3.79%	8,841,123
Subtotal, overlapping debt			24,951,254
Town of Hammonton School District Direct Debt		100.00%	13,145,000
Total direct and overlapping debt			<u>\$ 38,096,254</u>

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2024

Equalized valuation basis	
2023	\$ 1,735,450,321
2022	1,612,862,376
2021	1,514,350,400
[A]	<u>\$ 4,862,663,097</u>
Average equalized valuation of taxable property	
[A/3]	\$ 1,620,887,699
[B]	
64,835,508	
[C]	
13,145,000	
[B-C]	
<u>\$ 51,690,508</u>	

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt limit	\$ 53,257,474	\$ 52,838,736	\$ 53,367,430	\$ 54,019,400	\$ 55,314,536	\$ 56,663,963	\$ 58,300,969	\$ 59,388,952	\$ 61,521,359	\$ 64,835,508
Total net debt applicable to limit	<u>27,464,000</u>	<u>26,099,000</u>	<u>24,409,000</u>	<u>22,949,000</u>	<u>21,399,000</u>	<u>19,624,000</u>	<u>17,969,000</u>	<u>16,245,000</u>	<u>14,715,000</u>	<u>13,145,000</u>
Legal debt margin	<u>\$ 25,793,474</u>	<u>\$ 26,739,736</u>	<u>\$ 28,958,430</u>	<u>\$ 31,070,400</u>	<u>\$ 33,915,536</u>	<u>\$ 37,039,963</u>	<u>\$ 40,331,969</u>	<u>\$ 43,143,952</u>	<u>\$ 46,806,359</u>	<u>\$ 51,690,508</u>
Total net debt applicable to the limit as a percentage of debt limit	51.57%	49.39%	45.74%	42.48%	38.69%	34.63%	30.82%	27.35%	23.92%	20.27%

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

Demographic and Economic Information

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

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

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

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income (thousands of dollars) ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2015	14,713	\$ 626,405	\$ 41,659	8.30%
2016	14,618	633,486	43,336	8.10%
2017	14,428	630,431	43,695	6.90%
2018	14,369	635,886	44,254	6.50%
2019	14,085	655,755	46,557	5.90%
2020	13,934	678,140	48,668	5.10%
2021	13,902	703,872	50,631	11.70%
2022	14,781	824,809	55,802	8.30%
2023	14,833	864,912	58,310	5.40%
2024	14,797	827,419	55,918	5.30%

Source:

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

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

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

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

TOWN OF HAMMONTON SCHOOL DISTRICT
Principal Employers,
Current Year and Nine Years Ago
Unaudited

[illegible]

Source:

GASB requires this table to present the principal taxpayers for the current year and nine years ago, however the information was not available.

Operating Information

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

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

<u>Function/Program</u>	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Instruction										
Regular	199.5	199.5	199.5	200.0	200.0	210.0	210.0	230.0	230.0	232.0
Special education	60.0	60.0	60.0	63.0	63.0	58.0	58.0	63.0	63.0	58.0
Other special education	8.0	8.0	8.0	9.0	9.0	15.0	15.0	17.0	17.0	29.0
Vocational	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Support Services:										
Student & instruction related services	82.0	82.0	82.0	74.0	74.0	73.0	82.0	90.0	90.0	92.0
General administrative services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
School administrative services	24.5	24.5	24.5	25.8	25.8	26.0	25.0	25.0	25.0	27.0
Business administrative services	9.5	9.5	9.8	9.9	9.9	10.0	10.0	10.0	10.0	10.0
Plant operations and maintenance	44.3	44.3	44.5	44.5	54.5	58.0	60.0	70.0	70.0	71.0
Pupil transportation	42.0	42.0	52.0	52.0	52.0	50.0	51.0	47.0	47.0	50.0
Food Service	21.0	21.0	20.0	20.0	20.0	20.0	23.0	24.0	24.0	23.0
Child Care	3.0	-	-	-	-	-	-	-	-	-
Total	498.8	495.8	505.3	503.2	513.2	525.0	539.0	581.0	581.0	597.0

Source: District Personnel Records

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil	Percentage Change	Pupil/Teacher Ratio				Average Daily Enrollment (ADE) ^d	Average Daily Attendance (ADA) ^d	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff ^c	Elementary	Middle School	High School				
2015	3,601	48,688,400	\$ 13,521	2.58%	270	1:15	1:12	1:14	3,585	3,386	-1.05%	94.45%
2016	3,630	50,174,636	13,822	2.23%	270	1:15	1:12	1:14	3,627	3,416	1.17%	94.18%
2017	3,587	54,262,354	15,128	9.45%	270	1:15	1:12	1:14	3,581	3,360	-1.27%	93.83%
2018	3,495	71,838,457	20,555	35.88%	274	1:15	1:12	1:14	3,495	3,286	-2.40%	94.02%
2019	3,504	69,386,880	19,802	30.90%	274	1:15	1:12	1:14	3,515	3,303	-3.09%	93.97%
2020	3,494	68,619,227	19,639	29.82%	274	1:15	1:12	1:14	3,478	3,337	-2.88%	95.95%
2021	3,384	78,389,860	23,165	17.95%	274	1:15	1:12	1:14	3,373	3,086	-3.02%	91.49%
2022	3,322	78,508,873	23,633	2.02%	274	1:15	1:12	1:14	3,373	3,086	0.00%	91.49%
2023	3,341	78,458,868	23,484	1.38%	274	1:15	1:12	1:14	3,334	3,063	-1.16%	91.87%
2024	3,272	81,858,366	25,018	5.86%	274	1:15	1:12	1:14	3,260	3,025	-3.35%	92.79%

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

Note: Enrollment based on annual October district count.

^a Enrollment is based on the annual October district count.

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

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

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

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<u>District Building</u>										
<u>Early Childhood Learning Center</u>										
(2001)										
Square Feet	35,365	35,365	35,365	35,365	35,365	35,365	35,365	35,365	35,365	35,365
Capacity (students)	500	500	500	500	500	500	500	500	500	500
Enrollment	384	372	367	357	359	368	386	360	351	344
<u>Elementary</u>										
(1973)										
Square Feet	97,240	97,240	97,240	97,240	97,240	97,240	97,240	97,240	97,240	97,240
Capacity (students)	1,464	1,464	1,464	1,464	1,464	1,464	1,464	1,464	1,464	1,464
Enrollment	962	923	920	886	879	855	751	785	787	763
<u>Middle School</u>										
(1965)										
Square Feet	109,950	109,950	109,950	109,950	109,950	109,950	109,950	109,950	109,950	109,950
Capacity (students)	1,604	1,604	1,604	1,604	1,604	1,604	1,604	1,604	1,604	1,604
Enrollment	868	926	922	873	884	872	868	839	840	838
<u>High School</u>										
(2002)										
Square Feet	190,641	190,641	190,641	190,641	190,641	190,641	190,641	190,641	190,641	190,641
Capacity (students)	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850
Enrollment	1,387	1,409	1,378	1,379	1,393	1,399	1,379	1,338	1,363	1,327
<u>Other</u>										
Transportation										
Square Feet	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000

Number of Schools at June 30, 2024

Early Learning Center = 1

Elementary = 1

Middle School = 1

High School = 1

Source: District records, ASSA

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

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

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

School Facilities	Project # (s)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
High School	SP99341L	\$ 426,596	\$ 297,036	\$ 286,839	\$ 741,117	\$ 270,203	\$ 266,589	\$ 245,168	\$ 297,662	\$ 400,467	\$ 236,686
Middle School	N/A	76,895	275,677	458,967	185,744	142,384	212,294	173,557	156,219	205,924	146,003
Elementary School	N/A	82,863	107,882	178,236	110,030	108,651	127,877	145,423	129,963	125,512	107,548
Early Childhood Center	SP99343	49,524	48,227	45,154	44,450	56,543	38,633	124,028	92,345	59,611	70,434
Total School Facilities		\$ 635,878	\$ 728,822	\$ 969,196	\$ 1,081,341	\$ 577,781	\$ 645,393	\$ 688,176	\$ 676,189	\$ 791,514	\$ 560,671

TOWN OF HAMMONTON SCHOOL DISTRICT
Insurance Schedule
June 30, 2024
Unaudited

	Coverage	Deductible
Atlantic & Cape May Counties Association of School Business Officials Joint Insurance Fund		
Property, Inland Marine and Automobile Physical Damages	\$ 175,000,000	
ACCASBO JIF Self Insured Retention - Per Occurrence	250,000	\$ 500
Perils Included	All Risk	
Property Valuation		
Buildings and Contents	Replacement Cost	
Contractors Equipment	Actual Cash Value	
Automobiles	Replacement Cost	
Boiler & Machinery		
Limit of Liability	125,000,000	1,000
ACCASBO JIF Self Insured Retention	None	
Crime		
Limit of Liability	500,000	500
ACCASBO JIF Self Insured Retention	250,000	
General and Automobile Liability		
Limit of Liability	20,000,000	None
ACCASBO JIF Self Insured Retention	250,000	
Workers' Compensation (Statutory)		
Limit of Liability	10,000,000	None
ACCASBO JIF Self Insured Retention	250,000	
Educator's Legal Liability		
Limit of Liability	27,000,000	None
ACCASBO JIF Self Insured Retention	250,000	
Pollution Legal Liability		
Limit of Liability	3,000,000	
Pollution/Mold Incident		25,000-250,000
ACCASBO JIF Self Insured Retention	None	
Cyber Liability		
Limit of Liability	2,000,000	50,000-100,000
ACCASBO JIF Self Insured Retention	None	
Crisis Protection & Disaster Management Services		
Limit of Liability	1,000,000	10,000
ACCASBO JIF Self Insured Retention	None	
RLI Insurance Company		
Surety Bond		
Business Administrator - Barbara S. Prettyman	25,000	None

Source: District Records.

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SINGLE AUDIT SECTION

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EXHIBIT K-1

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Hammonton School District as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated January 13, 2025.

Report On Internal Control Over Financial Reporting

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

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

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

Report On Compliance and Other Matters

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

Purpose of This Report

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Lakewood, New Jersey
January 13, 2025

EXHIBIT K-2

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

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Town of Hammonton School District's compliance with types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2024. The Town of Hammonton School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Jerry W. Conaty

Certified Public Accountant

Public School Accountant, No. 2470

Lakewood, New Jersey

January 13, 2025

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TOWN OF HAMMONTON SCHOOL DISTRICT
Schedule of Expenditures
for the Fiscal Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Federal EIN Number	Grant or State Project Number	Program or Amount	Grant Period	Balance 6/30/23	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures (A)	Unearned Revenue 6/30/24	(Accounts Receivable 6/30/24)	Due to Grantee at 6/30/24
U.S. Department of Health and Human Services												
Passed-Through New Jersey Department of Human Services:												
Medicaid Cluster	93.778		2305NJ5MAP	\$ 88,648	07/01/23-06/30/24	\$ -	\$ -	\$ 88,648	\$ (88,648)	\$ -	\$ -	\$ -
Medical Assistance Program												
Total Medicaid Cluster												
Total U.S. Department of Health and Human Services												
U.S. Department of Treasury												
Passed-Through New Jersey Department of Treasury:												
Compensatory Special Ed & Related Svcs	21.027				07/01/22-06/30/23	(50,688)	-	50,688	-	-	(148,858)	-
New Jersey High Impact Tutoring Grant	84.425V		SLFREDOEISES S425V210031	154,000	10/11/23-08/31/2024	-	-	-	(148,858)	-	(148,858)	-
Total U.S. Department of Treasury												
U.S. Department of Agriculture												
Passed-Through State Department of Agriculture:												
Child Nutrition Cluster:												
Food Distribution Program (Non-Cash Assistance)	10.565		Unknown	72,086	07/01/23-06/30/24	385	-	72,086	(72,383)	88	-	-
National School Lunch Program	10.555		231NJ0304N1099	771,822	07/01/23-06/30/24	-	-	733,277	(771,822)	-	(38,545)	-
National School Lunch Program	10.555		221NJ0304N1099	821,869	07/01/22-06/30/23	(155,668)	-	155,668	-	-	-	-
School Breakfast Program	10.553		231NJ0304N1099	184,890	07/01/23-06/30/24	-	-	174,772	(184,890)	-	(10,118)	-
School Breakfast Program	10.553		221NJ0304N1099	179,493	07/01/22-06/30/23	(37,319)	-	37,319	-	-	-	-
P-EBT Administrative Cost	10.649		241NJ0304S9009	3,112	07/01/23-06/30/24	-	-	-	(3,112)	-	(3,112)	-
State Administrative Cost	10.649		231NJ0304S9009	3,256	07/01/22-06/30/23	(3,256)	-	3,256	-	-	-	-
Supply Chain Assistance Funding	10.555		231NJ0344S8903	79,944	07/01/23-06/30/24	-	-	79,944	(79,944)	-	-	-
Total Child Nutrition Cluster						(195,858)	-	1,256,322	(1,112,151)	88	(51,775)	-
Total U.S. Department of Agriculture												
Total U.S. Department of Agriculture						(195,858)	-	1,256,322	(1,112,151)	88	(51,775)	-
U.S. Department of Education												
Passed-Through State Department of Education:												
Elementary and Secondary Education Act (ESEA):												
Title I, Carryover	84.01		S010A230030	632,888	07/01/23-09/30/24	-	-	324,433	(546,471)	-	(222,038)	-
Title I, Carryover	84.01		S010A220030	655,861	07/01/22-09/30/23	(275,600)	-	33,531	(72,004)	-	(13,113)	-
Title I, Carryover	84.01		S010A210030	678,073	07/01/21-09/30/22	(284,354)	-	667,678	(618,475)	-	(235,151)	-
Title II, Part A	84.367A		S367A230029	37,010	07/01/23-09/30/24	-	-	11,348	(32,879)	-	(21,531)	-
Title II, Part A, Carryover	84.367A		S367A220029	34,428	07/01/22-09/30/23	(5,631)	-	14,483	(10,188)	-	(1,336)	-
Title II, Part A, Carryover	84.367A		S367A210029	42,512	07/01/21-09/30/22	(708)	-	708	-	-	(22,867)	-
Title III, English Lang Enhancement	84.365		S365A230030	51,829	07/01/23-09/30/24	-	-	40,741	(51,228)	-	(10,487)	-
Title III, Eng Lang Enhance, Carryover	84.365		S365A220030	51,149	07/01/22-09/30/23	(12,277)	-	12,277	(784)	-	(784)	-
Title III, Eng Lang Enhance, Carryover	84.365		S365A210030	56,753	07/01/21-09/30/22	(837)	-	837	-	-	(11,271)	-
Title IV, Part A	84.358B		S424A230031	46,346	07/01/23-09/30/24	-	-	21,693	(43,497)	-	(21,804)	-
Title IV, Part A, Carryover	84.358B		S424A220031	56,285	07/01/22-09/30/23	(25,726)	-	30,990	(5,264)	-	-	-
Title IV, Part A, Carryover	84.358B		S424A210031	70,364	07/01/21-09/30/22	(2,605)	-	2,605	-	-	-	-
IDEA Cluster:												
IDEA Part B, Basic Regular	84.027		H027A230100	854,897	07/01/23-09/30/24	-	-	760,926	(839,850)	-	(78,924)	-
IDEA Part B, Basic Reg, Carryover	84.027		H027A220100	781,654	07/01/22-09/30/23	(9,547)	-	771,235	(840,622)	-	(78,924)	-
IDEA Part B, Preschool	84.173		H173A230114	28,663	07/01/23-09/30/24	-	-	23,914	(27,900)	-	(3,986)	-
IDEA Part B, Preschool						-	-	23,914	(27,900)	-	(3,986)	-
Total Special Education Cluster						(9,547)	-	795,159	(868,522)	-	(82,910)	-
Bipartisan Safer Communities Act Grant (BSCA)	84.424F		S424F220009	1,380,000	09/01/23-09/30/25	-	-	445,633	(508,477)	-	(62,844)	-
Education Stabilization Fund												
ARP ESSER III	84.425U		S425U210027	5,890,072	3/13/20-9/30/24	(4,441,517)	-	3,742,360	(789,089)	-	(1,488,246)	-
ARP ESSER III	84.425U		S425U220027	2,426	3/13/20-9/30/24	(1,732)	-	1,732	(1,732)	-	(51,933)	-
Evidence Based Summer Learning & Enrichment	84.425U		S425U210027	40,000	3/13/20-9/30/24	(13,160)	-	14,371	(1,211)	-	(143)	-
Evidence Based Summer Learning & Enrichment	84.425U		S425U220027	40,000	3/13/20-9/30/24	(12,299)	-	19,457	(7,301)	-	(10,737)	-
NTSS Mental Health	84.425U		S425U210027	88,501	3/13/20-9/30/24	(28,070)	-	47,054	(953,786)	-	(1,551,059)	-
Total U.S. Department of Education						(4,845,463)	-	5,950,657	(3,093,100)	-	(1,987,906)	-
Total Federal Financial Award						(5,092,009)	\$ -	7,346,315	(4,442,757)	\$ 88	\$ (2,188,539)	\$ -

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

TOWN OF HAMMONTON SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year Ended June 30, 2024

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period	Balance 6/30/23	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Cancelled Encumbrances	Balance at June 30, 2024			MEMO		
									(Accounts Receivable)	Unearned Revenue	Due to Grantor		Budgetary Receivable	Cumulative Total Expenditures
State Department of Education														
General Fund:														
State Aid Public:														
Equalization Aid	24-495-034-5120-078	\$ 25,486,553	07/01/23-06/30/24	\$ -	\$ -	\$ 25,486,553	\$ (25,486,553)	\$ -	\$ -	\$ -	\$ -	\$ 2,447,428	\$ 25,486,553	
Special Education Aid	24-495-034-5120-089	2,297,445	07/01/23-06/30/24	-	-	2,297,445	(2,297,445)	-	-	-	-	220,620	2,297,445	
School Choice Aid	24-495-034-5120-086	1,841,784	07/01/23-06/30/24	-	-	1,841,784	(1,841,784)	-	-	-	-	176,863	1,841,784	
Security Aid	24-495-034-5120-084	773,246	07/01/23-06/30/24	-	-	773,246	(773,246)	-	-	-	-	74,253	773,246	
Total State Aid Public														
Special Education Extraordinary Aid	24-100-034-5120-044	488,224	07/01/23-06/30/24	-	-	-	(488,224)	-	-	-	-	-	488,224	
Special Education Extraordinary Aid	23-100-034-5120-044	587,735	07/01/22-06/30/23	(587,735)	-	587,735	-	-	-	-	-	-	-	
Nonpublic Transportation Aid	24-495-034-5120-014	26,390	07/01/23-06/30/24	-	-	-	(26,390)	-	-	-	-	-	26,390	
Nonpublic Transportation Aid	24-495-034-5120-014	19,032	07/01/22-06/30/23	(19,032)	-	19,032	-	-	-	-	-	-	-	
Transportation Aid	24-495-034-5120-014	757,886	07/01/23-06/30/24	-	-	757,886	(757,886)	-	-	-	-	72,778	757,886	
Securing Our Children's Future Bond Act (Alyssa's Law)	Not Available	193,509	07/01/22-06/30/23	(78,567)	-	78,567	-	-	-	-	-	-	-	
Homestead Tuition Reimbursement	24-495-034-5120-042	29,036	07/01/23-06/30/24	-	-	29,036	(29,036)	-	-	-	-	-	-	
TPAF Non-Contributory (On-Behalf - Non-Budgeted)	24-495-034-5094-002	9,059,124	07/01/23-06/30/24	-	-	9,059,124	(9,059,124)	-	-	-	-	-	9,059,124	
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)	24-495-034-5094-004	2,922	07/01/23-06/30/24	-	-	2,922	(2,922)	-	-	-	-	-	2,922	
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)	24-495-034-5094-001	2,465,562	07/01/23-06/30/24	-	-	2,465,562	(2,465,562)	-	-	-	-	-	2,465,562	
Reimbursed TPAF				-	-	1,708,211	(1,897,658)	-	-	-	-	-	1,897,658	
TPAF Non-Contributory (On-Behalf - Non-Budgeted)	24-495-034-5094-003	1,897,658	07/01/23-06/30/24	-	-	93,174	-	-	-	-	-	-	-	
Social Security Contributions	23-495-034-5094-003	93,174	07/01/22-06/30/23	(93,174)	-	-	-	-	-	-	-	-	-	
Total General Fund														
Special Revenue Fund:														
Statewide Literacy	EIG-0014-D01	83,433	07/01/23-06/30/24	-	-	83,271	(57,448)	-	-	25,823	-	-	57,448	
Statewide Literacy	24-495-034-5120-086	1,685,748	07/01/23-06/30/24	-	514,770	1,685,748	(1,438,245)	-	-	762,273	-	168,575	1,438,245	
Preschool Education Aid	23-495-034-5120-086	1,538,430	07/01/22-06/30/23	163,973	-	-	-	-	-	163,973	-	-	-	
Preschool Education Aid	22-495-034-5120-086	1,390,410	07/01/20-06/30/21	514,770	(514,770)	-	-	-	-	-	-	-	-	
Nonpublic Aid:														
Textbook Aid	24-100-034-5120-064	9,308	07/01/23-06/30/24	-	-	9,308	(9,114)	-	-	-	194	-	9,114	
Textbook Aid	23-100-034-5120-064	9,636	07/01/22-06/30/23	54	-	-	(7,721)	-	(54)	-	-	-	7,721	
Technology Aid	24-100-034-5120-073	7,899	07/01/23-06/30/24	-	-	7,899	(7,721)	-	-	-	168	-	7,721	
Technology Aid	23-100-034-5120-073	6,132	07/01/22-06/30/23	98	-	-	(98)	-	-	-	-	-	98	
Nursing Aid	24-100-034-5120-070	19,320	07/01/23-06/30/24	-	-	19,320	(18,682)	-	-	638	-	-	18,682	
Nursing Aid	23-100-034-5120-070	16,464	07/01/22-06/30/23	1,660	-	-	(1,660)	-	-	-	-	-	1,660	
Security Aid	24-100-034-5120-509	33,005	07/01/23-06/30/24	-	-	33,005	(32,683)	-	-	322	-	-	32,683	
Security Aid	23-100-034-5120-509	30,135	07/01/22-06/30/23	1	-	-	(1)	-	-	-	-	-	1	
Auxiliary Services (Chapter 192)	24-100-034-5120-067	11,688	07/01/23-06/30/24	-	-	11,688	-	-	-	-	11,688	-	-	
Compensatory Education	23-100-034-5120-067	23,719	07/01/22-06/30/23	23,225	-	-	(23,225)	-	-	-	-	-	-	
Compensatory Education	23-100-034-5120-067	770	07/01/23-06/30/24	-	-	770	-	-	-	-	-	-	-	
Home Instruction	24-100-034-5120-067	-	07/01/23-06/30/24	-	-	-	-	-	-	-	-	-	-	
English as a Second Language	24-100-034-5120-066	21,428	07/01/23-06/30/24	-	-	21,428	(15,195)	-	-	6,233	-	-	15,195	
Examination & Classification	23-100-034-5120-066	27,306	07/01/22-06/30/23	13,835	-	-	(13,835)	-	-	-	-	-	13,835	
Examination & Classification	24-100-034-5120-066	4,557	07/01/23-06/30/24	-	-	4,557	(4,557)	-	-	-	-	-	4,557	
Corrective Speech	23-100-034-5120-066	3,348	07/01/22-06/30/23	1,860	-	-	(1,860)	-	-	-	-	-	1,860	
Supplemental Instructor	24-100-034-5120-066	20,650	07/01/23-06/30/24	-	-	20,650	(19,097)	-	-	1,553	-	-	19,097	
Supplemental Instructor	23-100-034-5120-066	19,824	07/01/22-06/30/23	4,295	-	-	(4,295)	-	-	-	-	-	4,295	
Total Special Revenue Fund														
Debt Service Fund:														
Debt Service Aid	23-495-034-5120-075	269,329	07/01/23-06/30/24	-	-	269,329	(269,329)	-	-	-	-	-	269,329	
Total Debt Service Fund														
New Jersey Department of Agriculture														
Enterprise Fund:														
State Breakfast Program	24-100-010-3350-023	5,694	07/01/23-06/30/24	-	-	5,352	(5,694)	-	-	(342)	-	-	5,694	
State Breakfast Program	23-100-010-3350-023	3,347	07/01/22-06/30/23	(704)	-	704	-	-	-	-	-	-	704	
State School Lunch Program	24-100-010-3350-023	41,321	07/01/23-06/30/24	-	-	39,143	(41,321)	-	-	(2,178)	-	-	41,321	
State School Lunch Program	22-100-010-3350-023	32,912	07/01/22-06/30/23	(6,290)	-	6,290	-	-	-	-	-	-	6,290	
Total Enterprise Fund														
Total State Financial Assistance														
Less: On-Behalf Pension System Contributions:				\$ (91,537)	\$ -	\$ 47,418,729	\$ (47,015,880)	\$ (45,028)	\$ (706,581)	\$ 952,069	\$ 20,796	\$ 3,160,517	\$ 47,015,880	
TPAF Non-Contributory (On-Behalf - Non-Budgeted)	24-495-034-5094-002					\$	9,059,124						9,059,124	
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)	24-495-034-5094-004						2,465,562						2,465,562	
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)	24-495-034-5094-001						2,465,562						2,465,562	
Total for State Financial Assistance-Major Program Determination														

Town of Hammonton School District
Notes to the Schedules of Financial Assistance
June 30, 2024

Note 1. Basis of Presentation

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

Note 2. Summary of Significant Accounting Policies

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting and programs recorded in the capital projects fund are presented using the modified accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2024. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2024.

Note 3. Relationship to Basic Financial Statements

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

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

Town of Hammonton School District
Notes to the Schedules of Financial Assistance
June 30, 2024

Note 3. Relationship to Basic Financial Statements (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$243,628) for the general fund and (\$132,632) for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 88,648	\$ 44,853,166	\$ 44,941,814
Special Revenue Fund	3,128,754	1,581,072	4,709,826
Debt Service Fund	-	269,329	269,329
Food Service Fund	1,112,151	47,015	1,159,166
Total Awards & Financial Assistance	<u>\$ 4,329,553</u>	<u>\$ 46,750,582</u>	<u>\$ 51,080,135</u>

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Federal and State Loans Outstanding

The Town of Hammonton School District had no loan balances outstanding at June 30, 2024.

**TOWN OF HAMMONTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024**

Section I - Summary of Auditor's Results

Financial Statements

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

Federal Awards

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

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____	_____	Child Nutrition Cluster:
10.555	231NJ304N1099	National School Lunch Program
10.553	231NJ304N1099	National School Breakfast Program
10.649	241NJ304S9009	P-EBT Administrative Cost
10.555	231NJ344N8903	Supply Chain Assistance Funding
10.565	Unknown	Food Distribution Program (Non-Cash Assistance)

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

**TOWN OF HAMMONTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024**

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

State Financial Assistance

Dollar threshold used to determine Type A programs \$ 1,064,648

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

1) Material weakness(es) identified? yes X no

2) Significant deficiency(ies) identified? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with New Jersey OMB Circular 15-08? yes X no

Identification of major programs:

State Grant/Project Number(s)

495-034-5120-078
495-034-5120-089
495-034-5120-068
495-034-5120-084
495-034-5120-086

Name of State Program

State Aid Public:

Equalization Aid
Special Education Aid
School Choice Aid
Security Aid
Preschool Education Aid

**TOWN OF HAMMONTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024**

Section II - Financial Statement Findings

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

None.

**TOWN OF HAMMONTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024**

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

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

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE

None.

**TOWN OF HAMMONTON SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
YEAR ENDED JUNE 30, 2024**

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

Financial Statement Findings

No Prior Year Findings.

Federal Awards

No Prior Year Findings.

State Financial Assistance

No Prior Year Findings.