Comprehensive Annual Financial Report

of the

Township of Hamilton Board of Education

Hamilton Township, New Jersey

For the Fiscal Year Ended June 30, 2011

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Letter of Transmittal	1-9
Organizational Chart	10
Roster of Officials	11
Consultants and Advisors	12
FINANCIAL SECTION	
Independent Auditor's Report	13-14
Required Supplementary Information - Part I	
Management's Discussion and Analysis	15-24
Basic Financial Statements	
A. District-Wide Financial Statements:	
A-1 Statement of Net Assets	25
A-2 Statement of Activities	26
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	27
B-2 Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	28
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	29
Proprietary Funds:	
B-4 Statement of Net Assets	30
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Assets	31
B-6 Statement of Cash Flows	32
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Assets	33
B-8 Statement of Changes in Fiduciary Net Assets	34
Notes to the Financial Statements	35-55

TABLE OF CONTENTS (Continued)

		Page
Required Supplementary Information - Part II		
C.	Budgetary Comparison Schedules	
C-1	Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual	56-61
C-1a	Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	N/A
C-1b	Education Jobs Fund Program	N/A
C-2	Budgetary Comparison Schedule - Special Revenue Fund	62-63
Notes to Required Supplementary Information		
C-3	Budget-to-GAAP Reconciliation	64
Other Supplementary Information		
E.	Special Revenue Fund	
E-1	Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	65-68
E-2	Preschool Education Aid Expenditures - Budgetary Basis	69
F.	Capital Projects Fund:	
F-1	Summary Schedule of Project Expenditures	70
F-2	Summary Schedule of Revenues, Expenditures and changes in Fund Balance - Budgetary Basis	71
F-2a-g	Schedules of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis	72-78
G.	Proprietary Funds:	
	Enterprise Funds:	
G-1	Combining Schedule of Net Assets	N/A
G-2	Combining Schedule of Revenues, Expenses, and Changes in Fund Net Assets	N/A
G-3	Combining Schedule of Cash Flows	N/A
	Internal Service Fund:	
G-4	Combining Schedule of Net Assets	N/A
G-5	Combining Schedule of Revenues, Expenses, and Changes in Fund Net Assets	N/A
G-6	Combining Schedule of Cash Flows	N/A
H.	Fiduciary Funds:	
H-1	Combining Statement of Fiduciary Net Assets	79
H-2	Combining Statement of Changes in Fiduciary Net Assets	80
H-3	Student Activity Agency Fund Schedule of Receipts and Disbursements	81
H-4	Payroll Agency Fund Schedule fo Receipts and Disbursements	82

TABLE OF CONTENTS (Continued)

		Page
I.	Long-Term Debt:	
I-1	Schedule of General Serial Bonds	83
I-2	Schedule of Obligations under Capital Leases	84
I-3	Debt Service Fund Budgetary Comparison Schedule	85
	STATISTICAL SECTION (Unaudited)	
Financial Trends		
J-1	Net Assets by Component	86
J-2	Changes in Net Assets	87-88
J-3	Fund Balances - Governmental Funds	89
J-4	Changes in Fund Balances - Governmental Funds	90
J-5	General Fund Other Local Revenue by Source	91
Revenue Capacity		
J-6	Assessed Value and Estimated Actual Value of Taxable Property	92
J-7	Direct and Overlapping Property Taxes	93
J-8	Principal Property Taxpayers	94
J-9	Property Tax Levies and Collections	95
Debt Capacity		
J-10	Ratios of Outstanding Debt by Type	96
J-11	Ratios of General Bonded Debt Outstanding	97
J-12	Direct and Overlapping Governmental Activities Debt	98
J-13	Legal Debt Margin Information	99
Demographic and Economic information		
J-14	Demographic and Economic Statistics	100
J-15	Principal Employers	101
Operating information		
J-16	Full-time Equivalent District Employees by Function/Program	102
J-17	Operating Statistics	103
J-18	School Building Information	104
J-19	Schedule of Required Maintenance Expenditures	105
J-20	Insurance Schedule	106
	SINGLE AUDIT SECTION	
K-1	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	107-108
K-2	Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04	109-110
K-3	Schedule of Expenditures of Federal Awards, Schedule A	111
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	112
K-5	Notes to Schedules of Awards and Financial Assistance	113-114
K-6	Schedule of Findings and Questioned Costs	115-116
K-7	Summary Schedule of Prior Audit Findings	117

INTRODUCTORY SECTION

Hamilton Township School District

1876 Dr. Dennis Foreman Drive, Mays Landing, Atlantic County, New Jersey 08330

Martha J. Jamison
School Business Administrator
Telephone: (609) 476-6302

Michelle M. Cappelluti
Superintendent
Telephone: (609) 476-6300
Fax: (609) 625-4847

Lisa C. Dagit
Director of Curriculum and Instruction
Telephone: (609) 476-6310

November 3, 2011

Honorable President and
Members of the Board of Education
Hamilton Township Public Schools
County of Atlantic, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Hamilton Township School District for the fiscal year ended June 30, 2011, 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 are accurate in all material respects and are 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 comprehensive annual 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 general-purpose financial statements and schedules, 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 U.S. Office of Management and Budget Circular A-133 Revised, "Audits of States, Local Governments, and Non-Profit Organizations," and the State Treasury OMB Circular Letter 04-04, "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, is included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

The Hamilton Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Hamilton Township Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services and programs appropriate to grade levels pre-kindergarten (four year olds) through eight. These include general education, basic skills, and special education for special needs youngsters. The following details the changes in the student enrollment of the District over the last six years:

Annual October 15 Student Enrollment		
Fiscal Year	**Student Enrollment**	**Percent Change**
2010-2011	3,222	-2.63%
2009-2010	3,309	.76%
2008-2009	3,284	1.54%
2007-2008	3,234	-0.22%
2006-2007	3,241	1.06%
2005-2006	3,207	7.80%

2. ECONOMIC CONDITION AND OUTLOOK:

Hamilton Township is the largest geographical municipality in the State, with room for growth. In addition to this large geographic area, several areas of the Township have been designated as high-density growth areas, thereby contributing further to growth and development. Increased residential construction means increased student enrollments. We have experienced this anticipated increase in enrollment over the past years, but are now beginning to see a change. Student enrollment has begun to stabilize. After years of experiencing an increasing student population, the 2010-2011 school year saw a decrease in enrollment, in part because of a limited amount of accepted preschool students because of budgetary constraints. Now charter schools and the school choice initiative may have an impact on Hamilton Township's future school population as well.

Again in 2010-2011 the district operated three school facilities: the Shaner School housing full day kindergarten and grade one students; the Hess School housing all of preschool and grades two through five; and the Davies Middle School housing grades six, seven and eight. The Duberson School remains abandoned and unable to be utilized for any purpose.

The Municipality of Hamilton Township, like other surrounding areas, has experienced budget cuts across the board, and this year has operated with much less funding than previous years. There continues to be slow economic development and residential expansion. Over the years the township has accumulated several tax ratables inclusive of shopping plazas, a movie theatre, a variety of retail stores, the Atlantic City Race Track, the Hamilton Mall, Festival Mall at Hamilton, and a Wal-Mart store. The Township completed a revaluation of properties during 2010-2011.

During 2010-2011 the declining amount of visitors to the Atlantic City casinos caused a great deal of job loss felt by many families in Hamilton Township. This continues to be a concern and a probable cause for the amount of students transferring in and out of the district. Although we receive no funding benefits from the casinos, they help to bring about residential and industrial growth for Hamilton Township. This benefit serves to maintain a good tax base.

3. MAJOR INITIATIVES:

The vision of this educational institution:

"We are the Hamilton Township School Community
committed to learning, growing, and achieving together."

The spirit of our vision statement is reflected and reinforced in the district's goals and initiatives. Administrators and teachers work to use several sources of data to drive instruction. These sources of data, in the area of language arts and mathematics, differ slightly according to student age. The New Jersey Core Content Curriculum Standards is the basis for the district's curriculum. The curriculum is monitored and updated as is required by the Department of Education.

Our primary and elementary grades are in full swing with workshop model instruction. This year we will again partner with Columbia University and use their expertise in perfecting Readers/Writers Workshop in our kindergarten through grade five classrooms. In order to better align with the standards, the primary and elementary schools use a standards-based interim progress report and report card. Both schools now operate on trimesters with the idea of giving students ample time for instructional and independent practice.

In our middle school, every grade six and grade seven student has a netbook computer. These netbooks are used in all classes and taken home with the students daily. The grade six curriculum has been adjusted to foster the development of the use of these netbooks in all subject areas. This 21st century approach to learning was funded through the Talent 21 grant two years ago. It is the district's responsibility to sustain the grant during year three. This means the district budget will include netbooks for all grade eight students for the 2012-2013 school year. To this end, all middle school students will have a netbook computer.

CURRICULUM MATERIALS:

Language Arts Literacy:

The Readers/Writers Workshop model is used in kindergarten through grade five for the instruction of language arts literacy. In this model, teachers follow the *Four Kinds of Reading/Writing* which are designed for independent and instructional levels. Libraries of leveled readers in every classroom support reading development using skills and effective strategies for processing texts at increasingly challenging levels of difficulty. Students are instructed in Guided writing through interactive writing techniques to build fluency through repeated exposure. The Holt Company's reading series is utilized in grades six, seven and eight. During the 2009-2010 school year, supplemental materials were added to each grade level relative to the written curriculum and based on the "Curriculum Mapping" instructional design. These supplemental materials were purchased as a result of teacher requests for additional materials to support the written curriculum.

Mathematics:

The *GO MATH series* by Harcourt is the newly adopted math program to be utilized in grades kindergarten through five. The Holt Company's "Middle School Math" series is utilized in the same manner in grades six, seven and eight as selected teachers work to pilot two new series—one of which will be used next school year. During the 2010-2011school year, supplemental materials were added to each grade level as appropriate to the written curriculum and based on the "Curriculum Mapping" instructional design. These supplemental materials were purchased as a result of teacher requests for additional materials to support the written curriculum.

Science:

Students in kindergarten through grade four are instructed with leveled readers with some use of texts beginning at grade four. Grades six through eight integrate earth, life, and physical science utilizing Scott Foresman and the Holt science series to support the written curriculum.

Social Studies:

The Harcourt series for social studies instruction for grades kindergarten through six is used by all classroom teachers. Students are instructed from both leveled readers and traditional textbooks to support the written curriculum. While grade seven is instructed from the Glencoe Series, grade eight utilizes the Pearson series for both history and civics instruction to support the written curriculum.

World Languages:

Spanish is the selected World Language program implemented in our school district. The program now spans kindergarten through grade eight with formal instruction in grades four through eight and informal instruction in kindergarten through grade three.

During the 2010-2011 school year, the district utilized supplemental materials purchased to support the newly implemented extended school year "World Language Spanish Program" at the middle school.

Visual and Performing Arts:

Kindergarten through grade five has art and music instruction on a weekly basis. In the middle school, the courses focus on art projects, humanities, art appreciation, critique, and technology integration in grades six, seven and eight. A computer lab has been added to provide instruction in graphic arts and internet-based art projects.

Health:

The Great Body Workshop is the resource used for instruction in kindergarten through grade five. This program is presented to students as a consumable, "take home" booklet that is updated each year to provide current health information for the duration of this program. These are purchased new each year. The text *Healthy Teens* is utilized for instruction in grades six, seven and eight.

STAFF TRAINING AND PROFESSIONAL DEVELOPMENT:

Staff training and professional development throughout the 2010-2011 school year was designed and implemented based on teacher/administrative surveys and district needs. All training and professional development was directly linked to the Board of Education Goals, the District's Professional Development Plan and the Building Level Objectives at each of our three schools. Some of the highlights relative to the district's professional development and staff training throughout the 2010-2011 school year are as follows:

- Curriculum writing in all subject areas
- Implementation of Netbooks to all grade six students and all grade six and seven Students and teachers
- Technology – Integration, Student Data Base Systems, Web Page, Smart Boards
- Classroom management and student support
- Student achievement (academic/behavioral/social)
- English Language Learners

- Wilson Reading Program & Fundations
- Data Driven Decision Making
- Readers/Writers Workshop Model
- iObservation
- Learnia
- Workshops/Vendors (ETTC, EIRC, Richard Stockton College, Rowan University) - Ongoing workshops in mathematics, language arts literacy and data analysis, as well as, speakers and presenters on a wide range of topics such as inclusion for Special Education students, character education, crisis and emergency management, and other topics. Special emphasis was placed on the content areas (language arts literacy & mathematics) related to statewide standardized testing in grades three through eight.

PROGRAMS:

Character Education:

Hamilton Township School District's Character Education initiative originally began in September of the 2000 – 2001 school year. The district continued to implement this initiative with much emphasis on the following areas throughout the 2010-2011 school year:

- "Word of the Month" program and related student recognition programs
- Assemblies for Character Education
- Student of the Month awards
- "Character Kids" programs
- CARE Club activities
- No-More Bullies Programs in each school building
- Safe Zones at the Hess School
- The Student Bill of Rights – adopted in 2005-2006 district-wide.
- Manners Matter Most
- Renaissance program at all schools

Early Childhood Education:

Hamilton Township School District's Pre-K program is an in-district program housed at the George L. Hess Educational Complex and the Joseph C. Shaner Elementary School. Throughout the 2010-2011 school year, a collaborative effort from administrators and staff was made to continue to remain current with preschool instruction.

A full day kindergarten program is implemented in the district with materials purchased for mathematics, language arts literacy, science, social studies and related arts subjects to support a full day curriculum for all recommended academic and developmental areas.

Gifted and Talented:

In the 2010-2011 school year, Hamilton Township School District offered an accelerated literacy program to students in grades five through eight. Students in grades kindergarten through grade two participate in a trimester long related arts enrichment class in combination with their library experience. Additionally, all students in grades one through eight have had the opportunity to participate in a *Great Books* program (primary) and/or the *Accelerated Reader* program (primary, elementary, middle) through the library at each school. An enrichment mathematics program is provided for students in grade four that is in addition to their regular math class. Students in grades five through eight have the opportunity to participate in an accelerated mathematics program.

Basic Skills:

During the 2010-2011 school year, the Basic Skills Improvement (BSI) Program continued to be implemented as an in-class support, team-teaching program designed to provide instruction to students experiencing difficulty in language arts literacy and/or mathematics in grades one through eight. Working cooperatively with the New Jersey State Department of Education's minimum level of proficiency mandates and Title I, supplemental instruction materials and teacher resources are available for students. The goal of the Basic Skills Program is to prepare students to meet with success in achieving mastery of the New Jersey Core Curriculum Standards as measured by the mandatory statewide standardized assessments.

The Basic Skills Improvement Program goals are as follows:

1. To develop the basic skills necessary to function successfully in everyday life according to each student's individual ability level.
2. To develop and implement a Basic Skills Improvement Program which would provide a variety of experiences to meet the needs of students with a deficiency in basic functional reading, language, and mathematical skills.
3. To assist the student in developing a positive attitude toward himself/herself, school, and the community.
4. To insure a continual means of communication between parents, teachers, students, and the community.

Technology:

Throughout the 2010-2011 school year, Hamilton Township School District has provided the following additions in accordance with our approved three-year technology program (2007-2010):

Shaner School

- Every computer (old & new) was upgraded to MS Windows XP Professional.
- The technology program at Shaner School was revised to include a classroom set of computers for basic technology education (turning the computer on, using the mouse, etc.)
- Aimsweb benchmarking
- Installed wireless access nodes
- Installation of iObservation for administration

Hess School

- Replacement of older computers continued.
- Wireless notebook cart was upgraded and warranty extended
- Teacher grade book implanted with our current SIS
- Continued Learnia Benchmark Assessment for mathematics and language arts in grades three through five.
- Aimsweb benchmarking in grades preschool through two.
- Installation of wireless access nodes

Davies School

- Installation of wireless access nodes
- Purchase of additional instruction equipment such as document cameras, projectors, and Smart boards
- Installation of iObservation for administration
- Installation of projectors for use with Netbooks for all grade six classrooms
- Implementation of technology coaches in the middle school
- Installation of READ 180 technology equipment in two special education classrooms

4. INTERNAL ACCOUNTING CONTROLS:

Management of the Township of Hamilton School District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft 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 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 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 reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2011.

6. ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect accounting principles generally accepted in the United States of America, 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. FINANCIAL INFORMATION AT FISCAL YEAR-END:

As demonstrated by the various statements and schedules included in the financial section of this report, the District continued to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund, special revenue fund, and debt service fund revenues for the fiscal year ended June 30, 2011, and the amount and percentage of increases/decreases in relation to prior year revenues.

Revenue	2011 Amount	Percent of Total	Increase (Decrease) from 2010	Percent of Increase (Decrease)
Local Sources	$ 19,960,172.26	41.66%	$ 395,861.24	2.02%
State Sources	25,422,024.06	53.06%	2,128,327.84	9.14%
Federal Sources	2,531,087.23	5.28%	(3,492,902.46)	-57.98%
	$ 47,913,283.55	100.00%	$ (968,713.38)	-1.98%

The following schedule presents a summary of general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2011, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	2011 Amount	Percent of Total	Increase (Decrease) from 2010	Percent of Increase (Decrease)
Current Expense:			371578.34	
Instruction	$ 17,786,403.97	38.81%	$ (1,155,327.16)	-6.10%
Community Services	2,240.00	0.00%	661.50	41.91%
Undistributed Expenditures	23,188,747.52	50.60%	(496,850.80)	-2.10%
Charter School	141,170.00	0.31%	9,537.00	7.25%
Capital Outlay	236,044.99	0.52%	(135,533.35)	-36.48%
Debt Service:				
Principal	3,360,000.00	7.33%	(95,000.00)	-2.75%
Interest	1,117,149.13	2.44%	(156,924.41)	-12.32%
Total	$ 45,831,755.61	100.00%	$ (2,029,437.22)	-4.77%

8. DEBT ADMINISTRATION:

At June 30, 2011, the District had $30,344,000 outstanding debt on General Obligation Bonds. The District does not anticipate the issuance of bonds in the upcoming year.

9. CASH MANAGEMENT:

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

10. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ford, Scott, and Associates, L.L.C. is appointed by the Board on an annual basis. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984, as revised in 1997, and the related Office of Management and Budget Circular A-133 and New Jersey OMB Circular 04-04. 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:

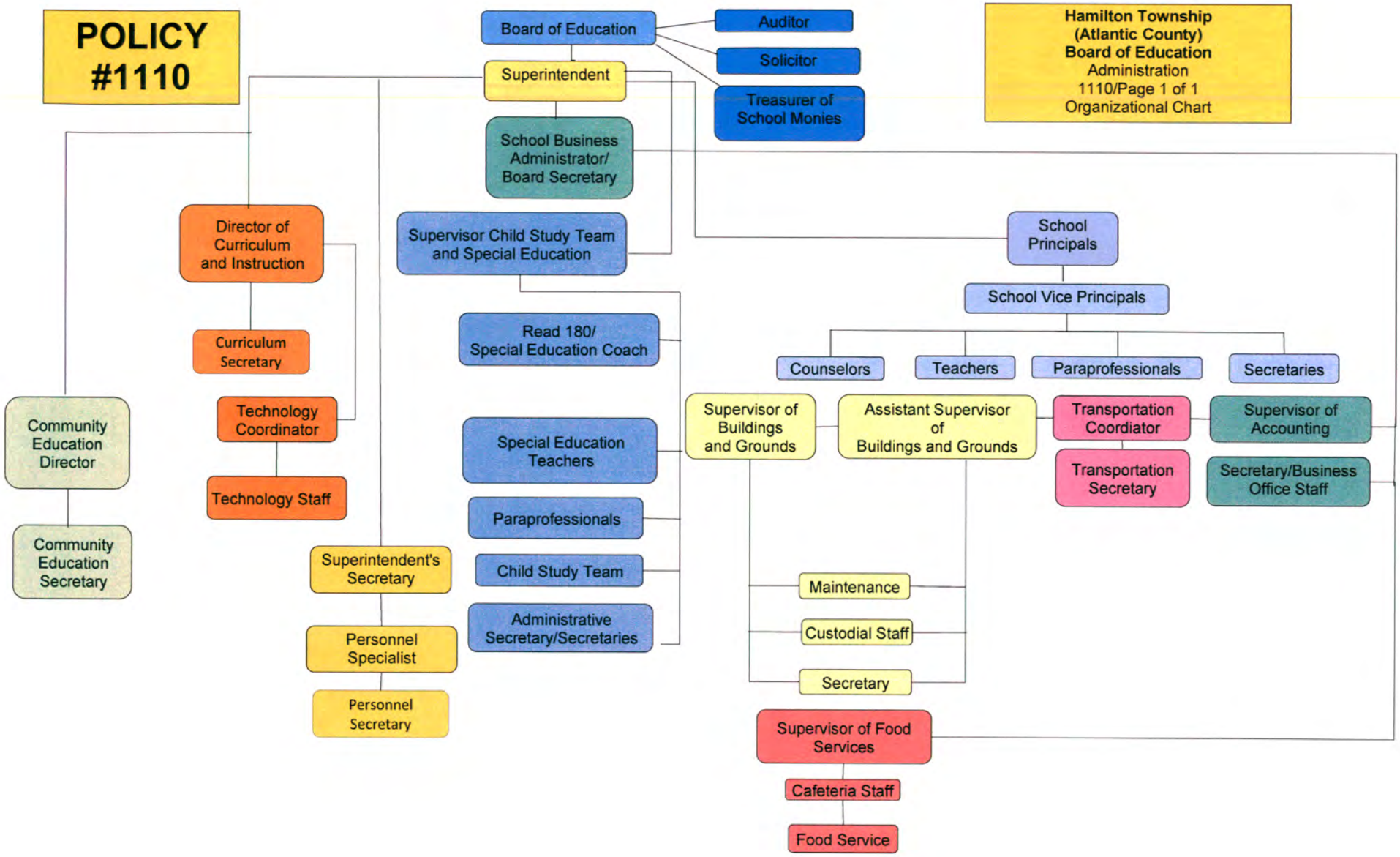
I would like to express my appreciation to the members of the Hamilton Township Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district, and thereby contributing their full support to the development and maintenance of our financial operation.

Respectfully submitted,

Michelle M. Cappelluti
Superintendent

POLICY #1110

Hamilton Township (Atlantic County) Board of Education
Administration
1110/Page 1 of 1
Organizational Chart



Revised : June 1, 2010
Effective July 1, 2010

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
COUNTY OF ATLANTIC, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2011

MEMBERS OF THE BOARD	TERM EXPIRES
Anne Erickson, President	2014
Mark Ludwick, Vice-President	2012
Dr. David May	2012
Michelle Befano	2012
Carl T. Anderson	2013
Kim Melton	2013
Barbara Kupp	2013
Eric Aiken	2014
Margaret Capone	2014

OTHER OFFICIALS

Michelle M. Cappelluti, Superintendent of Schools

Martha J. Jamison, Board Secretary/Business Administrator

Richard Tuthill, Treasurer (Position Abolished Effective July 1, 2011)

Louis J. Greco, Esq., Solicitor

HAMILTON TOWNSHIP SCHOOLS DISTRICT
CONSULTANTS AND ADVISORS

AUDIT FIRM

Ford, Scott & Associates, L.L.C.
Certified Public Accountants
1535 Haven Avenue
P.O. Box 538
Ocean City, NJ 08226-0538

ATTORNEY

Louis J. Greco, Esquire
Certified Civil Trial Attorney
642 Bay Avenue
Somers Point, NJ 08244

OFFICIAL DEPOSITORY

Ocean City Home Bank
1184 Ocean Heights Avenue
Egg Harbor Township, NJ 08234

INSURANCE BROKER

ACCASBOJIF
P.O. Box 436
Hammonton, NJ 08037

FINANCIAL SECTION

FORD-SCOTT
& ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS
1535 HAVEN AVENUE • PO BOX 538 • OCEAN CITY, NJ • 08226-0538
PHONE 609.399.6333 • FAX 609.399.3710

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Hamilton Township School District
County of Atlantic, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the Hamilton Township School District, in the County of Atlantic, State of New Jersey, as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Hamilton Township Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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, of the Hamilton Township Board of Education, in the County of Atlantic, State of New Jersey, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2011 on our consideration of the Hamilton Township Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hamilton Township Board of Education's basic financial statements. The accompanying introductory section, combining statements, and related major fund supporting statements and schedules, and statistical information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements and related major fund supporting statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*: and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Ford, Scott & Associates, L.L.C.

FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Glen J. Ortman
Certified Public Accountant
Licensed Public School Accountant
No. 853

November 3, 2011

REQUIRED SUPPLEMENTARY INFORMATION – PART I

HAMILTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED

The discussion and analysis of Hamilton Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is a new element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 - Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments issued in June 1999. Certain comparative information between the current year (2010-2011) and the prior year (2009-2010) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for 2011 are as follows:

- In total, net assets increased $3,979,761.52, which represents a 16.7 percent increase from 2010.

- General revenues accounted for $40,006,090.62 or 80 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for $9,768,471.13 or 20 percent of total revenues of $49,774,561.75.

- Total assets of governmental activities decreased by $79,779.22 as cash and cash equivalents decreased by $2,024,942.21, receivables decreased by $284,848.90, and capital assets increased by $1,962,798.68.

- The School District had $45,794,800.23 in expenses; only $9,768,471.13 of these expenses were offset by program specific charges for services, grants or contributions.

- Among governmental funds, the General Fund had $40,416,605.37 in revenues and $38,335,077.30 in expenditures. The General Fund's fund balance increased $1,965,936.07 from 2010.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Hamilton Township School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole school district, presenting both an aggregate view of the school district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School district's most significant funds with all other non-major funds presented in total in one column. In the case of Hamilton Township School District, the General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2011?". The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

- Business-Type Activity - This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity, as are the Kids Corner and Community Education enterprise funds.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transactions. The School District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

Governmental Funds

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

Reporting the School District's Most Significant Funds - Continued

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the financial statements can be found on pages 35 through 55 of this report.

The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the School District as a whole. Net assets may serve over time as a useful indicator of a government's financial position.

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

Table 1 provides a summary of the School District's net assets for 2011 in comparison to the School District's net assets for 2010.

Table 1
Net Assets

	2011	2010
Assets		
Current and Other Assets	$ 7,675,907.37	$ 10,019,300.28
Capital Assets	54,539,096.65	52,547,614.95
Total Assets	62,215,004.02	62,566,915.23
Liabilities		
Long-Term Liabilities	32,878,463.71	36,232,772.80
Other Liabilities	1,608,927.37	2,586,291.01
Total Liabilities	34,487,391.08	38,819,063.81
Net Assets		
Invested in Capital Assets, Net of Debt	24,438,023.50	18,806,208.86
Restricted	6,378,329.09	7,500,741.18
Unrestricted	(3,088,739.65)	(2,559,098.62)
Total Net Assets	$ 27,727,612.94	$ 23,747,851.42

The School District as a Whole - Continued

The District's combined net assets were $27,727,612.94 on June 30, 2011. This was an increase of 16.7 percent from the prior year.

Table 2 shows changes in net assets for fiscal year 2011 in comparison to net assets for fiscal year 2010.

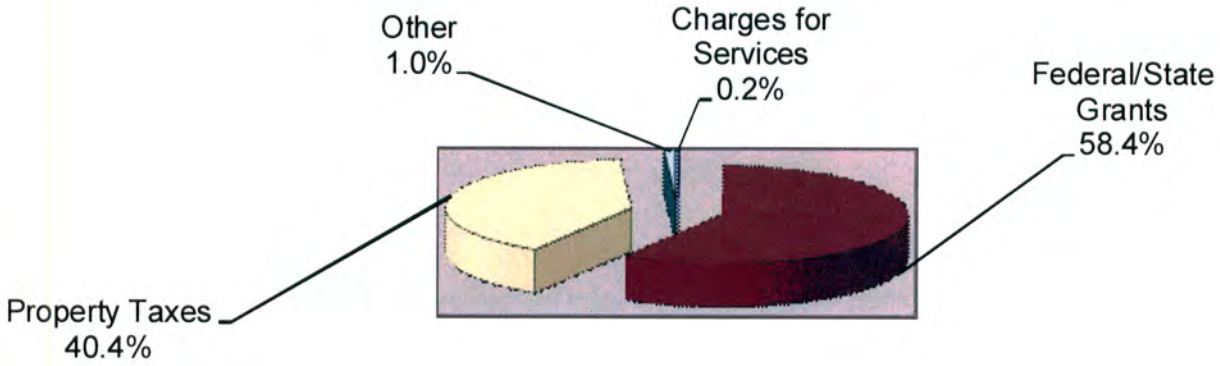
Table 2
Changes in Net Assets

	2011	2010
Revenues		
Program Revenues:		
Charges for Services	$ 1,103,683.06	$ 1,101,713.56
Operating and Capital Grants and Contributions	8,664,788.07	9,805,516.50
General Revenues:		
Property Taxes	19,390,321.00	19,121,023.00
Grants and Entitlements	20,128,259.22	20,454,785.94
Other	487,510.40	410,497.92
Total Revenues	49,774,561.75	50,893,536.92
Program Expenses		
Instruction	23,997,025.33	25,205,432.04
Community Service Programs	3,181.14	2,229.76
Support Servces:		
Pupils and Instructional Staff	6,684,524.18	6,492,886.78
General Administration, School Administration,	3,509,785.50	3,607,973.22
Business Operations and Maintenance of Facilities	3,993,637.71	4,190,827.98
Pupil Transportation	2,896,957.58	3,491,090.91
Charter Schools	141,170.00	131,633.00
Special Schools	-	-
Interest on Debt	1,307,929.51	1,302,805.46
Unallocated Depreciation	1,122,234.82	1,019,027.15
Business Type Activities	2,132,688.86	1,899,373.48
Other	5,665.60	7,661.75
Total Expenses	45,794,800.23	47,350,941.53
Increase in Net Assets	$ 3,979,761.52	$ 3,542,595.39

Governmental Activities

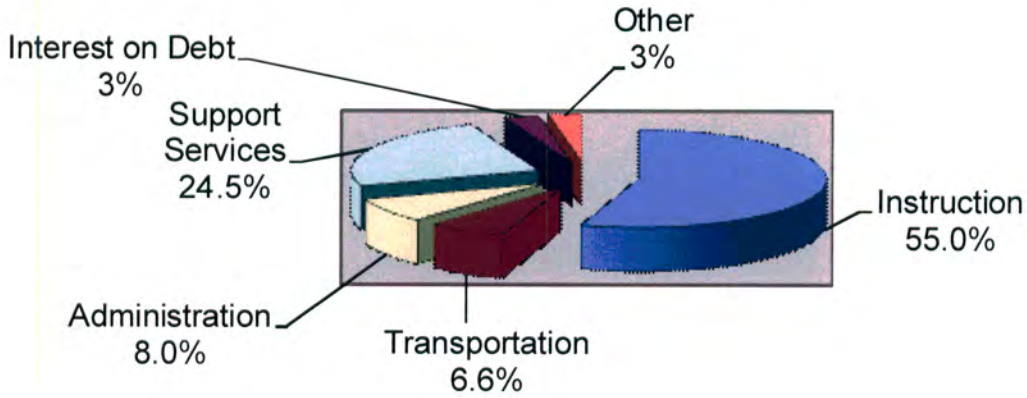
The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations. Property taxes made up 40.4 percent of revenues for governmental activities for the Hamilton Township School District for fiscal year 2011. The District's total revenues were $47,995,382.55 for the year ended June 30, 2011. Federal, state, and local grants accounted for another 58.4 percent of revenue.

Sources of Revenue for Fiscal Year 2011



The total cost of all program and services was $43,656,445.77. Instruction comprises 55.0 percent of District expenses.

Expenses for Fiscal Year 2011



Business-Type Activities

Revenues for the District's business-type activities (Food Service, Kids' Corner and Community Education programs) were comprised of charges for services and federal and state meal reimbursements.

- Food Service expenses exceeded revenues by $293,558.06. Kids Corner revenues exceeded expenses by $8,849.56. Community Education revenues exceeded expenses by $3,075.64.
- Charges for services represent $1,014,520.06 of revenue. This represents amounts paid by patrons for daily food service, child care in our before and after school program, class fees for community education programs and enrollment fees for our summer Camp Blue Star Program.
- Federal and state reimbursement for meals, including payments for free and reduced lunches, breakfasts and donated commodities was $901,487.43.

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 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

	Total Cost of Services 2011	Net Cost of Services 2011	Total Cost of Services 2010	Net Cost of Services 2010
Instruction	$ 23,997,025.33	$ 18,434,916.49	$ 25,205,432.04	$ 19,443,894.32
Support Services:				
Pupils and Instructional Staff	6,684,524.18	5,382,117.58	6,492,886.78	5,575,382.93
General Administration, School Administration,Business Operation and Maintenance of Facilities	7,503,423.21	6,855,905.15	7,798,801.20	7,061,380.96
Pupil Transportation	2,896,957.58	2,743,042.25	3,491,090.91	2,392,023.46
Interest and Fiscal Charges	1,307,929.51	978,029.17	1,302,805.46	818,250.42
Other	1,266,585.96	1,266,321.06	1,152,889.91	1,152,715.24
Total Expenses	$ 43,656,445.77	$ 35,660,331.70	$ 45,443,906.30	$ 36,443,647.33

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities and tuition to other districts.

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

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

Governmental Activities - Continued

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

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

Interest on debt involves the transactions associated with the payment of interest and other related charges to debt of the School District.

"Other" includes Community Service Programs, Charter Schools and unallocated depreciation.

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to $47,923,505.75 and expenditures were $48,790,753.10.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2011, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenue		Amount	Percent of Total		Increase (Decrease) from 2010	Percent of Increase (Decrease)
Local Sources	$	19,960,172.26	41.65%	$	395,861.24	2.02%
State Sources		25,432,246.26	53.07%		2,044,282.04	8.74%
Federal Sources		2,531,087.23	5.28%		(3,492,902.46)	-57.98%
Total	$	47,923,505.75	100.00%	$	(1,052,759.18)	-2.15%

State revenues increased by $2,044,282.04. The increase in state revenue was in part due to the State having to use state funds to pay it's State Aid obligation to the district verses using federal funds to pay a portion of the obligation as it did in 09/10. Federal revenues decreased by $3,492,902.46. The decrease in federal revenue was in part due to the end of the federal funds portion of our State Aid and the grant period end of ARRA funds in Title I, Title I SIA, IDEA Basic and IDEA Preschool as well as, Talent 21 funds.

The School District's Funds - Continued

The following schedule represents a summary of general fund, special revenue fund, capital projects fund and debt service fund expenditures for the fiscal year ended June 30, 2011, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures		Amount	Percent of Total		Increase (Decrease) from 2010	Percent of Increase (Decrease)
Current expense:						
Instruction	$	17,786,403.97	36.45%	$	(1,155,327.16)	-6.10%
Undistributed expenditures		23,190,987.52	47.53%		(496,189.30)	-2.09%
Capital Outlay		3,195,042.48	6.55%		1,894,079.24	145.59%
Charter Schools		141,170.00	0.29%		9,537.00	7.25%
Special Schools		-	0.00%		-	0.00%
Debt Service:						
Principal		3,360,000.00	6.89%		(95,000.00)	-2.75%
Interest		1,117,149.13	2.29%		(156,924.41)	-12.32%
Total	$	48,790,753.10	100.00%	$	175.37	0.00%

Changes in expenditures were the results of varying factors. The drastic increase in Capital Outlay expenditures was due mostly to the Solar Project. The increase in Charter School expenditures was due to the increased enrollment in these schools.

General Fund Budgeting Highlights

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

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- A transfer in the amount of $50,000 was needed to purchase replacement carpeting and supplies for the Hess School B Wing.

- TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditure item to the district but is required to be reflected in the financial statements.

General Fund Budgeting Highlights - Continued

- Tuition, staff and supplies for special education students are budgeted based on the existing and known incoming students at the time the budget is submitted. Students move into the District during the summer as well as the school year which necessitates transferring funds to the appropriate account to pay these special education costs.

- Charter School tuition is also budgeted on the existing and known incoming students at the time the budget is submitted. The actual number of students attending Charter Schools was much greater than anticipated which required transfers of funds during the year.

Capital Assets

At the end of the fiscal year 2011, the School District had $54,539,096.65 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2011 balances compared to 2010.

Table 4
Capital Assets (Net of Depreciation) at June 30, 2011

	2011	2010
Land	$ 1,423,600.00	$ 1,423,600.00
Construction in Progress	24,848,304.26	23,907,770.76
Site Improvements	268,231.22	210,994.74
Building and Building Improvements	27,369,394.40	26,380,348.91
Machinery and Equipment	609,221.77	600,486.54
Licensed Vehicles	20,345.00	24,414.00
Total	$ 54,539,096.65	$ 52,547,614.95

Overall capital assets increased $1,991,481.70 from fiscal year 2010 to fiscal year 2011. For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

At June 30, 2011, the School District had $32,878,463.71 of outstanding debt. Of this amount, $2,531,552.49 is for compensated absences and $30,344,000.00 of serial bonds for school construction.

Table 5
Outstanding Debt at June 30, 2011

	2011	2010
2002 Refunding Bonds	$ 2,830,000.00	$ 3,500,000.00
2003 Refunding Bonds	7,650,000.00	9,490,000.00
2003 Davies School Bonds	13,425,000.00	14,100,000.00
2007 Various School Improvements	762,000.00	852,000.00
2008 Various School Improvements	853,000.00	938,000.00
2010 Solar/Roof Bonds	4,824,000.00	4,824,000.00
Total	$ 30,344,000.00	$ 33,704,000.00

At June 30, 2011, the School District's overall legal debt margin was $48,833,088.00. For more detailed information, please refer to the Notes to the Financial Statements.

For the Future

The Hamilton Township School District is in fair financial condition presently. The School District is proud of its community support of the public schools.

Hamilton Township School District's budget for 2011-2012 was not approved by the voters this year. We feel the main reason for not passing the budget, was more of an overall disapproval of the government not so much of our particular school district. The District has a history of minimal increases and good community support which we hope will continue into the future.

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

Contacting the School District's Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Michelle Cappelluti, Superintendent or Martha J. Jamison, Business Administrator/Board Secretary at Hamilton Township Board of Education, 1876 Dr Dennis Foreman Drive, Mays Landing, N.J., 08330. Please visit our website at www.hamiltonschools.org.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

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

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
Statement of Net Assets
June 30, 2011

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash, Cash Equivalents and Investments	$ 2,944,903.87	$ 550,719.82	$ 3,495,623.69
Receivables, Net (Note 4)	1,427,417.09	63,650.26	1,491,067.35
Internal Balances	28,668.45	(28,668.45)	-
Inventory (Note 5)		12,777.02	12,777.02
Deferred Amount on Refunding Bonds	245,868.07		245,868.07
Restricted Assets:			
Capital Reserve Account	1,630,571.24		1,630,571.24
Maintenance Reserve	800,000.00		800,000.00
Capital Assets, Net (Note 6)	54,381,909.79	157,186.86	54,539,096.65
Total Assets	61,459,338.51	755,665.51	62,215,004.02
LIABILITIES			
Accounts Payable	1,092,732.10	13,775.53	1,106,507.63
Payable to State Government	69.95		69.95
Accrued Interest Payable	445,061.26		445,061.26
Deferred Revenue	57,288.53		57,288.53
Noncurrent Liabilities (Note 7)			
Due Within One Year	3,282,941.22		3,282,941.22
Due Beyond One Year	29,595,522.49		29,595,522.49
Total Liabilities	34,473,615.55	13,775.53	34,487,391.08
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	24,280,836.64	157,186.86	24,438,023.50
Restricted for:			
Debt Service	(445,059.90)		(445,059.90)
Capital Projects	3,158,114.03		3,158,114.03
Maintenance Reserve	800,000.00		800,000.00
Other Purposes	2,865,274.96		2,865,274.96
Unrestricted	(3,673,442.77)	584,703.12	(3,088,739.65)
Total Net Assets	$ 26,985,722.96	$ 741,889.98	$ 27,727,612.94

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

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2011

Function/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Business-Type Activities	Net (Expense) Revenue and Changes in Net Assets: Total
Governmental Activities:							
Instruction:							
Regular	$ 16,786,701.07	$ -	$ 3,288,537.03	$ -	$ (13,498,164.04)	$ -	$ (13,498,164.04)
Special Education	4,856,539.14		2,078,488.55		(2,778,050.59)		(2,778,050.59)
Other Instruction	2,353,785.12		195,083.26		(2,158,701.86)		(2,158,701.86)
Community Service Programs	3,181.14		264.90		(2,916.24)		(2,916.24)
Support Services:							
Tuition	774,043.05				(774,043.05)		(774,043.05)
Student & Instruction Related Services	5,910,481.13		1,302,406.60		(4,608,074.53)		(4,608,074.53)
School Administrative Services	1,892,273.70		149,426.54		(1,742,847.16)		(1,742,847.16)
Other Administrative Services	1,617,511.80		89,150.30		(1,528,361.50)		(1,528,361.50)
Plant Operation and Maintenance	3,993,637.71	89,163.00	170,452.48	77,448.94	(3,656,573.29)		(3,656,573.29)
Pupil Transportation	2,896,957.58		153,915.33		(2,743,042.25)		(2,743,042.25)
Charter Schools	141,170.00				(141,170.00)		(141,170.00)
Interest on Long-Term Debt	1,307,929.51		329,900.34		(978,029.17)		(978,029.17)
Unallocated Depreciation	1,122,234.82				(1,122,234.82)		(1,122,234.82)
Total Governmental Activities	43,656,445.77	89,163.00	7,757,625.33	77,448.94	(35,732,208.50)	-	(35,732,208.50)
Business-Type Activities:							
Food Service	1,661,589.39	533,218.08	829,713.80			(298,657.51)	(298,657.51)
Kids Corner	229,208.92	237,416.87				8,207.95	8,207.95
Community Education	241,890.55	243,885.11				1,994.56	1,994.56
Total Business-Type Activities	2,132,688.86	1,014,520.06	829,713.80	-	-	(288,455.00)	(288,455.00)
Total Primary Government	$ 45,789,134.63	$ 1,103,683.06	$ 8,587,339.13	$ 77,448.94	$ (35,732,208.50)	$ (288,455.00)	$ (36,020,663.50)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					$ 16,235,299.00	$ -	$ 16,235,299.00
Taxes Levied for Debt Service					3,155,022.00		3,155,022.00
Federal and State Aid not Restricted					20,128,259.22		20,128,259.22
Tuition Received					47,995.02		47,995.02
Investment Earnings					78,166.93	6,822.14	84,989.07
Loss on disposal of Fixed Assets					(5,665.60)		(5,665.60)
Miscellaneous Income					354,526.31		354,526.31
Total General Revenues, Special Items, Extraordinary Items and Transfers					39,993,602.88	6,822.14	40,000,425.02
Change in Net Assets					4,261,394.38	(281,632.86)	3,979,761.52
Net Assets - Beginning					22,724,328.58	1,023,522.84	23,747,851.42
Net Assets - Ending					$ 26,985,722.96	$ 741,889.98	$ 27,727,612.94

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

FUND FINANCIAL STATEMENTS

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

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Permanent Fund	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	$ 1,879,064.27	$ -	$ 1,065,838.24	$ 1.36	$ -	$ 2,944,903.87
Receivables Net						-
Due from Other Funds	291,859.84					291,859.84
Receivables from Other Governments	193,437.27	741,505.79	479,334.65			1,414,277.71
Other Receivables	13,139.38					13,139.38
Restricted Cash & Cash Equivalents	2,430,571.24					2,430,571.24
Total Assets	$ 4,808,072.00	$ 741,505.79	$ 1,545,172.89	$ 1.36	$ -	$ 7,094,752.04
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	$ 613,951.98	$ 461,150.02	$ 17,630.10	$ -	$ -	$ 1,092,732.10
Payable to State Government		69.95				69.95
Due to Other Funds		263,191.39				263,191.39
Deferred Revenue		57,288.53				57,288.53
Total Liabilities	613,951.98	781,699.89	17,630.10	-	-	1,413,281.97
Fund Balances:						
Restricted for:						
Excess Surplus	1,645,319.60					1,645,319.60
Excess Surplus - Prior year - Designated for Subsequent Year's Expenditures	777,672.21					777,672.21
Capital Reserve Account	1,630,571.24					1,630,571.24
Maintenance Reserve Account	800,000.00					800,000.00
Capital Projects			1,282,877.01			1,282,877.01
Debt Service				1.36		1.36
Committed to:						
Other Purposes			244,665.78			244,665.78
Assigned to:						
Designated by the BOE for Subsequent Year's Expenditures	422,327.79					422,327.79
Other Purposes	19,955.36					19,955.36
Unassigned:						
General Fund	(1,101,726.18)					(1,101,726.18)
Special Revenue Fund		(40,194.10)				(40,194.10)
Total Fund Balances	4,194,120.02	(40,194.10)	1,527,542.79	1.36	-	5,681,470.07
Total Liabilities and Fund Balances	$ 4,808,072.00	$ 741,505.79	$ 1,545,172.89	$ 1.36	$ -	

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

Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is $78,828,140.57 and the accumulated depreciation is $24,446,230.78.	54,381,909.79
Interest on long-term debt in the statement of activities is accrued, regardless of when due.	(445,061.26)
Deferred amounts on refunding bonds are reported in governmental funds as expenditures. However, in the statement of activities, the cost is allocated over the life of the bonds.	245,868.07
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. (See Note 7)	(32,878,463.71)
Net assets of governmental activities	$ 26,985,722.96

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

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Permanent Fund	Total Governmental Funds
REVENUES						
Local Sources:						
Local Tax Levy	$ 16,235,299.00	$ -	$ -	$ 3,155,022.00	$ -	$ 19,390,321.00
Tuition Charges	47,995.02					47,995.02
Interest Earned on Capital Reserve	15,484.06					15,484.06
Miscellaneous	506,372.18	-				506,372.18
Total Local Sources	16,805,150.26	-	-	3,155,022.00	-	19,960,172.26
State Sources	23,537,303.01	562,594.05	10,222.20	1,322,127.00		25,432,246.26
Federal Sources	74,152.10	2,456,935.13				2,531,087.23
Total Revenues	40,416,605.37	3,019,529.18	10,222.20	4,477,149.00	-	47,923,505.75
EXPENDITURES						
Current:						
Regular Instruction	10,545,597.31	2,125,550.95	-	-	-	12,671,148.26
Special Education Instruction	3,454,563.90					3,454,563.90
Other Instructional Programs	1,660,691.81					1,660,691.81
Community Service Programs	2,240.00					2,240.00
Support Services:						
Tuition	774,043.05					774,043.05
Student & Instruction Related Serv.	3,657,266.65	826,751.49				4,484,018.14
School Administrative Services	1,381,856.07					1,381,856.07
Other Administrative Services	1,300,777.94					1,300,777.94
Plant Operation and Maintenance	3,283,709.43					3,283,709.43
Pupil Transportation	2,863,432.07					2,863,432.07
Unallocated Benefits	9,100,910.82					9,100,910.82
Transfer to Charter Schools	141,170.00	-				141,170.00
Debt Service:						
Principal				3,360,000.00		3,360,000.00
Interest and Other Charges				1,117,149.13		1,117,149.13
Capital Outlay	168,818.25	67,226.74	2,958,997.49			3,195,042.48
Total Expenditures	38,335,077.30	3,019,529.18	2,958,997.49	4,477,149.13	-	48,790,753.10
Excess (Deficiency) of Revenues Over Expenditures	2,081,528.07	-	(2,948,775.29)	(0.13)	-	(867,247.35)
OTHER FINANCING SOURCES (USES)						
Transfer to Capital Projects	(115,592.00)		115,592.00			-
Total Other Financing Sources and Uses	(115,592.00)	-	115,592.00	-	-	-
Net Changes in Fund Balance	1,965,936.07	-	(2,833,183.29)	(0.13)	-	(867,247.35)
Fund Balance - July 1	2,228,183.95	(40,194.10)	4,360,726.08	1.49	-	6,548,717.42
Fund Balance - June 30	$ 4,194,120.02	$ (40,194.10)	$ 1,527,542.79	$ 1.36	$ -	$ 5,681,470.07

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

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2011

Total Net Change in Fund Balance - Governmental Funds (from B-2)		$ (867,247.35)
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 depreciation exceeded capital outlays for the period.		
Depreciation expense	$ (1,122,234.82)	
Capital Outlays	3,090,699.10	
		1,968,464.28
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities		
Payment of Long-term Debt		3,360,000.00
Payment of Capital leases		34,464.87
In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net assets will differ from the change in fund balance by the cost of the asset removed.		(5,665.60)
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation (+).		(40,155.78)
The loss on the refunding of bonds is amortized over the life of the bonds.		(60,833.33)
In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is a decrease in the reconciliation.		(127,632.71)
Change in Net Assets of Governmental Activities		$ 4,261,394.38

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
Proprietary Funds
Statement of Net Assets
June 30, 2011

	Business-Type Activities - Enterprise Fund			
	Food Service	Kids Corner Program	Community Education	Totals
ASSETS				
Current Assets:				
Cash and Cash Equivalents	$ 263,131.27	$ 73,265.61	$ 214,322.94	$ 550,719.82
Accounts Receivable	62,890.60	759.66		63,650.26
Interfunds Receivable	3,935.00			3,935.00
Inventories	12,777.02			12,777.02
Total Current Assets	342,733.89	74,025.27	214,322.94	631,082.10
Noncurrent Assets:				
Furniture, Machinery & Equipment	485,030.37	2,352.72	27,049.19	514,432.28
Less: Accumulated Depreciation	(344,025.46)	(2,352.72)	(10,867.24)	(357,245.42)
Total Noncurrent Assets	141,004.91	-	16,181.95	157,186.86
Total Assets	$ 483,738.80	$ 74,025.27	$ 230,504.89	$ 788,268.96
LIABILITIES				
Current Liabilities:				
Accounts Payable	$ 13,775.53	$ -	$ -	$ 13,775.53
Interfunds Payable	23,886.29	6,725.02	1,992.14	32,603.45
Total Current Liabilities	37,661.82	6,725.02	1,992.14	46,378.98
NET ASSETS				
Invested in Capital Assets net of Related Debt	141,004.91	-	16,181.95	157,186.86
Unrestricted (Deficit)	305,072.07	67,300.25	212,330.80	584,703.12
Total Net Assets	$ 446,076.98	$ 67,300.25	$ 228,512.75	$ 741,889.98

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

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Year Ended June 30, 2011

	Business-Type Activities - Enterprise Fund			
	Food Service	Kids Corner Program	Community Education	Totals Enterprise
Operating Revenues:				
Charges for Services:				
Daily Sales - Reimbursable Programs	$ 365,176.02	$ -	$ -	$ 365,176.02
Daily Sales - Non-reimbursable Programs	138,196.19			138,196.19
Special Functions	12,916.95			12,916.95
Miscellaneous	773.92			773.92
Community Service Activities	16,155.00	237,416.87	243,885.11	497,456.98
Total Operating Revenue	533,218.08	237,416.87	243,885.11	1,014,520.06
Operating Expenses:				
Cost of Sales	667,526.93			667,526.93
Salaries	795,245.53	175,058.85	152,700.04	1,123,004.42
Employee Benefits	176,473.12	32,072.30	13,156.13	221,701.55
Purchased Property Service	14,678.10	16,691.00	36,932.11	68,301.21
General Supplies	59,656.00	5,386.77	36,745.63	101,788.40
Depreciation	19,783.34		2,356.64	22,139.98
Total Operating Expenses	1,733,363.02	229,208.92	241,890.55	2,204,462.49
Operating Income (Loss)	(1,200,144.94)	8,207.95	1,994.56	(1,189,942.43)
Nonoperating Revenues (Expenses):				
State Sources:				
State School Lunch Program	18,401.61			18,401.61
Federal Sources:				
National School Lunch Program	612,866.70			612,866.70
National School Breakfast Program	196,552.04			196,552.04
Special Milk Program	1,893.45			1,893.45
Food Distribution Program	71,773.63			71,773.63
Interest and Investment Income	5,099.45	641.61	1,081.08	6,822.14
Total Nonoperating Revenues (Expenses)	906,586.88	641.61	1,081.08	908,309.57
Income (Loss) before Transfers	(293,558.06)	8,849.56	3,075.64	(281,632.86)
Transfers In (Out)				-
Changes in Net Assets	(293,558.06)	8,849.56	3,075.64	(281,632.86)
Total Net Assets - Beginning	739,635.04	58,450.69	225,437.11	1,023,522.84
Total Net Assets - Ending	$ 446,076.98	$ 67,300.25	$ 228,512.75	$ 741,889.98

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

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2011

	Business-Type Activities - Enterprise Fund			
	Food Service	Kids Corner	Community Education	Totals Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	$ 538,533.78	$ 236,946.75	$ 243,885.11	$ 1,019,365.64
Payments to employees	(795,245.53)	(175,058.85)	(152,700.04)	(1,123,004.42)
Payments for employee Benefits	(176,473.12)	(32,072.30)	(13,156.13)	(221,701.55)
Payments for Suppliers	(730,102.07)	(22,092.73)	(73,677.74)	(825,872.54)
Net Cash Provided by (Used for) Operating Activities	(1,163,286.94)	7,722.87	4,351.20	(1,151,212.87)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State Sources	18,401.61			18,401.61
Federal Sources	883,085.82			883,085.82
Operating Subsidies and Transfers to Other Funds	(76,224.28)	2,594.62	1,992.14	(71,637.52)
Net Cash Provided by (Used for) Noncapital Financing Activities	825,263.15	2,594.62	1,992.14	829,849.91
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of Capital Assets	(47,628.00)		(3,195.00)	(50,823.00)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(47,628.00)	-	(3,195.00)	(50,823.00)
CASH FLOW FROM INVESTING ACTIVITIES				
Interest and Dividends	5,099.45	641.61	1,081.08	6,822.14
Net Cash Provided by (Used for) Investing Activities	5,099.45	641.61	1,081.08	6,822.14
Net Increase (Decrease) in Cash and Cash Equivalents	(380,552.34)	10,959.10	4,229.42	(365,363.82)
Balance - Beginning of Year	643,683.61	62,306.51	210,093.52	916,083.64
Balance - End of Year	$ 263,131.27	$ 73,265.61	$ 214,322.94	$ 550,719.82
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	$ (1,200,144.94)	$ 8,207.95	$ 1,994.56	$ (1,189,942.43)
Adjustments to Reconcile Operating Income(Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation and Net Amortization	19,783.34		2,356.64	22,139.98
(Increase) Decrease in Accounts Receivable	5,315.70	(470.12)		4,845.58
(Increase) Decrease in Inventory	2,243.13			2,243.13
Increase (Decrease) in Accounts Payable	9,515.83	(14.96)		9,500.87
Total Adjustments	36,858.00	(485.08)	2,356.64	38,729.56
Net Cash Provided by (Used for) Operating Activities	$ (1,163,286.94)	$ 7,722.87	$ 4,351.20	$ (1,151,212.87)

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

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
Fiduciary Funds
Statement of Net Assets
June 30, 2011

	Unemployment Compensation	Private Purpose Scholarship Fund	Agency Fund
ASSETS			
Cash and Cash Equivalents	$ 198,169.37	$ 6,210.18	$ 151,721.52
Accounts Receivable - Other	22,808.96		
Interfunds Receivable		1,012.63	
Total Assets	220,978.33	7,222.81	151,721.52
LIABILITIES			
Accounts Payable	31,534.85		
Interfunds Payable			1,012.63
Payable to Students			108,757.04
Payroll Deductions and Withholdings			41,951.85
Total Liabilities	31,534.85	-	$ 151,721.52
NET ASSETS			
Held in Trust for Unemployment Claims and Other Purposes	$ 189,443.48		
Reserved for Scholarships		$ 7,222.81	

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
Fiduciary Funds
Statement of Changes in Fiduciary Net Assets
For the Year Ended June 30, 2011

	Unemployment Compensation	Private Purpose Scholarship Fund
ADDITIONS		
Contributions:		
Plan Member	$ 67,934.74	$ -
District Share	207,477.56	-
Total Contributions	275,412.30	-
Investment Earnings:		
Interest	1,403.51	292.28
Less: Investment Expense		
Net Investment Earnings	1,403.51	292.28
Total Additions	276,815.81	292.28
DEDUCTIONS		
Quarterly Contribution Reports		
Unemployment	17,131.93	-
Family Leave	9,679.07	-
Unemployment Claims	197,592.38	-
Funds Paid to Non-profit Education Foundation	-	1,286.73
Scholarships Awarded	-	125.00
Total Deductions	224,403.38	1,411.73
Changes in Net Assets	52,412.43	(1,119.45)
Net Assets - Beginning of the Year	137,031.05	8,342.26
Net Assets - End of the Year	$ 189,443.48	$ 7,222.81

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The 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 purpose of the district is to educate students in grades K to 8. The operations of the District include elementary and middle schools located in the Township of Hamilton School District.

In evaluating how to define the governmental reporting entity, the District follows the provisions of GASB Statement No. 14, *The Financial Reporting Entity,* under which the financial statements include all the organizations, activities, functions, and component units for which the District is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board and either (1) the District's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the District. On this basis, the District's financial reporting entity has no component units.

B. Basis of Presentation, Measurement Focus and Basis of Accounting

Basis of Presentation

The School District's basic financial statements consist of District-wide statements (i.e. statement of net assets and a statement of activities) and fund financial statements, which provide a more detailed level of financial information.

District-Wide Financial Statements: The statement of net assets and the statement of activities display information about the district as a whole. These statements report the financial activities of the overall District, except for fiduciary activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by property taxes, intergovernmental revenues, and other non-exchange transactions from business-type activities, generally financed in whole or in part with fees charged to external parties.

The statement of net assets presents the financial condition of the governmental and business-type activity of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges and fees paid by the recipients of goods or services offered by the programs; and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing, or draws from the general revenues of the School District.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Basis of Presentation, Measurement Focus and Basis of Accounting - Continued

Basis of Presentation - Continued

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

Governmental Funds

The District reports the following governmental funds:

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

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

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Basis of Presentation, Measurement Focus and Basis of Accounting - Continued

Proprietary Funds

The District reports the following proprietary fund:

Enterprise Funds - Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business operations – where the intent of the District is that the costs of providing goods or services be financed or recovered primarily through user charges.

The District's Enterprise Fund is comprised of the Food Service Fund, Kids Corner Fund and Community Education Fund, which accounts for all revenues and expenses pertaining to the District's enterprise operations.

Fiduciary Funds

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Expendable Trust Fund - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. Expendable Trust Funds include the Unemployment Compensation Insurance Trust.

Nonexpendable Trust Fund - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. The District maintains the Schuler Graduation Scholarship Fund and The McNamara Graduation Scholarship Fund as Nonexpendable Trust Funds.

Agency Funds - Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll, student activities funds and the Hamilton Township Education Fund, Inc.

Measurement Focus and 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 assets (total assets less total liabilities) are used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net assets. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net assets.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Basis of Presentation, Measurement Focus and Basis of Accounting - Continued

Measurement Focus and Basis of Accounting - Continued

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available is they are collected within 60 days of 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 generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

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.

C. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for special revenue funds. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g). All budget amendments/transfer must be approved by School Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year.

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Encumbrance Accounting

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

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

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

E. Assets, Liabilities and Equity

Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, bank deposits 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.

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

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity - Continued

Interfund Transactions

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

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the Enterprise Fund. Repayments from funds responsible for particular 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. In the fund based financial statements, commodities received from the U.S. Department of Agriculture are recorded as deferred revenue until consumed.

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 recorded as capital assets at their estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The capitalization threshold used by school districts in the State of New Jersey is $2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over their estimated useful lives. Useful lives vary from 20 to 50 years for land improvements and buildings, and 5 to 15 years for equipment.

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

Compensated Absences

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity - Continued

Compensated Absences - Continued

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.

Deferred Revenue

Deferred 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 deferred revenue.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

Net Assets

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity - Continued

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 or 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 – Exchange and Nonexchange Transactions

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlement, and donations is recognized in the period in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity - Continued

Operating Revenues and Expenses

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

Allocation of Indirect Expenses

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

Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within control of management and are either unusual in nature or infrequent in occurrence.

Management Estimates

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

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. Of the School District's bank Balance of $7,038,384.15 as of June 30, 2011, $600,031.17 was uninsured and uncollateralized.

Investments

N.J.S.A. 40A:5-15.1 provides specific guidance for the allowable investment of public funds. In order to maximize liquidity, while complying with statutory requirements, the District utilizes the New Jersey Cash Management Fund ("NJCMF") and New Jersey's Asset and Rebate management Program ("NJ/ARM") for investing purposes.

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS - Continued

Investments - Continued

The NJCMF is administered by New Jersey Department of Treasury. It invests pooled monies from various State and non-State agencies in primarily short-term investments. These investments include: U.S. Treasuries, short-term commercial paper, U.S. Agency Bonds, Corporate Bonds, and Certificates of Deposit. Agencies that participate in the NJCMF typically earn returns that mirror short-term investment rates. At June 30, 2011, the District had no investments in the NJCMF.

The NJ/ARM is an external investment pool administered by a third party. It invests pooled monies from various local governmental units within the State of New Jersey in primarily short-term investments. These investments include: U.S. Treasury bills and notes and other obligations guaranteed by the United States of America, Federal agency bonds and notes with a maturity no greater than 397 days, and repurchase agreements fully collateralized by U.S. Treasury or Federal agency obligations. Monies can be freely added or withdrawn from the NJ/ARM on a daily basis without penalty. At June 30, 2011, the District's balance was $478,236.27.

Credit Risk: The NJCMF is not rated. The District does not have an investment policy regarding the management of credit risk.

Interest Rate Risk: The District does not have a policy to limit interest rate risk. As noted below, the investment in the NJ/ARM has a weighted average maturity of 1 day at June 30, 2011.

Investment	Fair Value	Weighted Average Maturity (Days)
NJ/ARM	478,236.27	1
	$ 478,236.27	

NOTE 3 – RECEIVABLES

Receivables at June 30, 2011, consisted of accounts (Other), accrued interest, interfund and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	District Wide Financial Statements
State Aid	$ 694,353.05	$ 696,435.51
Federal Aid	773,425.49	825,536.50
Interfunds	291,859.84	-
Other	31,515.35	40,972.14
Gross Receivables	1,791,153.73	1,562,944.15
Less: Allowance for Uncollectibles		
Total Receivables, Net	$ 1,791,153.73	$ 1,562,944.15

NOTE 4 – INTERFUND TRANSFERS AND BALANCES

Transfers between funds are used to (1) move investment income earned in the Capital Projects Fund that is required to be expended in the Debt Service Fund; (2) repay expenses paid by another fund; and (3) make a Board contribution to the Unemployment Compensation Trust Fund or (4) loan monies to other funds.

The following interfund balances remained on the fund financial statements at June 30, 2011:

Fund	Interfund Receivable	Interfund Payable
General Fund	$ 291,859.84	$
Special Revenue Fund		263,191.39
Food Service Fund		19,951.29
Community Education		1,992.14
Kids Corner Program		6,725.02
Total	$ 291,859.84	$ 291,859.84

The general fund receivable is comprised of four interfunds. The first is due from the special revenue fund in the amount of $263,191.39 which is a result of the general funds loan to cover the special revenue funds cash deficit. The second interfund relates to $19,951.29 owed to the general fund, which the food service enterprise fund received to pay food service charges. The third interfund owed to the general fund fund in the amount of $1,992.14 is from the Community Education Enterprise Fund for charges in that fund. The fourth interfund owed to the general fund in the amount of $6,725.02 from the Kids Corner Program for charges in that fund.

NOTE 5 – INVENTORY

Inventory in the Food Service Enterprise Fund at June 30, 2011, consisted of the following:

Food	$ 8,973.33
Supplies	3,803.69
	$ 12,777.02

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2011, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets,not being depreciated:				
Land	$ 1,423,600.00	$	$	$ 1,423,600.00
Construction in Progress	23,907,770.76	1,551,316.20	610,782.70	24,848,304.26
Total capital assets not being depreciated	25,331,370.76	1,551,316.20	610,782.70	26,271,904.26
Capital assets being depreciated:				
Site Improvements	290,725.26	75,235.00		365,960.26
Buildings and building improvements	47,498,850.33	1,974,508.91	72,472.00	49,400,887.24
Machinery and Equipment	2,636,902.12	100,421.69	42,982.00	2,694,341.81
Licensed Vehicles	95,047.00			95,047.00
Total capital assets being depreciated at historical cost	50,521,524.71	2,150,165.60	115,454.00	52,556,236.31
Less accumulated depreciation for:				
Site Improvements	(79,730.52)	(17,998.52)		(97,729.04)
Buildings and Building Improvements	(21,118,501.42)	(985,463.42)	(72,472.00)	(22,031,492.84)
Machinery and Equipment	(2,164,919.42)	(114,703.88)	(37,316.40)	(2,242,306.90)
Licensed Vehicles	(70,633.00)	(4,069.00)		(74,702.00)
Total capital assets being depreciated, net of accumulated depreciation	27,087,740.35	1,027,930.78	5,665.60	28,110,005.53
Governmental activity capital assets, net	$ 52,419,111.11	$ 2,579,246.98	$ 616,448.30	$ 54,381,909.79
Business-type activities:				
Capital assets being depreciated:				
Equipment	$ 463,609.28	$ 50,823.00	$ -	$ 514,432.28
Less accumulated depreciation	(335,105.44)	(22,139.98)	-	(357,245.42)
Enterprise Fund capital assets, net	$ 50,465.47	$ 28,683.02	$ -	$ 157,186.86

NOTE 7 – LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended June 30, 2011 are as follows:

	Balance July 1, 2010	Issues or Additions	Payments or Expenditures	Balance June 30, 2011	Amounts Due Within One Year
Compensated Absences	$ 2,491,366.71	$ 40,155.78	$ -	$ 2,531,522.49	$
Capital Leases	37,406.09	-	34,464.87	2,941.22	2,941.22
Bonds Payable	33,704,000.00	-	3,360,000.00	30,344,000.00	3,280,000.00
	$ 36,232,772.80	$ 40,155.78	$ 3,394,464.87	$ 32,878,463.71	$ 3,282,941.22

Compensated absences and capital leases have been liquidated in the General Fund.

Bonds Payable

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

At June 30, 2011, bonds payable consisted of the following issues:

$8,240,000 Refunding Bonds dated September 17, 2002, due in annual installments through December 15, 2015, bearing interest at a rate of 4.90% per annum. The balance remaining as of June 30, 2011 is $2,830,000.

$15,865,000 School Improvement Bonds dated July 15, 2003, due in annual installments through July 15, 2018, bearing interest at varying rates. The balance remaining as of June 30, 2011 is $13,425,000.

$21,535,000 Refunding Bonds dated July 15, 2003, due in annual installments through December 15, 2015, bearing interest at varying rates. The balance remaining as of June 30, 2011 is $7,650,000.

$997,000 School Improvement Bonds dated July 15, 2007, due in annual installments through July 15, 2017, bearing interest at a rate of 4.375% per annum. The balance remaining as of June 30, 2011 is $762,000.

$998,000 School Improvement Bonds dated July 15, 2008, due in annual installments through July 15, 2018, bearing interest at a rate of 5.000% per annum. The balance remaining as of June 30, 2011 is $853,000.

$4,824,000 School Improvement Bonds dated June 23, 2010, due in annual installments through August 1, 2026, bearing interest at varying rates. The balance remaining as of June 30, 2011 is $4,824,000.

NOTE 7 – LONG-TERM OBLIGATIONS - Continued

Debt service requirements on serial bonds payable at June 30, 2011 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2012	$ 3,505,000.00	$ 1,239,784.24	$ 4,744,784.24
2013	3,655,000.00	1,003,471.76	4,658,471.76
2014	3,800,000.00	851,980.88	4,651,980.88
2015	3,960,000.00	690,523.75	4,650,523.75
2016	3,515,000.00	536,570.88	4,051,570.88
2017-2021	9,840,000.00	1,036,253.14	10,876,253.14
2022-2026	2,069,000.00	245,787.50	2,314,787.50
	$ 30,344,000.00	$ 5,604,372.15	$ 35,948,372.15

Capital Leases

The District is leasing computer equipment totaling $77,820.92 under capital leases. The following is a schedule of the future minimum lease payments under this capital lease and the net minimum lease payments at June 30, 2011:

Fiscal Year Ending June 30,	Principal
2012	$ 3,112.84
Total minimum lease payments	3,112.84
Less amount representing interest	171.62
Present value of lease payments	$ 2,941.22

NOTE 8 – OPERATING LEASES

The District has commitments to lease certain office equipment under operating leases that expire during the year ending June 30, 2015. Total operating lease payments made during the year ended June 30, 2011 were $89,541.28. Future minimum lease payments are as follows:

Year Ending June 30,	Principal
2012	$ 78,620.78
2013	49,198.97
2014	19,364.76
2015	347.90
Total future minimum lease payments	$ 147,532.41

NOTE 9 – PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System, the Teachers' Pension and Annuity Fund or the Defined Contribution Retirement Program which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

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

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

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N. J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contribution amounts for each pay period are required to be transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. The School District has no employees enrolled in the Defined Contribution Retirement Program (DCRP) during the fiscal year ended June 30, 2011.

NOTE 9 – PENSION PLANS - Continued

Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation - During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) that changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by 1/2 of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets.

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF. The School District's contributions to TPAF for the years ending June 30, 2011, 2010 and 2009 were $0, $0, and $0 respectively, and paid by the State of New Jersey on behalf of the Board. The State of New Jersey did not make the required contributions for the last three years. The School District's contributions to PERS for the years ending June 30, 2011, 2010, 2009 were $536,310.00, $377,823.00, and $322,063.00 respectively, equal to the required contributions for each year.

During the fiscal year ended June 30, 2011, the State of New Jersey made a contribution to the TPAF for non-contributory insurance and post-retirement benefits on behalf of the District in the amount of $1,222,851.00. Also, in accordance with N.J.S.A. 18A:66-66, the State of New Jersey reimbursed the District $1,350,062.41 during the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB Statement No. 24.

NOTE 10 – POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, C. 103 amended the law to eliminate the funding and payment of post-retirement medical benefits for retired state employees through TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2010, there were 87,288 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126 which provides free health benefits for members PERS and the Alternative Benefit Program who retired from a board of education or county college with 25 years of service. The State paid $126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in Fiscal Year 2010.

NOTE 11 – COMPENSATED ABSENCES

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

The liability for vested compensated absences for the governmental fund types is recorded in current and long-term liabilities. The current portion of the compensated absences balance of the governmental funds is not considered material to the applicable funds total liabilities, and therefore is not shown separately from the long-term liability of compensated absences.

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, 2011, no liability existed for compensated absences in the Enterprise Funds.

NOTE 12 – DEFERRED COMPENSATION

The District 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, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Lincoln Investment
Siracusa Benefits Program
Equitable Life

NOTE 13 – CAPITAL RESERVE ACCOUNT

A capital reserve account was established by The Township of Hamilton Board of Education 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.

NOTE 13 – CAPITAL RESERVE ACCOUNT - Continued

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP) 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 N.J.A.C. 6A:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its LRFP.

The activity of the capital reserve for the July 1, 2010 to June 30, 2011 fiscal year is as follows:

Beginning balance, July 1, 2010		$ 1,630,887.18
Increased by:		
Transfer of Funds	$ 99,792.00	
Interest earnings	15,484.06	
		115,276.06
		1,746,163.24
Decreased by:		
Transfer to Capital Projects Fund		115,592.00
Ending Balance, June 30, 2011		$ 1,630,571.24

NOTE 14 – 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. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

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

Fiscal Year	District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2010-2011	$ 207,477.56	$ 67,934.74	$ 224,403.38	$ 189,443.48
2009-2010	30,000.00	77,162.23	120,299.93	137,031.05
2008-2009	14,000.00	71,347.70	57,632.42	148,373.93

NOTE 15 – CONTINGENT LIABILITIES

Federal and State Grants

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

NOTE 16 – FUND BALANCES

Restrictions of funds balances of governmental funds are established to either (1) satisfy legal covenants that require a portion of the fund balance to be segregated or (2) identify the portion of the fund balance that is not appropriate for future expenditures.

The District uses restricted/committed amounts to be spent first when both restricted an unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the District does not have a formal fund balance spending policy therefore the default spending order requires committed, assigned and then unassigned to be used be spent first when expenditures are made.

The District's major sources of special revenue funds is federal grant funding for the No Child Left Behind (NCLB) program, federal grants for special education and state grants for Preschool Education Aid. Specific classifications of fund balance are summarized below;

Non-Spendable Fund Balance – The District had no non-spendable fund balance at June 30, 2011.

Restricted Fund Balance

Excess Surplus – $2,422,991.81 is restricted as excess surplus in accordance with N.J.S.A. 18A:7F-7 ($777,672.21 of the total restricted excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2012).

Capital Reserve Account – Of the $1,630,571.24 balance in the capital reserve account at June 30, 2011, $185,072.00 has been designated for utilization in the 2011-12 budget. These funds are restricted for future capital outlay expenditures for projects in the School District's long range facilities plan (LRFP).

Maintenance Reserve Account – Of the $800,000.00 balance in the maintenance reserve account at June 30, 2011, $0 has been designated for utilization in the 2011-12 budget. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

Debt Service – As of June 30, 2011, the restricted balance in the debt service fund was $1.36. $0 has been designated for utilization in the 2011-12 budget.

Committed Fund Balance - The District's Committed Fund balance for other purposes of $244,665.78 consists of construction contracts payable authorized by the Board of Education during 2010-11 for the various capital projects.

NOTE 16 – FUND BALANCES - Continued

Assigned Fund Balance – At June 30, 2011, the District has assigned $422,327.79 of general fund balance to expenditures in the 2011-12 budget. In addition, the District assigned fund balance in the general fund for other purposes of $19,955.36. This represents encumbrances resulting from issuing purchase orders as a result of normal purchasing activities approved by District Officials. Also at June 30, 2011, the District has assigned fund balance in the Capital Projects Fund of $1,354,753.81.

Unassigned Fund Balance – At June 30, 2011, the District has a deficit of $1,101,726.18 of unassigned fund balance in the general fund and a deficit of $40,194.10 of unassigned fund balance in the Special Revenue Fund.

NOTE 17 – CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c73 (S1701),the designation for Restricted Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount of budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2011 is $1,645,319.60.

NOTE 18 – DEFICIT FUND BALANCE

The District has a deficit unassigned fund balance of $1,101,726.18 in the General Fund and $40,194.10 in the Special Revenue Fund as of June 30, 2011 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, expenditures, 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 cannot 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 or special revenue fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year, is not considered a violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statement of $1,101,726.18 in the General Fund and $40,194.10 in the Special Revenue Fund is equal to or less than the last state aid payment.

NOTE 21 – COMMITMENTS

The District does not have an encumbrance policy for the fiscal year end to determine significant encumbrances. All encumbrances are classified as either Assigned Fund Balance in the General Fund or Committed Fund Balance in the Capital Project Fund. Significant encumbrances at June 30, 2011 are as follows;

Fund	Amount
General Fund Encumbered Orders	$ 19,955.36
Capital Projects Fund Encumbered Contracts	244,665.78
	$ 264,621.14

NOTE 19 – ECONOMIC DEPENDENCY

The District receives support from the federal government and from the state government. A significant reduction in the level of support, if this were to occur, would have an effect on the District's programs and activities.

NOTE 20 – SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred from June 30, 2011 through November 3, 2011, the date that the financial statements were issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
General Fund
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
For the Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	$ 16,235,299.00	$ -	$ 16,235,299.00	$ 16,235,299.00	$ -
Tuition	70,193.00		70,193.00	47,995.02	(22,197.98)
Interest Earned on Capital Reserve Funds	15,000.00		15,000.00	15,484.06	484.06
Miscellaneous	306,784.00	1,125.00	307,909.00	506,372.18	198,463.18
Total Local Sources	16,627,276.00	1,125.00	16,628,401.00	16,805,150.26	176,749.26
State Sources:					
Extraordinary Aid		-		127,781.00	127,781.00
Categorical Special Education Aid	1,646,402.00	-	1,646,402.00	1,646,402.00	-
Equalization Aid	18,498,477.00	-	18,498,477.00	18,498,477.00	-
Categorical Security Aid	456,538.00	-	456,538.00	456,538.00	-
Nonpublic School Transportation Costs				15,360.60	15,360.60
TPAF Pension (On-Behalf - Non-Budgeted):					
NCGI Premium			-	54,984.00	54,984.00
Post Retirement Medical Contributions			-	1,167,867.00	1,167,867.00
TPAF Social Security (Reimbursed-Non-Budgeted)			-	1,350,062.41	1,350,062.41
Total State Sources	20,601,417.00	-	20,601,417.00	23,317,472.01	2,716,055.01
Federal Sources:					
Medicaid Reimbursement	43,200.00		43,200.00	74,152.10	30,952.10
Total Federal Sources	43,200.00	-	43,200.00	74,152.10	30,952.10
Total Revenues	37,271,893.00	1,125.00	37,273,018.00	40,196,774.37	2,923,756.37
EXPENDITURES:					
CURRENT EXPENSE					
REGULAR PROGRAMS - INSTRUCTION					
Preschool - Salaries of Teachers		34,000.00	34,000.00	30,080.39	3,919.61
Kindergarten - Salaries of Teachers	881,587.00	(14,636.00)	866,951.00	855,379.62	11,571.38
Grades 1 - 5 Salaries of Teachers	5,017,367.00	(13,400.00)	5,003,967.00	4,998,155.37	5,811.63
Grades 6 - 8 Salaries of Teachers	3,542,694.00	20,000.00	3,562,694.00	3,554,551.05	8,142.95
Regular Programs - Home Instruction					
Salaries of Teachers	44,000.00	16,000.00	60,000.00	57,498.38	2,501.62
Purchased Professional - Educational Services	10,000.00	-	10,000.00	7,560.02	2,439.98
Regular Programs - Undistributed Instruction		-			
Other Salaries for Instruction	333,166.00	6,400.00	339,566.00	338,514.54	1,051.46
Purchased Professional - Educational Services		-			-
Purchased Technical Services	68,475.00	10,738.27	79,213.27	41,853.63	37,359.64
Other Purchased Services (400-500 series)	152,123.00	63,000.00	215,123.00	212,405.89	2,717.11
General Supplies	430,609.00	10,073.00	440,682.00	416,164.23	24,517.77
Textbooks	27,866.00	5,783.00	33,649.00	32,880.19	768.81
Other Objects	830.00	-	830.00	554.00	276.00
TOTAL REGULAR PROGRAMS - INSTRUCTION	10,508,717.00	137,958.27	10,646,675.27	10,545,597.31	101,077.96
SPECIAL EDUCATION - INSTRUCTION					
Behavioral Disabilities					
Salaries of Teachers	45,925.00	-	45,925.00	44,818.65	1,106.35
Other Salaries for Instruction	32,251.00	-	32,251.00	29,930.46	2,320.54
General Supplies	2,000.00	-	2,000.00	1,253.50	746.50
Total Behavioral Disabilities	80,176.00	-	80,176.00	76,002.61	4,173.39
Multiple Disabilities					
Salaries of Teachers	882,647.00	(262,754.00)	619,893.00	559,554.77	60,338.23
Other Salaries for Instruction	350,821.00	(150,000.00)	200,821.00	157,706.31	43,114.69
General Supplies	24,500.00	(2,055.04)	22,444.96	16,040.89	6,404.07
Textbooks	6,700.00	-	6,700.00		6,700.00
Total Multiple Disabilities	1,264,668.00	(414,809.04)	849,858.96	733,301.97	116,556.99

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
General Fund
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
For the Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Resource Room/Resource Center					
Salaries of Teachers	$ 2,259,720.00	$ 20,000.00	$ 2,279,720.00	$ 2,268,546.43	$ 11,173.57
General Supplies	62,250.00	(22,094.95)	40,155.05	37,762.71	2,392.34
Textbooks	6,500.00	(3,100.00)	3,400.00	3,243.57	156.43
Total Resource Room/Resource Center	2,328,470.00	(5,194.95)	2,323,275.05	2,309,552.71	13,722.34
Preschool Disabilities - Part Time					
Salaries of Teachers	187,756.00	-	187,756.00	175,893.52	11,862.48
Other Salaries for Instruction	73,205.00	-	73,205.00	63,376.83	9,828.17
General Supplies	3,000.00	296.63	3,296.63	963.20	2,333.43
Total Preschool Disabilities - Part Time	263,961.00	296.63	264,257.63	240,233.55	24,024.08
Home Instruction					
Salaries of Teachers	22,000.00	17,000.00	39,000.00	36,988.96	2,011.04
Purchased Professional - Educational Services	15,000.00	50,000.00	65,000.00	58,484.10	6,515.90
Total - Home Instruction	37,000.00	67,000.00	104,000.00	95,473.06	8,526.94
TOTAL SPECIAL EDUCATION - INSTRUCTION	3,974,275.00	(352,707.36)	3,621,567.64	3,454,563.90	167,003.74
Basic Skills/Remedial					
Salaries of Teachers	1,322,874.00	18,000.00	1,340,874.00	1,332,656.77	8,217.23
Total Basic Skills/Remedial	1,322,874.00	18,000.00	1,340,874.00	1,332,656.77	8,217.23
Bilingual Education - Instruction					
Salaries of Teachers	261,459.00	2,200.00	263,659.00	263,582.83	76.17
Total Bilingual Education - Instruction	261,459.00	2,200.00	263,659.00	263,582.83	76.17
School-Sponsored Co-Extracurricular Activities - Instruction					
Salaries	36,780.00	22,054.00	58,834.00	53,379.26	5,454.74
Supplies and Materials	12,000.00	-	12,000.00	10,524.95	1,475.05
Other Objects	750.00	-	750.00	500.00	250.00
Total School-Spon. Co-Extracurricular Activities - Inst.	49,530.00	22,054.00	71,584.00	64,404.21	7,179.79
School-Spon. Athletics - Inst.					
Purchased Services (300-500 series)	-	48.00	48.00	48.00	-
Total School-Spon. Cocurricular Athletics - Inst.	-	48.00	48.00	48.00	-
TOTAL OTHER INSTRUCTIONAL PROGRAMS-INSTRUCTION	1,633,863.00	42,302.00	1,676,165.00	1,660,691.81	15,473.19
TOTAL INSTRUCTION	16,116,855.00	(172,447.09)	15,944,407.91	15,660,853.02	283,554.89
Community Service Programs/Operations					
Salaries	6,000.00	(350.00)	5,650.00	2,240.00	3,410.00
Total Community Service Programs/Operations	6,000.00	(350.00)	5,650.00	2,240.00	3,410.00
UNDISTRIBUTED EXPENDITURES					
Undistributed Expenditures - Instruction					
Tuition to Other LEAs Within the State-Regular	35,000.00	20,900.00	55,900.00	53,087.27	2,812.73
Tuition to Other LEAs Within the State-Special	136,708.00	(63,589.00)	73,119.00	69,086.34	4,032.66
Tuition to CSSD & Regional Day Schools	229,927.00	84,704.00	314,631.00	312,715.03	1,915.97
Tuition to Private Schools for the Disabled - Within State	207,795.00	95,492.00	303,287.00	295,971.41	7,315.59
Tuition - State Facilities		43,183.00	43,183.00	43,183.00	-
Tuition - Other	8,000.00	(8,000.00)			-
Total Undistributed Expenditures - Instruction	617,430.00	172,690.00	790,120.00	774,043.05	16,076.95

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
General Fund
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
For the Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undistributed Expend. - Attend. & Social Worker					
Salaries	$ 103,492.00	$ -	$ 103,492.00	$ 102,007.59	$ 1,484.41
Purchased Professional - Technical Services	15,500.00	-	15,500.00	12,900.00	2,600.00
Other Purchased Services (400-500 Series)	5,310.00	-	5,310.00	2,270.73	3,039.27
General Supplies	100.00	-	100.00		100.00
Total Undist. Expend. - Attend. & Social Worker	124,402.00	-	124,402.00	117,178.32	7,223.68
Undistributed Expend. - Health Services					
Salaries	298,566.00	(10,000.00)	288,566.00	286,817.22	1,748.78
Other Professional Services	30,000.00	(200.00)	29,800.00	22,613.00	7,187.00
Purchased Professional and Technical Services	323.00	200.00	523.00	270.00	253.00
Other Purchased Services (400-500 Series)	1,000.00	-	1,000.00	318.40	681.60
Supplies and Materials	8,400.00	-	8,400.00	7,938.04	461.96
Total Undistributed Expend. - Health Services	338,289.00	(10,000.00)	328,289.00	317,956.66	10,332.34
Undist. Expend. - Speech, OT,PT & Related Svcs. Related Services					
Salaries	552,170.00	(19,377.00)	532,793.00	491,668.32	41,124.68
Purchased Professional and Educational Services	50,000.00	-	50,000.00	34,309.25	15,690.75
Supplies and Materials	10,000.00	-	10,000.00	3,198.32	6,801.68
Total Undist. Expend. - Speech, OT, PT & Related Services	612,170.00	(19,377.00)	592,793.00	529,175.89	63,617.11
Undist. Expend. - Other Support Serv. Students - Extraordinary Services					
Salaries	631,768.00	70,000.00	701,768.00	683,815.81	17,952.19
Purchased Professional and Technical Services	55,150.00	(25,922.50)	29,227.50	27,398.00	1,829.50
Supplies and Materials	7,500.00	-	7,500.00	2,574.42	4,925.58
Total Undist. Expend. - Other Support Services Student - Related Services	694,418.00	44,077.50	738,495.50	713,788.23	24,707.27
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	472,955.00	(19,000.00)	453,955.00	453,955.00	0.00
Other Purchased Services (400-500 series)	3,000.00	-	3,000.00	52.08	2,947.92
Supplies and Materials	3,079.00	-	3,079.00	1,829.91	1,249.09
Total Undist. Expend. - Guidance	479,034.00	(19,000.00)	460,034.00	455,836.99	4,197.01
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	555,581.00	68,500.00	624,081.00	624,032.33	48.67
Salaries of Secretarial and Clerical Assistants	116,371.00	(3,000.00)	113,371.00	112,441.16	929.84
Other Salaries	54,140.00	29,013.00	83,153.00	79,553.00	3,600.00
Other Purchased Professional and Tech. Services	70,000.00	1,458.00	71,458.00	62,454.58	9,003.42
Other Purchased Services (400-500 series)	38,627.00	-	38,627.00	14,992.56	23,634.44
Supplies and Materials	18,200.00	-	18,200.00	9,243.10	8,956.90
Other Objects	1,250.00	-	1,250.00	450.00	800.00
Total Undist. Expend. - Child Study Teams	854,169.00	95,971.00	950,140.00	903,166.73	46,973.27
Undist. Expend. - Improvement of Inst. Services					
Salaries of Supervisor of Instruction	131,680.00	-	131,680.00	129,188.42	2,491.58
Salaries of Other Professional Staff	25,000.00	-	25,000.00	24,984.36	15.64
Salaries of Secretarial and Clerical Assistant	32,400.00	-	32,400.00	31,915.00	485.00
Other Purchased Services (400-500 series)	8,250.00	(4,800.00)	3,450.00	555.82	2,894.18
Supplies and Materials	2,000.00	-	2,000.00	662.99	1,337.01
Other Objects	1,500.00	-	1,500.00	414.00	1,086.00
Total Undist. Expend. - Improvement of Inst. Serv.	200,830.00	(4,800.00)	196,030.00	187,720.59	8,309.41

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
General Fund
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
For the Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	$ 273,175.00	$ (3,000.00)	$ 270,175.00	$ 270,147.15	$ 27.85
Salaries of Technology Coordinators	100,501.00	1,100.00	101,601.00	101,519.86	81.14
Purchased Professional - Educational Services	5,696.00	-	5,696.00	2,857.50	2,838.50
Other Purchased Services (400-500 series)	2,000.00	-	2,000.00	189.80	1,810.20
Supplies and Materials	11,790.00	1,125.00	12,915.00	12,451.01	463.99
Other Objects	515.00	-	515.00	198.00	317.00
Total Undistributed Expenditures - Educational Media Services - School Library	393,677.00	(775.00)	392,902.00	387,363.32	5,538.68
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Other Professional Staff	8,200.00	-	8,200.00	3,053.56	5,146.44
Purchased Professional - Educational Services	80,000.00	1,200.00	81,200.00	36,200.00	45,000.00
Other Purchased Services (400-500 series)	12,400.00	(1,200.00)	11,200.00	5,826.36	5,373.64
Total Undistributed Expenditures - Instructional Staff Training Services	100,600.00	-	100,600.00	45,079.92	55,520.08
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	274,792.00	15,000.00	289,792.00	274,496.16	15,295.84
Legal Services	80,000.00	20,000.00	100,000.00	97,652.90	2,347.10
Audit Fees	29,500.00	-	29,500.00	23,800.00	5,700.00
Architect/Engineering Services	20,000.00	3,690.00	23,690.00	21,575.00	2,115.00
Other Purchased Professional Services	50,000.00	-	50,000.00	26,080.00	23,920.00
Communications / Telephone	153,000.00	(20,000.00)	133,000.00	107,086.29	25,913.71
B.O.E. Other Purchased Services	3,000.00	-	3,000.00		3,000.00
Other Purchased Services (400-500 series)	193,500.00	-	193,500.00	175,061.83	18,438.17
General Supplies	15,500.00	316.56	15,816.56	11,043.52	4,773.04
B.O.E. In-House Training/Meeting Supplies	3,000.00	-	3,000.00	1,910.91	1,089.09
Miscellaneous Expenditures	7,000.00	-	7,000.00	1,955.72	5,044.28
BOE Member Dues/ Fees	18,500.00	-	18,500.00	16,435.00	2,065.00
Total Undistributed Expenditures - Support Services - General Administration	847,792.00	19,006.56	866,798.56	757,097.33	109,701.23
Undist. Expend. - Supp. Serv. - School Admin.					
Salaries of Principals/Assistant Principals	770,894.00	24,000.00	794,894.00	759,793.06	35,100.94
Salaries of Other Professional Staff	121,773.00	-	121,773.00	120,019.12	1,753.88
Salaries of Secretarial and Clerical Assistants	406,609.00	-	406,609.00	383,734.64	22,874.36
Purchased Professional Educational Services	500.00	-	500.00		500.00
Other Purchased Services (400-500 series)	58,186.00	(1,023.00)	57,163.00	38,495.54	18,667.46
Supplies and Materials	74,316.00	6,000.00	80,316.00	78,462.32	1,853.68
Other Objects	3,550.00	-	3,550.00	1,351.39	2,198.61
Total Undistributed Expenditures - Support Services - School Administration	1,435,828.00	28,977.00	1,464,805.00	1,381,856.07	82,948.93
Undist. Expend. - Central Services					
Salaries	286,333.00	14,952.00	301,285.00	284,063.25	17,221.75
Purchased Professional Services	17,000.00	-	17,000.00	13,436.53	3,563.47
Purchased Technical Services	500.00	-	500.00		500.00
Other Purchased Services (400-500 series)	5,500.00	-	5,500.00	2,361.93	3,138.07
Supplies and Materials	8,000.00	209.06	8,209.06	7,709.05	500.01
Other Objects	2,600.00	496.00	3,096.00	3,096.00	-
Total Undistributed Expenditures - Central Services	319,933.00	15,657.06	335,590.06	310,666.76	24,923.30
Undist. Expend. - Admin Info Technology					
Salaries	211,223.00	10,000.00	221,223.00	195,293.13	25,929.87
Purchased Professional Services	15,377.00	-	15,377.00	15,376.20	0.80
Other Purchased Services (400-500 series)	10,000.00	3,075.00	13,075.00	3,444.52	9,630.48
Supplies and Materials	18,900.00	-	18,900.00	18,900.00	-
Total Undistributed Expenditures - Admin Info Technology	255,500.00	13,075.00	268,575.00	233,013.85	35,561.15
Undist. Expend. - Required Maintenance of School Facilities					
Salaries	275,458.00	-	275,458.00	266,415.78	9,042.22
Cleaning, Repair and Maintenance Service	282,500.00	(34,475.00)	248,025.00	187,273.71	60,751.29
General Supplies	122,000.00	(20,000.00)	102,000.00	76,277.46	25,722.54
Total Undistributed Expenditures - Allowable Maintenance for School Facilities	679,958.00	(54,475.00)	625,483.00	529,966.95	95,516.05

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
General Fund
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
For the Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Custodial Services					
Salaries	$ 1,312,546.00	$ -	$ 1,312,546.00	$ 1,108,569.73	$ 203,976.27
Purchased Professional and Technical Services	12,134.00	3,060.00	15,194.00	4,862.00	10,332.00
Cleaning, Repair and Maintenance Service	96,500.00	(11,023.00)	85,477.00	51,253.50	34,223.50
Other Purchased Property Services	108,000.00	-	108,000.00	81,593.29	26,406.71
Insurance	75,000.00	-	75,000.00	73,226.00	1,774.00
Miscellaneous Purchased Services	6,500.00	-	6,500.00	2,072.44	4,427.56
General Supplies	200,000.00	3,115.00	203,115.00	171,045.46	32,069.54
Energy (Gas)	445,000.00	-	445,000.00	238,280.29	206,719.71
Energy (Electricity)	1,044,000.00	(63,000.00)	981,000.00	917,788.61	63,211.39
Other Objects	1,100.00	55.00	1,155.00	1,155.00	-
Total Undist. Expend. - Custodial Services	3,300,780.00	(67,793.00)	3,232,987.00	2,649,846.32	583,140.68
Care and Upkeep of Grounds					
Salaries	82,153.00	-	82,153.00	66,356.16	15,796.84
Cleaning, Repair and Maintenance Service	7,000.00	12,713.00	19,713.00	18,405.57	1,307.43
General Supplies	20,000.00	-	20,000.00	19,134.43	865.57
Total Care and Upkeep of Grounds	109,153.00	12,713.00	121,866.00	103,896.16	17,969.84
Total Undist. Expend. - Oper. & Maint of Plant Serv.	4,089,891.00	(109,555.00)	3,980,336.00	3,283,709.43	696,626.57
Undist. Expend. - Student Transportation Serv.					
Salaries for Pupil Transportation Between Home and School - Regular	80,070.00	-	80,070.00	79,793.45	276.55
Contract Services - (Bet. Home & School) Vendors	20,000.00	-	20,000.00	7,147.14	12,852.86
Contr. Serv. - (Other Than Bet. Home & School) Vendors		47,500.00	47,500.00	37,988.21	9,511.79
Contr. Serv. - (Bet. Home & School) Joint Agrmt	1,904,900.00	(97,432.14)	1,807,467.86	1,734,145.67	73,322.19
Contr. Serv. - (Spc Ed. Students) - Vendors	2,000.00	-	2,000.00		2,000.00
Contr. Serv. - (Spc Ed. Students) - Joint Agrmt	1,107,000.00	(103,830.00)	1,003,170.00	919,136.11	84,033.89
Contr. Serv. - Aid in Lieu of Pymts - Non-Public Sch.	40,740.00	24,908.00	65,648.00	65,647.55	0.45
Contr. Serv. - Aid in Lieu of Pymts - Charter Sch.	13,260.00	3,064.14	16,324.14	16,324.14	-
Miscellaneous Purchased Service - Transportation	3,200.00	-	3,200.00	3,000.00	200.00
Supplies and Materials	500.00	-	500.00	99.80	400.20
Other Objects	150.00	-	150.00	150.00	-
Total Undistributed Expenditures - Student Transportation Services	3,171,820.00	(125,790.00)	3,046,030.00	2,863,432.07	182,597.93
Unallocated Benefits - Employee Benefits					
Social Security	449,172.00	-	449,172.00	390,575.85	58,596.15
Other Retirement Contrb - Reg	457,027.00	86,783.00	543,810.00	541,677.47	2,132.53
Unemployment Compensation	335,000.00	-	335,000.00	207,477.56	127,522.44
Workers Compensation	182,000.00	(28,490.00)	153,510.00	143,686.00	9,824.00
Health Benefits	5,443,716.00	(86,783.00)	5,356,933.00	5,179,248.67	177,684.33
Tuition Reimbursements	75,000.00	-	75,000.00	57,241.75	17,758.25
Other Employee Benefits	49,500.00	20,000.00	69,500.00	8,090.11	61,409.89
Total Unallocated Benefits	6,991,415.00	(8,490.00)	6,982,925.00	6,527,997.41	454,927.59
On-Behalf Contributions					
On-Behalf TPAF Pension Contribution (non-bud):					
NCGI Premium				54,984.00	(54,984.00)
Post Retirement Medical Contribution				1,167,867.00	(1,167,867.00)
Reimbursed TPAF Social Security Cont.(non-bud)				1,350,062.41	(1,350,062.41)
Total On-Behalf Contributions	-	-	-	2,572,913.41	(2,572,913.41)
Total Personal Services - Employee Benefits	6,991,415.00	(8,490.00)	6,982,925.00	9,100,910.82	(2,117,985.82)
TOTAL UNDISTRIBUTED EXPENDITURES	21,527,198.00	91,667.12	21,618,865.12	22,361,996.03	(743,130.91)
TOTAL GENERAL CURRENT EXPENSE	37,650,053.00	(81,129.97)	37,568,923.03	38,025,089.05	(456,166.02)

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
General Fund
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
For the Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
CAPITAL OUTLAY					
Equipment					
Kindergarten	$ 932.00	$ -	$ 932.00	$ 932.00	$ -
Grades 1-5	932.00	-	932.00	932.00	-
Grades 6-8	932.00	-	932.00	929.18	2.82
Special Education - Instruction:					
Resource Room/ Resource Center		2,599.95	2,599.95	2,599.95	-
Equipment - Undistributed					-
Supp. Serv. - Related and Extra.		5,180.00	5,180.00	2,595.00	2,585.00
Total Equipment	2,796.00	7,779.95	10,575.95	7,988.13	2,587.82
Facilities Acquisition and Construction Services					
Construction Services		78,000.00	78,000.00	70,957.12	7,042.88
Other Objects	89,873.00	-	89,873.00	89,873.00	-
Total Facilities Acquisition and Construction Services	89,873.00	78,000.00	167,873.00	160,830.12	7,042.88
TOTAL CAPITAL OUTLAY	92,669.00	85,779.95	178,448.95	168,818.25	9,630.70
Transfer of Funds to Charter Schools	159,529.00	50,000.00	209,529.00	141,170.00	68,359.00
TOTAL EXPENDITURES	37,902,251.00	54,649.98	37,956,900.98	38,335,077.30	(378,176.32)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(630,358.00)	(53,524.98)	(683,882.98)	1,861,697.07	2,545,580.05
Other Financing Sources (Uses):					
Operating transfers In:					
Transfer from Community Education	50,000.00	-	50,000.00		(50,000.00)
Operating Transfers Out:					
Capital Reserve - Transfer to Capital Projects	(146,465.00)	-	(146,465.00)	(115,592.00)	30,873.00
Total Other Financing Sources (Uses):	(96,465.00)	-	(96,465.00)	(115,592.00)	(19,127.00)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(726,823.00)	(53,524.98)	(780,347.98)	1,746,105.07	2,526,453.05
Fund Balance July 1	4,410,437.85		4,410,437.85	4,410,437.85	
Fund Balance June 30	$ 3,683,614.85	$ (53,524.98)	$ 3,630,089.87	$ 6,156,542.92	$ 2,526,453.05

Recapitulation of Fund Balance:	
Nonspendable Fund balance:	
None	$ -
Restricted Fund Balance:	
Excess Surplus - Designated for Subsequent Year's Expenditures	777,672.21
Excess Surplus - Current Year	1,645,319.60
Capital Reserve Account	1,630,571.24
Maintenance Reserve	800,000.00
Committed Fund Balance	
None	-
Assigned Fund Balance:	
Year-end Encumbrances	19,955.36
Designated for Subsequent Year's Expenditures	422,327.79
Unassigned Fund Balance	860,696.72
	6,156,542.92
Reconcilation to Governmental Funds Statements (GAAP):	
Last State Aid Payment not recognized on GAAP Basis	1,962,422.90
Fund Balance per Governmental Funds (GAAP)	$ 4,194,120.02

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources	$ 560,716.54	$ 1,947.46	$ 562,664.00	$ 562,594.05	$ (69.95)
Federal Sources	1,461,833.02	1,317,508.85	2,779,341.87	2,494,223.66	(285,118.21)
Local Sources		-			-
Total Revenues	2,022,549.56	1,319,456.31	3,342,005.87	3,056,817.71	(285,188.16)
EXPENDITURES:					
Instruction:					
Personal Services - Salary	494,343.00	28,166.08	522,509.08	389,238.61	133,270.47
Salaries of Teachers	216,844.00	3,669.08	220,513.08	220,513.08	-
Other Salaries for Instruction	55,768.00	-	55,768.00	55,768.00	-
Purchased Professional and Technical Services		80,667.00	80,667.00	64,665.16	16,001.84
Purchased Professional Educational Services		-		-	-
Other Purchased Professional Services	149,448.00	(2,066.00)	147,382.00	147,312.05	69.95
Other Purchased Services (400-500 series)	927,410.00	(122,379.97)	805,030.03	805,030.03	-
Tuition	29,409.00	(29,409.00)	-	-	-
General Supplies	13,462.00	471,660.15	485,122.15	457,548.30	27,573.85
Textbooks	10,071.00	1,070.00	11,141.00	11,141.00	-
Total Instruction	1,896,755.00	431,377.34	2,328,132.34	2,151,216.23	176,916.11
Support Services:					
Personal Services - Salary	7,488.00	418,655.56	426,143.56	375,347.87	50,795.69
Salaries of Secretary and Other Clerical Staff	34,000.00	-	34,000.00	34,000.00	-
Personal Services - Employee Benefits	81,567.00	172,722.42	254,289.42	238,842.65	15,446.77
Purchased Professional - Technical Services		149,287.06	149,287.06	127,475.66	21,811.40
Purchased Professional - Educational Services		3,550.00	3,550.00	3,550.00	-
Other Purchased Services (400-500 series)		30,265.39	30,265.39	24,614.72	5,650.67
Travel		21,219.66	21,219.66	12,627.49	8,592.17
Supplies & Materials	2,739.56	12,856.78	15,596.34	9,691.36	5,904.98
Other Objects		9,175.00	9,175.00	9,105.00	70.00
Total Support Services	125,794.56	817,731.87	943,526.43	835,254.75	108,271.68

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES(cont'd):					
Facilities Acquisitions and Construction Services:					
Instructional Equipment	$ -	$ 70,347.10	$ 70,347.10	$ 70,346.73	$ 0.37
Total Facilities Acquisitions and Const. Services:	-	70,347.10	70,347.10	70,346.73	0.37
Transfer to Charter Schools	-	-	-	-	-
Total Outflows	2,022,549.56	1,319,456.31	3,342,005.87	3,056,817.71	285,188.16
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	$ -	$ -	$ -	$ -	$ -

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
Required Supplementary Information
Budget - to - GAAP Reconciliation
Note to RSI
For the Year Ended June 30, 2011

Note A - Explanation of Differences Between Budgetary Inflows and Outflows GAAP Revenue and Expenditures

		General Fund		Special Revenue Fund
Sources / inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	$ 40,196,774.37	[C-2]	$ 3,056,817.71
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				(37,288.53)
Prior year final State Aid payment was delayed until July 2010 is not recorded as budgetary revenue but is recognized under GAAP.		2,182,253.90		40,194.10
Final State Aid payment was delayed until July 2011 is recorded as budgetary revenue but is not recognized under GAAP.		(1,962,422.90)		(40,194.10)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2]	$ 40,416,605.37	[B-2]	$ 3,019,529.18
Uses / outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	38,335,077.30	[C-2]	3,056,817.71
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.				(37,288.53)
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2]	$ 38,335,077.30	[B-2]	$ 3,019,529.18

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

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

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2011

	Total Brought Forward (Ex. E-1a)	Title I Part A 2010-2011	Title I Part A Carryover	ARRA Title I 2010-2011	ARRA Title I - SIA 2010-2011	Title I - SIA Carryover	I.D.E.A B-Basic Reg. Program	ARRA I.D.E.A B-Basic Reg. Program	Totals 2011
REVENUES:									
State Sources	$ 562,594.05	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 562,594.05
Federal Sources	824,656.85	381,501.47	12,474.89	148,650.28	15,079.62	29,463.00	739,416.56	342,980.99	2,494,223.66
Local sources									-
Total Revenues	1,387,250.90	381,501.47	12,474.89	148,650.28	15,079.62	29,463.00	739,416.56	342,980.99	3,056,817.71
EXPENDITURES:									
Instruction:									
Personal Services - Salary	132,142.69	165,271.00		5,166.00			1,172.84	85,486.08	389,238.61
Salaries of Teachers	220,513.08								220,513.08
Other Salaries for Instruction	55,768.00								55,768.00
Purchased Professional Technical Services		64,665.16							64,665.16
Purchased Professional - Educational Services									-
Other Purchased Professional Services	147,312.05								147,312.05
Other Purchased Services (400-500 series)	66,876.03						738,154.00		805,030.03
Tuition									-
General Supplies	338,747.56	42,288.97		9,786.60	2,385.62	7,239.00		57,100.55	457,548.30
Textbooks	11,141.00								11,141.00
Total Instruction	972,500.41	272,225.13	-	14,952.60	2,385.62	7,239.00	739,326.84	142,586.63	2,151,216.23
Support Services:									
Personal Services - Salary	134,045.87	14,994.20	3,670.17	89,488.58				133,149.05	375,347.87
Salaries of Secretary/Clerical	34,000.00								34,000.00
Personal Services - Employee Benefits	116,766.30	34,200.16	280.77	31,079.10			89.72	56,426.60	238,842.65
Purchased Professional Technical Services	27,564.99	44,860.01	7,002.66	13,130.00	12,694.00	22,224.00			127,475.66
Purchased Professional - Educational Services								3,550.00	3,550.00
Other Purchased Services (400-500 series)	19,031.00	1,574.98						4,008.74	24,614.72
Travel	12,627.49								12,627.49
Supplies & Materials	2,790.10	2,120.00	1,521.29					3,259.97	9,691.36
Other Objects	105.00	9,000.00							9,105.00
Total Support Services	346,930.75	106,749.35	12,474.89	133,697.68	12,694.00	22,224.00	89.72	200,394.36	835,254.75
Facilities Acquisitions and Construction Services:									
Instructional Equipment	67,819.74	$ 2,526.99							70,346.73
Noninstructional Equipment									-
Total Facilities Acquisitions and Const. Services:	67,819.74	2,526.99	-	-	-	-	-	-	70,346.73
Transfer to Charter Schools	-								-
Total Outflows	1,387,250.90	381,501.47	12,474.89	148,650.28	15,079.62	29,463.00	739,416.56	342,980.99	3,056,817.71
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2011

	Total Brought Forward (Ex. E-1b)	I.D.E.A Preschool	ARRA I.D.E.A Preschool	Talent 21	I.D.E.A B-Basic Carryover	I.D.E.A B-Basic Prior Carryover	Title II	Title II Carryover	Total Carried Forward
REVENUES:									
State Sources	$ 562,594.05	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 562,594.05
Federal Sources	33,802.06	32,377.00	8,061.95	595,895.32	60,440.86	1,913.17	91,547.65	618.84	824,656.85
Local sources	-								-
Total Revenues	596,396.11	32,377.00	8,061.95	595,895.32	60,440.86	1,913.17	91,547.65	618.84	1,387,250.90
EXPENDITURES:									
Instruction:									
Personal Services - Salary	10,997.00	708.00		56,373.69	25,168.00		38,896.00		132,142.69
Salaries of Teachers	220,513.08								220,513.08
Other Salaries for Instruction	55,768.00								55,768.00
Purchased Professional Technical Services	-								-
Purchased Professional - Educational Services	-								-
Other Purchased Professional Services	147,312.05								147,312.05
Other Purchased Services (400-500 series)	-	31,615.00			33,347.86	1,913.17			66,876.03
Tuition	-								-
General Supplies	31,487.46		5,762.00	283,260.10			18,238.00		338,747.56
Textbooks	11,141.00					-			11,141.00
Total Instruction	477,218.59	32,323.00	5,762.00	339,633.79	58,515.86	1,913.17	57,134.00	-	972,500.41
Support Services:									
Personal Services - Salary	-			134,045.87					134,045.87
Salaries of Secretary/Clerical	34,000.00								34,000.00
Personal Services - Employee Benefits	82,064.92	54.00		25,793.38	1,925.00		6,929.00		116,766.30
Purchased Professional Technical Services	1,523.34			-			26,041.65		27,564.99
Purchased Professional - Educational Services	-								-
Other Purchased Services (400-500 series)	756.00			18,275.00					19,031.00
Travel	-			12,627.49					12,627.49
Supplies & Materials	728.26						1,443.00	618.84	2,790.10
Other Objects	105.00								105.00
Total Support Services	119,177.52	54.00	-	190,741.74	1,925.00	-	34,413.65	618.84	346,930.75
Facilities Acquisitions and Construction Services:									
Instructional Equipment	-		$ 2,299.95	$ 65,519.79					67,819.74
Noninstructional Equipment	-	0.00	0.00	0.00	0.00	0.00			0.00
Total Facilities Acquisitions and Const. Services:	-	-	2,299.95	65,519.79	-	-	-	-	67,819.74
Transfer to Charter Schools	-								-
Total Outflows	596,396.11	32,377.00	8,061.95	595,895.32	60,440.86	1,913.17	91,547.65	618.84	1,387,250.90
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2011

	Total Brought Forward (Ex. E-1c)	Title III Carryover	English Language Acquisition Title III	Title III Immigrant	Title III Prior Carryover	Preschool Education Aid	Preschool Education Aid Carryover	Title II-D Carryover	Total Carried Forward
REVENUES:									
State Sources	$ 158,453.05	$ -	$ -	$ -	$ -	$ 401,941.00	$ 2,200.00	$ -	$ 562,594.05
Federal Sources		5,375.87	24,169.00	3,581.64	1.55			674.00	33,802.06
Local sources									-
Total Revenues	158,453.05	5,375.87	24,169.00	3,581.64	1.55	401,941.00	2,200.00	674.00	596,396.11
EXPENDITURES:									
Instruction:									
Personal Services - Salary			10,997.00						10,997.00
Salaries of Teachers						218,313.08	2,200.00	-	220,513.08
Other Salaries for Instruction						55,768.00			55,768.00
Purchased Professional Technical Services									-
Purchased Professional - Educational Services									-
Other Purchased Professional Services	147,312.05								147,312.05
Other Purchased Services (400-500 series)									-
Tuition									-
General Supplies		5,375.87	11,505.00	1,143.04	1.55	13,462.00			31,487.46
Textbooks	11,141.00								11,141.00
Total Instruction	158,453.05	5,375.87	22,502.00	1,143.04	1.55	287,543.08	2,200.00	-	477,218.59
Support Services:									
Personal Services - Salary									-
Salaries of Secretary/Clerical						34,000.00			34,000.00
Personal Services - Employee Benefits			1,667.00			80,397.92			82,064.92
Purchased Professional Technical Services				1,523.34					1,523.34
Purchased Professional - Educational Services									-
Other Purchased Services (400-500 series)				756.00		-	-		756.00
Travel									-
Supplies & Materials				54.26				674.00	728.26
Other Objects				105.00					105.00
Total Support Services	-	-	1,667.00	2,438.60	-	114,397.92	-	674.00	119,177.52
Facilities Acquisitions and Construction Services:									
Instructional Equipment									-
Noninstructional Equipment									
Total Facilities Acquisitions and Const. Services:	-	-	-	-	-	-	-	-	-
Transfer to Charter Schools						-	-	-	-
Total Outflows	158,453.05	5,375.87	24,169.00	3,581.64	1.55	401,941.00	2,200.00	674.00	596,396.11
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2011

	Non-Public Compensatory Education	Non-Public Transportation	Non-Public Supplemental Instruction	Non-Public Exam and Classification	Non-Public Corrective Speech	Non-Public Nursing	Non-Public Textbooks	Total Carried Forward
REVENUES:								
State Sources	$ 77,363.00	$ 11,588.00	$ 8,824.34	$ 14,195.71	$ 22,140.00	$ 13,201.00	$ 11,141.00	$ 158,453.05
Federal Sources								-
Local sources								-
Total Revenues	77,363.00	11,588.00	8,824.34	14,195.71	22,140.00	13,201.00	11,141.00	158,453.05
EXPENDITURES:								
Instruction:								
Personal Services - Salary								-
Salaries of Teachers								-
Other Salaries for Instruction								-
Purchased Professional Technical Services								-
Purchased Professional - Educational Services								-
Other Purchased Professional Services	77,363.00	11,588.00	8,824.34	14,195.71	22,140.00	13,201.00		147,312.05
Other Purchased Services (400-500 series)								-
Tuition								-
General Supplies								-
Textbooks							11,141.00	11,141.00
Total Instruction	77,363.00	11,588.00	8,824.34	14,195.71	22,140.00	13,201.00	11,141.00	158,453.05
Support Services:								
Personal Services - Salary								-
Salaries of Secretary/Clerical								-
Personal Services - Employee Benefits								-
Purchased Professional Technical Services								-
Purchased Professional - Educational Services								-
Other Purchased Services (400-500 series)								-
Travel								-
Supplies & Materials								-
Other Objects								-
Total Support Services	-	-	-	-	-	-	-	-
Facilities Acquisitions and Construction Services:								
Instructional Equipment								-
Noninstructional Equipment								-
Total Facilities Acquisitions and Const. Services:	-	-	-	-	-	-	-	-
Transfer to Charter Schools								-
Total Outflows	77,363.00	11,588.00	8,824.34	14,195.71	22,140.00	13,201.00	11,141.00	158,453.05
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid Expenditures
Budgetary Basis
For the Year Ended June 30, 2011

District-Wide Total

	Total		
	Budgeted	Actual	Variance
EXPENDITURES:			
Instruction:			
Salaries of Teachers	$ 220,513.08	$ 220,513.08	$ -
Other Salaries for Instruction	55,768.00	55,768.00	-
General Supplies	13,462.00	13,462.00	-
Total Instruction	289,743.08	289,743.08	-
Support Services:			
Salaries of Secretary/Clerical	34,000.00	34,000.00	-
Personal Services - Employee Benefits	80,397.92	80,397.92	
Total Support Services	114,397.92	114,397.92	-
Total Expenditures	$ 404,141.00	$ 404,141.00	$ -

CALCULATION OF BUDGET & CARRYOVER

Total 2010-11 Preschool Education Aid Allocation	$ 401,941.00
Add: Actual ECPA Carryover (June 30, 2010)	2,200.00
Add: Budgeted Transfer from the General Fund 2010-11	-
Total Preschool Education Aid Funds Available for 2010-11 Budget	404,141.00
Less: 2010-11 Budgeted Preschool Education Aid (Including prior year budgeted carryover	(404,141.00)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2011	-
Add: June 30, 2011 Unexpended Preschool Education Aid	-
2010-11 Carryover - Preschool Education Aid Programs	$ -
2010-11 Preschool Education Aid Carryover Budgeted for Preschool Programs 2011-12	$ -

CAPITAL PROJECTS FUND
DETAIL STATEMENT

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

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
Capital Projects Funds
Summary Schedule of Project Expenditures
For the Year Ended June 30, 2011

Project Title/Issue	Date	Revised Appropriations	GAAP Expenditures to Date Prior Years	GAAP Expenditures to Date Current Years	Unexpended Balance June 30, 2011
Various Improvements and Renovations #1940-055.560-120-08-1000	4/15/2008	$ 998,000.00	$ 941,969.83	$ 56,030.17	$ (0.00)
William Davies Middle School Addition #1940-120-03-0418	4/17/2003	24,234,445.12	24,184,445.12	-	50,000.00
Solar Roof Project #1940-055/060-120-09-2000	9/29/2009	4,824,000.00	635,363.00	2,837,514.72	1,351,122.28
New Hot Water Heater #1940-055-09-1004	12/30/2009	25,350.00	23,850.00	-	1,500.00
New Security Vestibule & Exterior Door Replacement #1940-060-09-1002	12/30/2009	80,013.00	54,768.00	23,668.00	1,577.00
Retention Basin #1940-055-09-1001	12/30/2009	80,235.00	58,065.00	17,170.00	5,000.00
Bathroom Rebnovation Project - Joseph C. Shaner School #1940-060-10-1003	7/23/2010	197,691.00	-	24,614.60	173,076.40
		$ 30,439,734.12	$ 25,898,460.95	$ 2,958,997.49	$ 1,582,275.68

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
Capital Projects Funds
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis
For the Year Ended June 30, 2011

Revenues and Other Financing Sources:		
State Sources	$	82,099.00
Bond Proceeds and Transfers		-
Contribution from Private Sources		-
Transfer from Capital Reserve		115,592.00
Transfer from Capital Outlay		-
		197,691.00
Expenditures and Other Financing Uses:		
Legal Services		16,074.00
Architectural/Engineering Services		78,599.00
Purchased Professional and Technical Services		7,500.00
Land and Improvements		16,960.00
Construction Services		2,837,364.49
Equipment Purchases		-
Other Objects		2,500.00
Total Expenditures		2,958,997.49
Excess (deficiency) of revenues over (under) expenditures		(2,761,306.49)
Fund Balance - Beginning		4,360,726.08
Fund Balance - Ending	$	1,599,419.59

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
Capital Projects Funds
Schedule of Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Various Improvements and Renovations - 2008 Bonds
From Inception and for the Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources - SCC Grant	$ -	$ -	$ -	$ -
Bond Proceeds and Transfers	998,000.00	-	998,000.00	998,000.00
Contribution from Private Sources		-	-	-
Transfer from Capital Reserve	-	-	-	-
Transfer from Capital Outlay	-	-	-	-
	998,000.00	-	998,000.00	998,000.00
				-
Expenditures and Other Financing Uses:				
Legal Services	-	-	-	-
Architectural/Engineering Services	-		-	-
Purchased Professional and Technical Services	152,061.40		152,061.40	153,560.40
Land and Improvements	-	-	-	-
Construction Services	789,908.43	56,030.17	845,938.60	844,439.60
Equipment Purchases	-	-	-	-
Other Objects	-	-	-	-
Total Expenditures	941,969.83	56,030.17	998,000.00	998,000.00
Excess (deficiency) of revenues over (under) expenditures	$ 56,030.17	$ (56,030.17)	$ -	$ -

Additional Project Information:	
Project Number	1940-055/060/120-08-1000
Grant Date	N/A
Bond Authorization Date	4/15/2008
Bonds Authorized	4/15/2008
Bonds Issued	7/15/2008
Original Authorized Cost	$ 998,000.00
Additional Authorized Cost	-
Revised Authorized Cost	998,000.00
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	100%
Original Target Completion Date	Jun-09
Revised Target Completion Date	Dec-10

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
Capital Projects Funds
Schedule of Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Addition/Renovations to William Davies Middle School
From Inception and for the Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources - SCC Grant	$ 8,329,210.00	$ -	$ 8,329,210.00	$ 8,329,210.00
Bond Proceeds and Transfers	15,865,000.00	-	15,865,000.00	15,865,000.00
Contribution from Private Sources	-	-	-	-
Transfer from Capital Reserve	16,579.44	-	16,579.44	16,579.44
Transfer from Capital Outlay	23,655.68	-	23,655.68	23,655.68
			-	
	24,234,445.12	-	24,234,445.12	24,234,445.12
Expenditures and Other Financing Uses:				
Legal Services				
Architectural/Engineering Services				
Purchased Professional and Technical Services	2,010,001.66	-	2,010,001.66	2,010,001.66
Land and Improvements	-	-	-	-
Construction Services	21,261,476.25	-	21,261,476.25	21,310,616.25
Equipment Purchases	855,451.15	-	855,451.15	856,311.15
Other Objects	57,516.06	-	57,516.06	57,516.06
Total Expenditures	24,184,445.12	-	24,184,445.12	24,234,445.12
Excess (deficiency) of revenues over (under) expenditures	$ 50,000.00	$ -	$ 50,000.00	$ -

Additional Project Information:	
Project Number	1940-120-03-0418
Grant Date	4/17/2003
Bond Authorization Date - Referendum	3/11/2003
Bonds Authorized	$ 15,865,000.00
Bonds Issued	15,865,000.00
Original Authorized Cost	24,194,210.00
Additional Authorized Cost	40,235.12
Revised Authorized Cost	24,234,445.12
Percentage Increase over Original Authorized Cost	0.17%
Percentage Completion	99.00%
Original Target Completion Date	Sep-05
Revised Target Completion Date	Jun-12

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
Capital Projects Funds
Schedule of Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Solar Roof Project - 2010 Bonds
From Inception and for the Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources - SCC Grant	$ -	$ -	$ -	$ -
Bond Proceeds and Transfers	4,824,000.00		4,824,000.00	4,824,407.00
Contribution from Private Sources	-	-	-	-
Transfer from Capital Reserve	-	-	-	-
Transfer from Capital Outlay	-	-	-	-
	4,824,000.00	-	4,824,000.00	4,824,407.00
Expenditures and Other Financing Uses:				
Legal Services	1,507.00	16,074.00	17,581.00	1,507.00
Architectural/Engineering Services	253,500.00	72,642.00	326,142.00	304,140.00
Purchased Professional and Technical Services	13,400.00	7,500.00	20,900.00	150,000.00
Land and Improvements	-	-	-	-
Construction Services	366,956.00	2,738,798.72	3,105,754.72	3,859,525.00
Equipment Purchases	-	-	-	-
Other Objects	-	2,500.00	2,500.00	509,235.00
Total Expenditures	635,363.00	2,837,514.72	3,472,877.72	4,824,407.00
Excess (deficiency) of revenues over (under) expenditures	$ 4,188,637.00	$ (2,837,514.72)	$ 1,351,122.28	$ -
		-		

Additional Project Information:

Project Number	1940-060/055/120-09-2000
Grant Date	N/A
Bond Authorization Date	9/29/2009
Bonds Authorized	9/29/2009
Bonds Issued	6/23/2010
Original Authorized Cost	$ 4,824,407.00
Additional Authorized Cost	N/A
Revised Authorized Cost	4,824,407.00
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	99.12%
Original Target Completion Date	6/30/11
Revised Target Completion Date	6/30/12

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
Capital Projects Funds
Schedule of Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
New Hot Water Heater
From Inception and for the Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources - SDA Grant	$ 12,170.00	$	$ 12,170.00	$ 12,170.00
Bond Proceeds and Transfers	-	-	-	-
Contribution from Private Sources	-	-	-	-
Transfer from Capital Reserve	-	-	-	-
Transfer from Capital Outlay	13,180.00		13,180.00	13,180.00
	25,350.00	-	25,350.00	25,350.00
Expenditures and Other Financing Uses:				
Legal Services	-	-	-	-
Architectural/Engineering Services	4,575.00		4,575.00	4,575.00
Purchased Professional and Technical Services	-	-	-	-
Land and Improvements	-	-	-	-
Construction Services	19,275.00		19,275.00	20,775.00
Equipment Purchases	-	-	-	-
Other Objects	-	-	-	-
Total Expenditures	23,850.00	-	23,850.00	25,350.00
Excess (deficiency) of revenues over (under) expenditures	$ 1,500.00	$ -	$ 1,500.00	$ -
		-		

Additional Project Information:		
Project Number	1940-055-09-1004	
Grant Date		12/30/2009
Bond Authorization Date	N/A	
Bonds Authorized	N/A	
Bonds Issued	N/A	
Original Authorized Cost	$	25,350.00
Additional Authorized Cost	N/A	
Revised Authorized Cost		25,350.00
Percentage Increase over Original Authorized Cost	N/A	
Percentage Completion		100.00%
Original Target Completion Date		6/30/10
Revised Target Completion Date		6/30/10

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
Capital Projects Funds
Schedule of Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
New Security Vestibule & Exterior Door Replacement
From Inception and for the Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources - SDA Grant	$ 41,535.00	$	$ 41,535.00	$ 41,535.00
Bond Proceeds and Transfers	-	-	-	-
Contribution from Private Sources	-	-	-	-
Transfer from Capital Reserve	-	-	-	-
Transfer from Capital Outlay	38,478.00		38,478.00	38,478.00
	80,013.00	-	80,013.00	80,013.00
Expenditures and Other Financing Uses:				
Legal Services	-	-	-	-
Architectural/Engineering Services	11,613.00	450.00	12,063.00	12,063.00
Purchased Professional and Technical Services	-	-	-	-
Land and Improvements	-	-	-	-
Construction Services	43,155.00	23,218.00	66,373.00	67,950.00
Equipment Purchases	-	-	-	-
Other Objects	-	-	-	-
Total Expenditures	54,768.00	23,668.00	78,436.00	80,013.00
Excess (deficiency) of revenues over (under) expenditures	$ 25,245.00	$ (23,668.00)	$ 1,577.00	$ -
		-		

Additional Project Information:

Project Number	1940-060-09-1002
Grant Date	12/30/2009
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 80,013.00
Additional Authorized Cost	N/A
Revised Authorized Cost	80,013.00
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	100.00%
Original Target Completion Date	6/30/10
Revised Target Completion Date	6/30/11

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
Capital Projects Funds
Schedule of Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Retention Basin
From Inception and for the Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources - SDA Grant	$ 40,563.00	$	$ 40,563.00	$ 40,563.00
Bond Proceeds and Transfers	-	-	-	-
Contribution from Private Sources	-	-	-	-
Transfer from Capital Reserve	-	-	-	-
Transfer from Capital Outlay	39,672.00		39,672.00	39,672.00
	80,235.00	-	80,235.00	80,235.00
Expenditures and Other Financing Uses:				
Legal Services	-	-	-	-
Architectural/Engineering Services	10,725.00	210.00	10,935.00	10,935.00
Purchased Professional and Technical Services	-	-	-	-
Land and Improvements	47,340.00	16,960.00	64,300.00	69,300.00
Construction Services	-	-	-	-
Equipment Purchases	-	-	-	-
Other Objects	-	-	-	-
Total Expenditures	58,065.00	17,170.00	75,235.00	80,235.00
Excess (deficiency) of revenues over (under) expenditures	$ 22,170.00	$ (17,170.00)	$ 5,000.00	$ -
		-		

Additional Project Information:

Project Number	1940-055-09-1001
Grant Date	12/30/2009
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 80,235.00
Additional Authorized Cost	N/A
Revised Authorized Cost	80,235.00
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	100.00%
Original Target Completion Date	6/30/10
Revised Target Completion Date	6/30/11

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
Capital Projects Funds
Schedule of Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Bathroom Renovation Project - Joseph C. Shaner School
From Inception and for the Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources - SDA Grant	$ -	$ 82,099.00	$ 82,099.00	$ 82,099.00
Bond Proceeds and Transfers	-	-	-	-
Contribution from Private Sources	-	-	-	-
Transfer from Capital Reserve	-	115,592.00	115,592.00	115,592.00
Transfer from Capital Outlay	-		-	-
	-	197,691.00	197,691.00	197,691.00
Expenditures and Other Financing Uses:				
Legal Services	-	-	-	-
Architectural/Engineering Services	-	5,297.00	5,297.00	16,322.00
Purchased Professional and Technical Services	-	-	-	-
Land and Improvements	-	-	-	-
Construction Services	-	19,317.60	19,317.60	181,369.00
Equipment Purchases	-	-	-	-
Other Objects	-	-	-	-
Total Expenditures	-	24,614.60	24,614.60	197,691.00
Excess (deficiency) of revenues over (under) expenditures	$ -	$ 173,076.40	$ 173,076.40	$ -
		-		

Additional Project Information:

Project Number	1940-060-10-1003
Grant Date	7/23/2010
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 197,691.00
Additional Authorized Cost	N/A
Revised Authorized Cost	197,691.00
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	12.45%
Original Target Completion Date	6/30/11
Revised Target Completion Date	6/30/12

PROPRIETARY FUND DETAIL STATEMENTS

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

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

Kids Corner Program – This fund provides for the operation of the before and after school program administered at the Hess Complex.

Community Education – this fund provides for the operation of the community education program of the District.

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

FIDUCIARY FUNDS
DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

Private Purpose Trust – Private purpose trust funds are usually scholarship fund or a fund that reports the resources of an awards program, funded by contributions.

Unemployment Fund – This is an trust fund used to pay unemployment compensation insurance claims.

Agency Funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments, and/or other funds.

Student Activity Fund – This agency fund is used to account for student funds held at the school.

Payroll Fund – This agency fund is used to account for the payroll transactions of the school district.

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Fiduciary Net Assets
June 30, 2011

	Unemployment Compensation	Private Purpose Scholarship Fund	Agency Fund	Totals
ASSETS				
Cash and Cash Equivalents	$ 198,169.37	$ 6,210.18	$ 151,721.52	$ 356,101.07
Investments, at Fair Value:				
U.S. Government Obligations				-
Accounts Receivable - Other	22,808.96			22,808.96
Interfunds Receivable		1,012.63		1,012.63
Total Assets	220,978.33	7,222.81	151,721.52	379,922.66
LIABILITIES				
Accounts Payable	31,534.85			31,534.85
Interfunds Payable			1,012.63	1,012.63
Payable to Students			108,757.04	108,757.04
Payroll Deductions and Withholdings			41,951.85	41,951.85
Total Liabilities	31,534.85	-	151,721.52	183,256.37
NET ASSETS				
Held in Trust for Unemployment Claims and Other Purposes	$ 189,443.48			189,443.48
Reserve for Scholarships		$ 7,222.81		7,222.81
Total Net Assets				196,666.29
Total Liabilities and Net Assets				$ 379,922.66

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Assets
For the Year Ended June 30, 2011

	Unemployment Compensation	Private Purpose Scholarship Fund	Totals
ADDITIONS			
Contributions:			
Plan Member	$ 67,934.74	$	$ 67,934.74
Other	207,477.56		207,477.56
Donation			-
Total Contributions	275,412.30	-	275,412.30
Investments Earnings:			
Interest	1,403.51	292.28	1,695.79
Net Investment Earnings	1,403.51	292.28	1,695.79
Total Additions	276,815.81	292.28	277,108.09
Deductions			
Quarterly Contribution Reports:			
Unemployment	17,131.93		17,131.93
Family Leave	9,679.07		9,679.07
Unemployment Claims	197,592.38		197,592.38
Funds paid to Non-profit Education Foundation		1,286.73	1,286.73
Scholarships Awarded		125.00	125.00
Total Deductions	224,403.38	1,411.73	225,815.11
Change in Net Assets	52,412.43	(1,119.45)	51,292.98
Net Assets - Beginning of the Year	137,031.05	8,342.26	145,373.31
Net Assets - End of the Year	$ 189,443.48	$ 7,222.81	$ 196,666.29

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
Student Activity Agency Fund
Schedule of Receipts and Disbursements
As of June 30, 2011

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
Student Activity Account - All Schools	$ 106,860.89	$ 149,681.81	$ 146,773.03	$ 109,769.67
Total Assets	$ 141,020.98	$ 149,681.81	$ 146,773.03	$ 109,769.67
Davies	$ 46,529.48	$ 48,975.21	$ 48,014.37	$ 47,490.32
Hess	38,513.69	64,303.81	65,474.36	37,343.14
Shaner	21,817.72	36,402.79	33,284.30	24,936.21
	$ 106,860.89	$ 149,681.81	$ 146,773.03	$ 109,769.67

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
As of June 30, 2011

	Balance June 30, 2010	Additions	Deletions	Balance June 30, 2011
ASSETS:				
Cash and Cash Equivalents	$ 39,691.15	$ 11,317,647.45	$ 11,315,386.75	$ 41,951.85
Total Assets	$ 491.69	$ 11,317,647.45	$ 11,315,386.75	$ 41,951.85
LIABILITIES:				
Payroll Deductions & Withholding	$ 39,691.15	$ 11,317,647.45	$ 11,315,386.75	$ 41,951.85
Total Liabilities	$ 491.69	$ 11,317,647.45	$ 11,315,386.75	$ 41,951.85

LONG-TERM DEBT SCHEDULES

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

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
Schedule of General Serial Bonds
As of June 30, 2011

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding June 30, 2011 Date	Amount	Interest Rate	Balance June 30, 2010	Increased	Decreased	Balance June 30, 2011
Refunding School Bonds	9/17/02	$ 8,240,000	12/15/2011	580,000.00	4.490%	$ 3,500,000.00	$	$ 670,000.00	$ 2,830,000.00
			12/15/2012	610,000.00	4.490%				
			12/15/2013	635,000.00	4.490%				
			12/15/2014	660,000.00	4.490%				
			12/15/2015	345,000.00	4.490%				
Refunding School Bonds	7/15/2003	21,535,000	12/15/2011	1,585,000.00	4.000%	9,490,000.00		1,840,000.00	7,650,000.00
			12/15/2012	1,645,000.00	4.250%				
			12/15/2013	1,705,000.00	4.250%				
			12/15/2014	1,780,000.00	4.250%				
			12/15/2015	935,000.00	4.250%				
Davies School Addition and Renovations	7/15/2003	15,865,000	7/15/2011	930,000.00	3.125%	14,100,000.00		675,000.00	13,425,000.00
			7/15/2012	965,000.00	3.750%				
			7/15/2013	1,005,000.00	4.000%				
			7/15/2014	1,045,000.00	4.000%				
			7/15/2015	1,735,000.00	4.000%				
			7/15/2016	2,490,000.00	4.000%				
			7/15/2017	2,580,000.00	4.000%				
			7/15/2018	2,675,000.00	4.000%				
Various School Improvements	7/15/2007	997,000	7/15/2011	95,000.00	4.375%	852,000.00		90,000.00	762,000.00
			7/15/2012	100,000.00	4.375%				
			7/15/2013	105,000.00	4.375%				
			7/15/2014	110,000.00	4.375%				
			7/15/2015	115,000.00	4.375%				
			7/15/2016	120,000.00	4.375%				
			7/15/2017	117,000.00	4.375%				
Various School Improvements	7/15/2008	998,000	7/15/2011	90,000.00	5.000%	938,000.00		85,000.00	853,000.00
			7/15/2012	95,000.00	5.000%				
			7/15/2013	100,000.00	5.000%				
			7/15/2014	105,000.00	5.000%				
			7/15/2015	110,000.00	5.000%				
			7/15/2016	115,000.00	5.000%				
			7/15/2017	120,000.00	5.000%				
			7/15/2018	118,000.00	5.000%				
Solar Roof Project	6/23/2010	4,824,000	8/1/2012	225,000.00	2.000%	4,824,000.00			4,824,000.00
			8/1/2013	240,000.00	2.000%				
			8/1/2014	250,000.00	3.000%				
			8/1/2015	260,000.00	3.000%				
			8/1/2016	275,000.00	3.000%				
			8/1/2017	280,000.00	3.000%				
			8/1/2018	290,000.00	3.000%				
			8/1/2019	300,000.00	3.000%				
			8/1/2020	310,000.00	3.125%				
			8/1/2021	325,000.00	3.250%				
			8/1/2022	350,000.00	3.350%				
			8/1/2023	400,000.00	3.500%				
			8/1/2024	425,000.00	3.550%				
			8/1/2025	450,000.00	4.000%				
			8/1/2026	444,000.00	4.000%				
						$ 33,704,000.00	$ -	$ 3,360,000.00	$ 30,344,000.00

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
Schedule of Obligations Under Capital Lease
As of June 30, 2011

Description	Amount of Original Issue	Balance June 30, 2010	Issued Current Year	Retired Current Year	Balance June 30, 2011
Textbooks	$ 72,486.58	$ 15,289.25	$	$ 15,289.25	$ -
Computer Equipment (Dell)	77,820.92	22,116.84	-	19,175.62	2,941.22
		$ 37,406.09	$ -	$ 34,464.87	$ 2,941.22

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	$ 3,155,022.00	$	$ 3,155,022.00	$ 3,155,022.00	$ -
State Sources:					
Debt Service Aid Type II	1,322,127.00		1,322,127.00	1,322,127.00	-
Total - State Sources	1,322,127.00	-	1,322,127.00	1,322,127.00	-
Total Revenues	4,477,149.00	-	4,477,149.00	4,477,149.00	-
EXPENDITURES:					
Regular Debt Service:					
Interest	1,117,150.00		1,117,150.00	1,117,149.13	0.87
Redemption of Principal	3,360,000.00		3,360,000.00	3,360,000.00	-
Total Regular Debt Service	4,477,150.00	-	4,477,150.00	4,477,149.13	0.87
Total Expenditures	4,477,150.00	-	4,477,150.00	4,477,149.13	0.87
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1.00)	-	(1.00)	(0.13)	0.87
Excess (Deficiency) of Revenues and Other Financing Sources Over(Under) Expenditures	(1.00)	-	(1.00)	(0.13)	0.87
Fund Balance, July 1	1.49	-	1.49	1.49	-
Fund Balance, June 30	$ 0.49	$ -	$ 0.49	$ 1.36	$ 0.87
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	$ (1.00)	$	$ (1.00)	$ (0.13)	$ 0.87

STATISTICAL SECTION

Hamilton Township Board of Education
Net Assets by Component,
Last Nine Fiscal Years
(accrual basis of accounting)

Exhibit J-1

	Fiscal Year Ending June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities									
Invested in capital assets, net of related debt	$ 3,080,218.97	$ (9,748,777.45)	$ 6,415,195.06	$12,446,018.16	$14,725,779.28	$17,086,682.70	$ 19,733,281.71	$ 18,677,705.02	$ 24,280,836.64
Restricted	8,876,505.77	21,924,566.19	6,079,930.89	1,378,410.16	1,158,101.19	1,170,653.56	2,307,054.05	7,500,741.18	6,378,329.09
Unrestricted	(956,481.46)	(554,039.94)	(1,073,346.51)	(1,523,994.83)	(2,181,332.66)	(1,577,014.56)	(2,848,365.81)	(3,454,117.62)	(3,673,442.77)
Total governmental activities net assets	$ 11,000,243.28	$ 11,621,748.80	$11,421,779.44	$12,300,433.49	$13,702,547.81	$16,680,321.70	$ 19,191,969.95	$ 22,724,328.58	$ 26,985,722.96
Business-type activities									
Invested in capital assets, net of related debt	$ 44,082.05	$ 40,567.57	$ 50,890.97	$ 67,445.35	$ 57,681.41	$ 50,465.47	$ 63,429.50	$ 128,503.84	$ 157,186.86
Restricted	-	-	-	-	-	-	-	-	
Unrestricted	70,753.32	100,882.73	225,012.29	403,092.05	604,364.52	767,427.10	949,856.58	895,019.00	584,703.12
Total business-type activities net assets	$ 114,835.37	$ 141,450.30	$ 275,903.26	$ 470,537.40	$ 662,045.93	$ 817,892.57	$ 1,013,286.08	$ 1,023,522.84	$ 741,889.98
District-wide									
Invested in capital assets, net of related debt	$ 3,124,301.02	$ (9,708,209.88)	$ 6,466,086.03	$12,513,463.51	$14,783,460.69	$17,137,148.17	$ 19,796,711.21	$ 18,806,208.86	$ 24,438,023.50
Restricted	8,876,505.77	21,924,566.19	6,079,930.89	1,378,410.16	1,158,101.19	1,170,653.56	2,307,054.05	7,500,741.18	6,378,329.09
Unrestricted	(885,728.14)	(453,157.21)	(848,334.22)	(1,120,902.78)	(1,576,968.14)	(809,587.46)	(1,898,509.23)	(2,559,098.62)	(3,088,739.65)
Total district net assets	$ 11,115,078.65	$ 11,763,199.10	$11,697,682.70	$12,770,970.89	$14,364,593.74	$17,498,214.27	$ 20,205,256.03	$ 23,747,851.42	$ 27,727,612.94

Source: CAFR Schedule A-1

Hamilton Township Board of Education
Changes in Net Assets,
Last Nine Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	Fiscal Year Ending June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses									
Governmental activities:									
Instruction:									
Regular	$ 12,841,288.73	$ 13,062,380.92	$ 13,807,364.15	$ 13,640,822.42	$ 14,769,956.62	$ 15,330,799.66	$ 15,859,396.95	$ 17,379,929.76	$ 16,786,701.07
Special education	3,468,152.19	3,765,529.35	4,214,782.96	4,735,070.22	5,057,454.42	5,270,885.62	4,258,962.86	5,479,912.51	4,856,539.14
Other special education	-	-	-	-	-	-	-	-	
Vocational	-	-	-	-	-	-	-	-	
Other instruction	603,197.47	759,742.60	777,453.62	990,311.39	1,003,718.43	1,102,816.26	3,238,009.44	2,345,589.77	2,353,785.12
Nonpublic school programs	-	-	-	-	-	-	-	-	
Adult/continuing education programs	47,247.27	7,870.42	11,573.95	6,079.31	5,560.53	9,032.02	4,219.52	2,229.76	3,181.14
Support Services:									
Tuition	758,662.66	920,656.16	685,767.92	715,878.98	793,495.28	404,944.69	617,298.54	715,665.60	774,043.05
Student & instruction related services	3,778,658.74	4,053,506.36	4,399,452.78	4,400,674.84	4,758,372.76	4,877,747.82	5,370,499.40	5,777,221.18	5,910,481.13
General administrative services	-	-	-	-	-	-	-	-	
School administrative services	1,329,703.95	1,425,860.27	1,555,108.26	1,779,275.16	1,890,758.00	1,978,543.75	1,775,582.00	1,900,475.59	1,892,273.70
Business administrative services	1,113,269.41	1,198,291.43	1,263,998.00	1,438,646.49	1,521,197.25	1,561,247.44	1,707,380.97	1,707,497.63	1,617,511.80
Plant operations and maintenance	3,665,590.48	4,705,266.63	4,314,014.73	4,212,599.00	4,271,599.60	4,294,021.91	4,652,467.59	4,190,827.98	3,993,637.71
Pupil transportation	2,307,553.03	2,397,087.03	2,726,526.41	3,011,391.96	3,178,344.81	3,139,552.16	3,451,981.21	3,491,090.91	2,896,957.58
Special schools	-	-	-	-	-	-	31,024.06	-	
Charter Schools	10,190.00	35,275.00	43,659.36	70,368.00	103,703.00	53,888.00	40,670.00	131,633.00	141,170.00
Interest on long-term debt	1,584,681.64	1,581,849.87	1,741,287.79	1,624,814.22	1,541,824.76	1,486,160.89	1,433,757.21	1,302,805.46	1,307,929.51
Unallocated depreciation	96,427.03	97,191.11	119,211.59	1,005,824.59	956,338.54	904,173.83	983,510.95	1,019,027.15	1,122,234.82
Total governmental activities expenses	31,604,622.60	34,010,507.15	35,660,201.52	37,631,756.58	39,852,324.00	40,413,814.05	43,424,760.70	45,443,906.30	43,656,445.77
Business-type activities:									
Food service	834,027.20	841,457.60	1,055,075.12	1,124,017.68	1,162,586.20	1,270,809.58	1,320,047.19	1,419,580.64	1,661,589.39
Child care	156,972.24	192,025.01	209,963.62	218,155.63	218,154.04	229,936.34	233,963.79	249,102.81	229,208.92
Other	74,438.32	83,971.07	92,456.31	97,632.41	160,946.71	183,775.38	178,331.23	230,690.03	241,890.55
Total business-type activities expenses	1,065,437.76	1,117,453.68	1,357,495.05	1,439,805.72	1,541,686.95	1,684,521.30	1,732,342.21	1,899,373.48	2,132,688.86
Total district expenses	$ 32,670,060.36	$ 35,127,960.83	$ 37,017,696.57	$ 39,071,562.30	$ 41,394,010.95	$ 42,098,335.35	$ 45,157,102.91	$ 47,343,279.78	$ 45,789,134.63
Program Revenues									
Governmental activities:									
Charges for services:									
Instruction (tuition)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Pupil transportation	-	-	-	-	-	-	-	-	
Business and other support services	109,711.00	113,314.00	119,839.00	39,020.00	32,030.00	83,851.00	62,311.50	43,091.00	89,163.00
Operating grants and contributions	9,760,048.95	10,183,961.26	10,235,917.88	10,561,926.20	11,376,493.03	11,769,959.70	8,142,996.90	8,862,899.97	7,757,625.33
Capital grants and contributions	8,441,587.12	100,935.86	71,260.64	-	-	-	-	94,268.00	77,448.94
Total governmental activities program revenues	18,311,347.07	10,398,211.12	10,427,017.52	10,600,946.20	11,408,523.03	11,853,810.70	8,205,308.40	9,000,258.97	7,924,237.27
Business-type activities:									
Charges for services:									
Food service	$ 488,409.33	$ 493,229.02	$ 586,825.56	$ 577,059.56	$ 592,694.36	$ 652,651.57	$ 625,522.95	$ 582,377.30	$ 533,218.08
Child care	165,731.04	190,799.33	197,131.72	232,534.81	227,741.29	250,729.83	236,926.90	228,298.03	237,416.87
Other	101,888.84	101,441.69	120,183.70	158,543.41	199,885.24	210,905.11	227,608.42	247,947.23	243,885.11
Operating grants and contributions	361,073.72	353,202.27	581,362.56	649,929.65	708,640.98	794,791.12	877,155.13	848,348.53	829,713.80
Capital grants and contributions	-	-	-	-	-	-	-	-	
Total business-type activities program revenue	1,117,102.93	1,138,672.31	1,485,503.54	1,618,067.43	1,728,961.87	1,909,077.63	1,967,213.40	1,906,971.09	1,844,233.86
Total district program revenue	$ 19,428,450.00	$ 11,536,883.43	$ 11,912,521.06	$ 12,219,013.63	$ 13,137,484.90	$ 13,762,888.33	$ 10,172,521.80	$ 10,907,230.06	$ 9,768,471.13
Net (Expense)/Revenue									
Governmental activities	$ (13,293,275.53)	$ (23,612,296.03)	$ (25,233,184.00)	$ (27,030,810.38)	$ (28,443,800.97)	$ (28,560,003.35)	$ (35,219,452.30)	$ (36,443,647.33)	$ (35,732,208.50)
Business-type activities	51,665.17	21,218.63	128,008.49	178,261.71	187,274.92	224,556.33	234,871.19	7,597.61	(288,455.00)
Total district-wide net expense	$ (13,241,610.36)	$ (23,591,077.40)	$ (25,105,175.51)	$ (26,852,548.67)	$ (28,256,526.05)	$ (28,335,447.02)	$ (34,984,581.11)	$ (36,436,049.72)	$ (36,020,663.50)
General Revenues and Other Changes in Net Assets									

Hamilton Township Board of Education
Changes in Net Assets,
Last Nine Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	Fiscal Year Ending June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities:									
Property taxes levied for general purposes, net	$ 9,740,293.00	$ 10,833,218.00	$ 11,895,179.00	$ 12,969,997.00	$ 15,007,035.00	$ 15,572,797.00	$ 15,835,561.00	$ 16,190,597.00	$ 16,235,299.00
Taxes levied for debt service	1,702,796.00	1,786,869.00	1,793,238.00	2,751,498.00	2,800,921.00	2,801,501.00	2,864,492.00	2,930,426.00	3,155,022.00
Unrestricted grants and contributions	10,108,921.72	11,060,034.83	10,867,437.45	11,533,217.25	11,561,316.14	12,695,304.06	18,568,610.43	20,454,785.94	20,128,259.22
Tuition	68,631.39	59,799.49	78,194.34	101,583.81	37,551.32	7,690.63	56,327.37	79,849.36	47,995.02
Investment earnings	106,565.47	245,862.95	172,030.84	139,352.90	174,282.40	125,614.85	73,739.18	50,822.52	78,166.93
Miscellaneous income	33,680.69	250,528.59	227,135.01	413,815.47	244,809.43	250,929.70	282,370.57	269,525.14	354,526.31
Other	(485,000.00)	-	-	-	-	-	-	-	
Loss on disposal of Fixed Assets	-	-	-	-	-	-	-	-	(5,665.60)
Transfers	(4,330.14)	(2,511.31)	-	-	20,000.00	83,940.00	50,000.00	-	
Total governmental activities	21,271,558.13	24,233,801.55	25,033,214.64	27,909,464.43	29,845,915.29	31,537,777.24	37,731,100.55	39,976,005.96	39,993,602.88
Business-type activities:									
Investment earnings	2,158.25	2,534.99	6,444.47	16,372.43	24,233.61	17,417.55	10,712.32	10,300.90	6,822.14
Loss on disposal of Fixed Assets	-	-	-	-	-	-	(190.00)	(7,661.75)	
Other	(4,816.30)	350.00	-	-	-	(2,187.24)	-	-	-
Transfers	4,330.14	2,511.31	-	-	(20,000.00)	(83,940.00)	(50,000.00)	-	-
Total business-type activities	1,672.09	5,396.30	6,444.47	16,372.43	4,233.61	(68,709.69)	(39,477.68)	2,639.15	6,822.14
Total district-wide	$ 21,273,230.22	$ 24,239,197.85	$ 25,039,659.11	$ 27,925,836.86	$ 29,850,148.90	$ 31,469,067.55	$ 37,691,622.87	$ 39,978,645.11	$ 40,000,425.02
Changes in Net Assets									
Governmental activities	$ 7,978,282.60	$ 621,505.52	$ (199,969.36)	$ 878,654.05	$ 1,402,114.32	$ 2,977,773.89	$ 2,511,648.25	$ 3,532,358.63	$ 4,261,394.38
Business-type activities	53,337.26	26,614.93	134,452.96	194,634.14	191,508.53	155,846.64	195,393.51	10,236.76	(281,632.86)
Total district	$ 8,031,619.86	$ 648,120.45	$ (65,516.40)	$ 1,073,288.19	$ 1,593,622.85	$ 3,133,620.53	$ 2,707,041.76	$ 3,542,595.39	$ 3,979,761.52

Source: CAFR Schedule A-2

Hamilton Township Board of Education
Fund Balances, Governmental Funds,
Last Nine Fiscal Years
(modified accrual basis of accounting)

Exhibit J-3

	Fiscal Year Ending June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund									
Restricted	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,853,563.05
Committed									-
Assigned									442,283.15
Unassigned									(1,101,726.18)
Reserved	556,752.61	976,021.68	1,203,425.59	809,374.02	421,736.80	1,347,174.84	2,380,899.28	3,457,442.16	-
Unreserved	706,563.81	612,827.09	113,420.20	64,988.09	(69,822.04)	(19,998.62)	(1,083,924.07)	(1,229,258.21)	-
Total general fund	$ 1,263,316.42	$ 1,588,848.77	$ 1,316,845.79	$ 874,362.11	$ 351,914.76	$ 1,327,176.22	$ 1,296,975.21	$ 2,228,183.95	$ 4,194,120.02
All Other Governmental Funds									
Restricted									$ 1,282,878.37
Committed									244,665.78
Assigned									
Unassigned									(40,194.10)
Reserved	2,898.90	19,349,386.03	4,618,684.23	565,181.14	367,169.34	141,052.00	243,397.97	2,714,929.07	-
Unreserved, reported in:									
Special revenue fund	(114,795.35)	(114,453.75)	(114,453.75)	(114,453.75)	(114,453.75)	(140,903.75)	(38,548.00)	(40,194.10)	-
Capital projects fund	8,334,600.00	1,258,064.02	573,484.17	62,222.87	39,257.42	17,369.31	37,115.01	1,645,797.01	-
Debt service fund	49,551.68	904,200.83	193.93	1.42	0.78	90.18	90.03	1.49	-
Permanent fund	-	-	-	-	-	-	-	-	-
Total all other governmental funds	$ 8,272,255.23	$ 21,397,197.13	$ 5,077,908.58	$ 512,951.68	$ 291,973.79	$ 17,607.74	$ 242,055.01	$ 4,320,533.47	$ 1,487,350.05

Source: CAFR Schedule B-1

Hamilton Township Board of Education
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years

Exhibit J-4

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Tax Levy	$ 10,750,070	$ 11,443,089	$ 12,620,087	$ 13,688,417	$ 15,721,495	$ 17,807,956	$ 18,374,298	$ 18,700,053	$ 19,121,023	$ 19,390,321
Tuition charges	26,087	68,631	59,799	78,194	101,584	37,551	7,691	56,327	79,849	47,995
Interest earnings	104,317	6,231	5,828	10,128	16,578	19,539	12,220	5,890	5,972	15,484
Miscellaneous	177,887	245,826	684,882	510,857	575,610	431,583	448,176	412,531	357,467	506,373
State sources	19,859,057	26,679,604	19,382,208	19,206,981	20,271,363	21,354,933	23,117,954	25,165,533	23,387,964	25,432,246
Federal sources	1,401,449	1,628,854	1,881,720	1,953,581	1,823,781	1,582,876	1,356,176	1,546,074	6,023,990	2,531,087
Total revenue	32,318,867	40,072,235	34,634,524	35,448,158	38,510,411	41,234,438	43,316,514	45,886,409	48,976,265	47,923,506
Expenditures										
Instruction:										
Regular instruction	9,517,163	10,572,613	10,477,992	11,170,315	10,862,647	11,354,404	11,721,893	14,705,721	13,369,212	12,671,148
Special education instruction	2,521,076	2,588,339	2,737,031	3,086,100	3,378,501	3,504,961	3,609,290	3,843,458	3,905,235	3,454,564
Other special education instruction	-	-	-	-	-	-	-	-	-	
Vocational education	-	-	-	-	-	-	-	-	-	
Other instruction	580,597	456,460	553,304	570,093	707,868	694,907	753,004	3,041,384	1,667,284	1,660,692
Nonpublic school programs	-	-	-	-	-	-	-	-	-	
Adult/continuing education programs	42,087	37,210	6,582	9,318	4,310	4,190	6,495	3,805	1,579	2,240
Support Services:										
Tuition	705,312	758,663	920,656	685,768	715,879	793,495	404,945	617,299	715,666	774,043
Student & instruction related services	1,918,010	3,060,564	3,242,534	3,432,359	3,397,072	3,546,396	3,566,882	4,954,851	4,307,684	4,484,018
General administrative services	506,497	-	-	-	-	-	-	-	-	-
School administrative services	955,751	1,012,870	1,054,111	1,145,126	1,292,657	1,335,573	1,380,836	1,632,941	1,395,047	1,381,856
Business administrative services	354,674	927,547	974,432	1,035,703	1,171,301	1,217,319	1,226,616	1,623,792	1,399,651	1,300,778
Plant operations and maintenance	2,300,841	2,391,219	2,700,021	2,740,735	3,210,508	3,522,775	3,521,413	4,451,720	3,506,849	3,283,709
Pupil transportation	2,142,944	2,289,241	2,375,201	2,704,786	2,987,067	3,148,326	3,108,563	3,443,848	3,459,250	2,863,432
Unallocated employee benefits	4,476,079	4,803,754	5,539,435	6,089,817	6,689,298	7,975,809	8,624,167	2,414,733	8,901,451	9,100,911
Special schools	-	-	-	-	-	-	-	28,424	-	
Charter Schools	36,370	10,190	35,275	43,659	70,368	103,703	53,888	40,670	131,633	141,170
Capital outlay	2,366,229	777,262	3,886,264	15,885,629	4,607,152	433,863	1,344,302	1,342,393	1,300,963	3,195,043
Debt service:										
Principal	1,690,000	1,810,000	1,545,000	1,580,000	2,855,000	2,990,000	3,080,000	3,250,000	3,455,000	3,360,000
Interest and other charges	1,874,366	1,568,794	1,024,754	1,926,581	1,568,224	1,483,682	1,388,385	1,345,125	1,274,074	1,117,149
Total Expenditures	31,987,995	33,064,727	37,072,593	52,105,990	43,517,851	42,109,401	43,790,678	46,740,163	48,790,578	48,790,753
Excess (Deficiency) of revenues over (under) expenditures	330,872	7,007,508	(2,438,069)	(16,657,832)	(5,007,441)	(874,963)	(474,164)	(853,754)	185,687	(867,247)
Other Financing Sources (Uses)										
Bond Proceeds	-	8,240,000	37,400,000	-	-	-	997,000.00	998,000.00	4,824,000.00	
Payment to Refunded Bond Escrow Acct.	-	(7,755,000)	(20,805,000)	-	-	-	-	-	-	-
Loss on Refunding of Bonds	-	(485,000)	(730,000)	-	-	-	-	-	-	-
Capital Leases (non-budgeted)	-	-	26,055	66,540	-	111,538	102,986	-	-	-
Prior Year Receivable Canceled	-	-	-	-	-	-	(8,866)	-	-	-
Transfer in	212,832	74,140	20,869	77,697	23,656	50,797	83,940	50,000	-	-
Transfer out	-	(50,901)	(2,511)	-	-	-	-	-	-	-
Transfer to Capital Projects	-	(27,569)	(20,869)	(77,697)	(23,656)	(30,797)	-	-	-	-
Total other financing sources (uses)	212,832	(4,330)	15,888,544	66,540	-	131,538	1,175,060	1,048,000	4,824,000	-
Net change in fund balances	$ 543,704	$ 7,003,178	$ 13,450,474	$ (16,591,292)	$ (5,007,441)	$ (743,425)	$ 700,895	$ 194,246	$ 5,009,687	$ (867,247)
Debt service as a percentage of noncapital expenditures	12.03%	10.46%	7.74%	9.68%	11.37%	10.73%	10.53%	10.12%	9.96%	9.82%

Source: CAFR Schedule B-2

Page 90

Hamilton Township Board of Education
General Fund Other Local Revenue by Source,
Last Ten Fiscal Years
Unaudited

Exhibit J-5

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Rentals	Refund of Prior Year Expenditures	Proceeds from Bond Escrow Issuance/Restruct.	Litigation Proceeds	Miscellaneous	Totals
2002	$ 104,317.45	$ 26,086.53	$ 118,648.50	$ 1,551.66	$ -	$ -	$ 33,618.74	$ 284,222.88
2003	59,994.48	68,631.39	109,711.00	16,174.79		5,577.48	14,028.42	274,117.56
2004	245,862.95	59,799.49	113,314.00	5,694.60	238,727.29		1,852.70	665,251.03
2005	161,903.23	78,194.34	119,839.00	8,512.33	211,143.53		7,479.15	587,071.58
2006	145,519.74	101,583.81	39,020.00	115,664.75	226,375.78		49,029.86	677,193.94
2007	159,997.79	37,551.32	35,460.00	6,581.94	222,961.28		6,582.08	469,134.41
2008	125,614.85	7,690.63	83,851.00	30,788.28	214,207.78		5,933.64	468,086.18
2009	73,739.18	56,327.37	62,936.50	12,761.14	215,816.28		53,168.16	474,748.63
2010	44,850.95	79,849.36	43,091.00	13,494.75	198,126.78		63,875.18	443,288.02
2011	78,166.93	47,995.02	89,163.00	29,108.84	100,318.64		225,098.83	569,851.26

Source: District Records

Hamilton Township Board of Education
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years

Exhibit J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Regular	Q Farm	Commercial	Industrial	Apartment	Total Assessed Value	Less Tax-exempt Property	Public Utilities	Net Valuation Taxable	Total District School Tax Rate	Estimated County Equalized Value
2002	$ 60,685,000	$ 606,794,800	$ 8,073,700	$ 1,915,900	$ 316,101,900	$ 17,916,000	$ 20,757,400	$ 1,032,244,700	-	$ 6,940,446	$ 1,039,185,146	1.079	$ 1,234,333,230
2003	59,855,600	634,724,500	8,210,000	1,960,600	322,382,900	17,916,000	26,001,900	1,071,051,500	-	6,748,052	1,077,799,552	1.101	1,367,765,929
2004	61,539,900	671,454,600	8,492,400	1,962,900	321,891,500	16,516,000	34,603,800	1,116,461,100	-	6,042,653	1,122,503,753	1.171	1,638,213,300
2005	62,879,100	729,117,100	8,089,000	1,959,800	333,970,800	16,516,000	37,103,100	1,189,634,900	-	5,194,536	1,194,829,436	1.219	2,050,153,459
2006	69,429,200	775,705,200	7,674,400	1,975,600	336,984,800	16,516,000	40,150,600	1,248,435,800	-	4,129,994	1,252,565,794	1.316	2,142,134,179
2007	69,736,600	836,779,600	7,564,300	1,974,700	286,493,500	15,803,100	44,455,500	1,262,807,300	-	3,702,152	1,266,509,452	1.422	2,576,300,756
2008	69,523,200	860,675,600	7,318,600	1,964,200	286,822,700	15,077,100	44,823,300	1,286,204,700	-	3,742,079	1,289,946,779	1.451	2,755,119,134
2009	68,670,500	882,041,900	7,359,500	1,857,200	282,155,300	15,196,700	56,945,500	1,314,226,600	-	4,028,166	1,318,254,766	1.450	2,745,220,254
2010	64,734,600	895,118,800	7,016,300	1,843,300	269,334,500	15,076,200	56,945,500	1,310,069,200	-	4,177,676	1,314,246,876	1.450	2,653,286,355
*2011	121,238,800	1,618,991,400	12,246,700	1,895,486	505,541,800	25,366,500	106,584,800	2,391,865,486		7,628,595	2,399,494,081	0.817	2,609,111,189

* Revaluation

Source: County Abstract of Ratables & Municipal Tax Assessor
www.nj.gov/dca/lgs/taxes/taxmenu.shtml

Hamilton Township Board of Education
Direct and Overlapping Property Tax Rates,
Last Ten Fiscal Years
(rate per $100 of assessed value)

Exhibit J-7

Fiscal Year Ended June 30,	Hamilton Township Board of Education			Overlapping Rates					Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	County General	County Open Space	Other	Greater Egg Harbor School District	Municipal Local Purpose	
2002	$ 0.878	$ 0.201	$ 1.079	$ 0.494	$ 0.022	$ 0.074	$ 0.567	$ 0.515	$ 2.751
2003	0.909	0.192	1.101	0.467	0.022	0.074	0.526	0.595	2.785
2004	0.997	0.174	1.171	0.474	0.024	0.077	0.550	0.703	2.999
2005	1.046	0.173	1.219	0.482	0.026	0.078	0.626	0.780	3.211
2006	1.156	0.160	1.316	0.491	0.029	0.081	0.639	0.798	3.354
2007	1.192	0.230	1.422	0.506	0.034	0.085	0.727	0.819	3.593
2008	1.228	0.223	1.451	0.497	0.041	0.087	0.759	0.903	3.738
2009	1.229	0.221	1.450	0.483	0.043	0.087	0.724	1.010	3.797
2010	1.228	0.222	1.450	0.541	0.010	0.093	0.673	1.307	4.074
2011	0.677	0.140	0.817	0.332	0.005	0.055	0.414	0.740	2.363

Source: 2011 Abstract of Ratables and District Records

Page 93

Hamilton Township Board of Education
Principal Property Tax Payers,
Current Year and Nine Years Ago

Exhibit J-8

	2011			2002 (December 31, 2001)		
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Benderson-Wainberg Associates	$ 101,050,100	1	4.21%	$ 59,666,100	2	5.99%
Hamilton Mall, LLC	98,603,500	2	4.11%	80,000,000	1	8.03%
BFW/Pike Associates, LLC	55,327,600	3	2.31%			
JSM at Timber Glen, LLC	52,543,600	4	2.19%			
DD Residential, LP	32,950,100	5	1.37%			
SJS Holdings, LLC	20,500,000	6	0.85%			0.00%
Greenwood ACRA, Inc.	20,106,600	7	0.84%	9,500,000	8	0.95%
RH Macy and Company, LLC	19,400,000	8	0.81%	16,500,000	3	1.66%
Atlantic Southern Properties, Inc.	16,721,500	9	0.70%	9,200,000	9	0.92%
Festival at Hamilton, LLC	16,186,600	10	0.67%	10,350,000	7	1.04%
Sears Roebuck and Company				13,800,000	4	1.39%
JC Penney Properties, Inc.				11,500,000	5	1.15%
Hamilton Commons				10,647,000	6	1.07%
WalMart Stores				8,787,100	10	0.88%
Totals	$ 433,389,600		18.06%	$ 229,950,200		23.08%
	District Assessed Value		$ 2,399,494,081			$ 996,259,917

Source: District CAFR & Municipal Tax Assessor

Hamilton Township Board of Education
Property Tax Levies and Collections,
Last Ten Fiscal Years

Exhibit J-9

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2002	$ 10,750,070	$ 10,750,070	100.00%	N/A
2003	11,443,089	11,443,089	100.00%	N/A
2004	12,620,087	12,620,087	100.00%	N/A
2005	13,688,417	13,688,417	100.00%	N/A
2006	15,721,495	15,721,495	100.00%	N/A
2007	17,807,956	17,807,956	100.00%	N/A
2008	18,374,298	18,374,298	100.00%	N/A
2009	18,700,053	18,700,053	100.00%	N/A
2010	19,121,023	19,121,023	100.00%	N/A
2011	19,390,321	19,390,321	100.00%	N/A

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

Hamilton Township Board of Education
Ratios of Outstanding Debt by Type,
Last Ten Fiscal Years

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities			
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District	Percentage of Personal Income	Per Capita Personal Income
2002	$ 30,370,000	-	$ 129,730	-	-	$ 30,499,730	0.11%	$ 32,851
2003	29,045,000	-	68,839	-	-	29,113,839	0.12%	33,623
2004	44,095,000	-	26,970	-	-	44,121,970	0.08%	34,671
2005	42,515,000	-	51,616	-	-	42,566,616	0.08%	35,826
2006	39,660,000	-	22,148	-	-	39,682,148	0.09%	37,194
2007	36,670,000	-	81,068	-	-	36,751,068	0.10%	38,553
2008	34,587,000	-	129,875	-	-	34,716,875	0.11%	39,923
2009	32,335,000	-	78,368	-	-	32,413,368	0.12%	39,156
2010	33,704,000	-	37,408	-	-	33,741,408	N/A	N/A
2011	30,344,000	-	2,941	-	-	30,346,941	N/A	N/A

N/A - Accurate information is not available at this time

** Information presented for Atlantic County, not just the Township of Hamilton

Source: District CAFR Schedules I-1, I-2
U.S. Department of Commerce, Bureau of Economic Analysis

Hamilton Township Board of Education
Ratios of Net General Bonded Debt Outstanding,
Last Ten Fiscal Years

Exhibit J-11

Fiscal Year Ended June 30,	Governmental Activities: General Obligation Bonds	Governmental Activities: Deductions	Governmental Activities: Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita Personal Income
2002	$ 30,370,000	$ -	$ 30,370,000	2.92%	$ 32,851 **
2003	29,045,000	-	29,045,000	2.69%	33,623 **
2004	44,095,000	-	44,095,000	3.93%	34,671 **
2005	42,515,000	-	42,515,000	3.56%	35,826 **
2006	39,660,000	-	39,660,000	3.17%	37,194 **
2007	36,670,000	-	36,670,000	2.90%	38,553 **
2008	34,587,000	-	34,587,000	2.68%	39,923 **
2009	32,335,000	-	32,335,000	2.45%	39,156 **
2010	33,704,000	-	33,704,000	2.56%	N/A
2011	30,344,000	-	30,344,000	1.26%	N/A

N/A - not available at the time of the audit

** Information presented for Atlantic County, not just the Township of Hamilton

Source: District CAFR Schedules I-1, I-2
U.S. Department of Commerce, Bureau of Economic Analysis

Hamilton Township Board of Education
Direct and Overlapping Governmental Activities Debt,
As of December 31, 2010

Exhibit J-12

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes			
Township of Hamilton	$ 17,563,000.00	100.00%	$ 17,563,000.00
Other debt			
Hamilton Township Municipal Utilities Authority	7,160,000.00	100.00%	7,160,000.00
Greater Egg Harbor Regional School District	41,859,000.00	35.96%	15,053,828.97
County of Atlantic	137,077,871.00	4.78%	6,549,580.68
Atlantic County Improvement Authority	53,263,005.00	4.78%	2,544,906.38
Atlantic County Utility Authority	85,782,144.00	4.78%	4,098,670.84
Subtotal, Overlapping Debt			52,969,986.87
Township of Hamilton School District			30,344,000.00
Total Direct and Overlapping Debt			$ 83,313,986.87

Source: Annual Debt Statement
Township Chief Financial Officer, Atlantic County Treasurer's Office

Hamilton Township Board of Education
Legal Debt Margin Information,
Last Ten Fiscal Years

Exhibit J-13

Equalized valuation basis	
2010	$ 2,589,581,340
2009	2,649,650,403
2008	2,678,477,093
	$ 7,917,708,836

Average equalized valuation of taxable property	$ 2,639,236,279
Debt limit (3% of average)	79,177,088
Net bonded school debt	30,344,000
Legal debt margin	$ 48,833,088

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	$ 30,721,776	$ 33,273,397	$ 36,633,152	$ 42,146,863	$ 50,298,373	$ 62,101,707	$ 72,779,298	$ 79,151,665	$ 80,252,811	$ 79,177,088
Total net debt applicable to limit	30,370,000	28,560,000	44,095,000	42,515,000	39,660,000	36,670,000	34,587,000	32,335,000	33,704,000	30,344,000
Legal debt margin	$ 351,776	$ 4,713,397	$ (7,461,848)	$ (368,137)	$ 10,638,373	$ 25,431,707	$ 38,192,298	$ 46,816,665	$ 46,548,811	$ 48,833,088
Total net debt applicable to the limit as a percentage of debt limit	98.85%	85.83%	120.37%	100.87%	78.85%	59.05%	47.52%	40.85%	42.00%	38.32%

Source: Abstract of Ratables and District Records CAFR Schedule J-11

Hamilton Township Board of Education
Demographic and Economic Statistics,
Last Ten Fiscal Years

Exhibit J-14

Year	Population		Personal Income (thousands of dollars)		Per Capita Personal Income	Unemployment Rate
2001	21,011	@	679,391	$	32,335	3.8%
2002	21,854	@	717,926		32,851	4.7%
2003	22,583	@	759,308		33,623	5.0%
2004	23,443	@	812,792		34,671	4.3%
2005	23,638	@	846,855		35,826	4.3%
2006	24,197	@	899,983		37,194	4.8%
2007	24,446	@	942,467		38,553	4.8%
2008	24,340	@	971,726		39,923	6.0%
2009	24,326	@	952,509		39,156	10.7%
2010	N/A		N/A		N/A	10.9%

Sources:
U.S. Department of Commerce, Bureau of Economic Analysis,
Regional Economic Information System; New Jersey Department of Labor,
Bureau of Labor Force Statistics; U.S. Bureau of Census, Population Division

@ - Estimated Population

N/A - Accurate information is not available

Hamilton Township Board of Education
Principal Employers,
Current Year and Nine Years Ago

Exhibit J-15

	2011			2002		
Employer	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Atlantic Cape Community College	720	1	N/A	N/A		N/A
Hamilton Township School District	500	2	N/A	N/A		N/A
Atlantic County Special Services SD	500	3	N/A	N/A		N/A
Greater Egg Harbor Regional HSD	415	4	N/A	N/A		N/A
Atlantic City Electric	300	5	N/A	N/A		N/A
Macy's	220	6	N/A	N/A		N/A
Wal-Mart	200	7	N/A	N/A		N/A
Sears Roebuck & Co.	200	8	N/A	N/A		N/A
J.C. Penney	200	9	N/A	N/A		N/A
Target	150	10	N/A	N/A		N/A
Totals	3,405		0.00%	-		0.00%

Source: Atlantic County Library/Reference USA

N/A - not available at the time of the audit

Hamilton Township Board of Education
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years

Exhibit J-16

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Instruction:										
Regular instruction	175	191	178	184	192	190	189	192	194	186
Special education instruction	91	93	85	83	85	81	80	75	71	62
Other special education instruction	-	-	-	-	-	-	-	-	-	-
Vocational education	-	-	-	-	-	-	-	-	-	-
Other instruction	19	19	21	18	16	17	22	28	30	25
Nonpublic school programs	-	-	-	-	-	1	1	2	3	2
Adult/continuing education programs	1	1	1	1	1	1	1	-	-	0
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Student & instruction related services	39	46	55	65	54	60	56	83	93	84
General administrative services	4	4	4	4	4	4	5	5	5	5
School administrative services	27	26	25	26	28	29	28	21	22	20
Business administrative services	9	10	9	9	10	11	11	11	11	11
Plant operations and maintenance	36	36	35	34	38	36	36	48	41	38
Pupil transportation	2	2	2	2	2	2	2	2	2	2
Special schools	-	-	-	-	-	-	-	-	-	-
Food Service	22	19	17	26	26	26	28	20	29	22
Child Care	-	-	-	1	1	1	1	2	2	2
Total	425	447	432	453	457	458	460	489	503	459

Source: District Personnel Records

Hamilton Township Board of Education
Operating Statistics,
Last Ten Fiscal Years

Exhibit J-17

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost per Pupil	% Change	Teaching Staff	Pupil/Teacher Ratio Elementary School	Pupil/Teacher Ratio Middle School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
2002	2,944	$ 32,026,580	$ 10,879	-4.58%	229	1:11.9	1:10.3	2,978	2,822	4.00%	94.75%
2003	3,029	33,064,727	10,916	0.34%	242	1:13.2	1:10.7	3,088	2,869	3.68%	92.91%
2004	3,114	37,072,593	11,905	9.06%	242	1:13.0	1:11.3	3,078	2,905	-0.33%	94.37%
2005	3,231	52,105,990	16,127	35.46%	244	1:12.6	1:11.7	2,973	2,821	-3.40%	94.89%
2006	3,207	43,517,851	13,570	-15.86%	251	1:13.4	1:10.8	3,218	3,037	8.24%	94.35%
2007	3,217	42,109,401	13,090	-3.54%	254	1:12.9	1:10.3	3,016	2,862	-6.29%	94.88%
2008	3,268	43,790,678	13,400	2.37%	266	1:13.2	1:10.8	3,237	3,063	7.33%	94.62%
2009	3,349	46,740,163	13,956	4.15%	288	1:12.6	1:10.0	3,204	3,026	-1.01%	94.44%
2010	3,295	48,790,578	14,807	6.10%	297	1:12.3	1:9.5	3,336	3,140	4.11%	94.12%
2011	3,200	48,790,753	15,247	2.97%	284	1:12.2	1:9.6	3,209	3,026	-3.81%	94.30%

Source: District records and Schedule J-4

Hamilton Township Board of Education
School Building Information,
Last Ten Fiscal Years

Exhibit J-18

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
District Buildings										
Elementary										
Joseph Shaner School (1957)										
Square Feet	78,921	78,921	78,921	78,921	78,921	78,921	78,921	78,921	78,921	78,921
Capacity (students)	639	639	639	639	639	639	639	639	639	639
Enrollment	654	621	610	652	666	658	617	624	744	756
George Hess Educational Complex (1992)										
Square Feet	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000
Capacity (students)	1,616	1,616	1,616	1,616	1,616	1,616	1,616	1,616	1,616	1,616
Enrollment	1,620	1,577	1,578	1,600	1,468	1,492	1,574	1,662	1,524	1,460
Middle School										
William Davies Middle School (1989)										
Square Feet	98,500	98,500	98,500	98,500	202,670	202,670	202,670	202,670	202,670	202,670
Capacity (students)	552	552	552	552	1,120	1,120	1,120	1,120	1,120	1,120
Enrollment	591	643	717	702	1,065	1,067	1,077	1,063	1,027	993
Other										
Duberson School (1927)										
Square Feet	36,715	36,715	36,715	36,715	36,715	36,715	36,715	36,715	36,715	36,715
Capacity	485	485	485	485	485	485	485	485	485	485
Enrollment	13	3	8	5	-	-	-	-	-	-

Number of Schools at June 30, 2011
- Elementary - 2
- Middle - 1
- Other - 1

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

* Since the opening of the Davies Middle School and the Hess Educational Complex, the first and second floors of the Duberson School have been used by the Greater Egg Harbor Regional High School District for its alternative program. The third floor has housed the Davies School alternative program.
Upon the opening of the Davies School addition in September 2005 the building was closed and is unoccupied.

Hamilton Township Board of Education
General Fund
Schedule of Required Maintenance for School Facilities,
Last Ten Fiscal Years
(Unaudited)

Exhibit J-19

Undistributed Expenditures - Required Maintenance for School Facilities

School Facilities	Project # (s)	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Shaner		$ 113,916	$ 67,500	$ 126,621	$ 97,428	$ 112,478	$ 121,863	$ 109,463	$ 364,250	$ 111,630	$ 95,979
Hess		303,119	253,228	250,033	242,544	297,453	249,581	200,064	445,251	241,197	210,611
Davies		142,177	111,011	141,883	131,291	109,642	151,864	266,749	451,423	206,833	197,547
Total School Facilities		559,212	431,739	518,537	471,263	519,573	523,308	576,276	1,260,924	559,661	504,137
Other Facilities		52,945	23,234	43,834	30,948	13,111	4,955	12,158	25,210	26,580	25,830
Grand Total		$ 612,157	$ 454,973	$ 562,371	$ 502,211	$ 532,684	$ 528,263	$ 588,434	$ 1,286,134	$ 586,241	$ 529,967

Source: District Records

Hamilton Township Board of Education
Insurance Schedule
For the Fiscal Year Ended June 30, 2011
(Unaudited)

Exhibit J-20

Company	Type of Coverage	Amount of Coverage	Deductible
Atlantic and Cape May Counties School Business Officials Joint Insurance Fund	Property and Automobile Physical Damage	$ 150,000,000	$ 500
	General and Automobile Liability	10,000,000	None
	Crime	500,000	500
	Workers' Compensation	Statutory	None
	Educator's Legal Liability	10,000,000	None
	Pollution Legal Liability	3,000,000	25,000
	Boiler and Machinery	125,000,000	1,000

Source: District Records

SINGLE AUDIT SECTION

FORD-SCOTT
& ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS
1535 HAVEN AVENUE • PO BOX 538 • OCEAN CITY, NJ • 08226-0538
PHONE 609.399.6333 • FAX 609.399.3710

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
Township of Hamilton School District
County of Atlantic, New Jersey

We have audited the financial statements of the Board of Education of the Township of Hamilton School District, State of New Jersey, as of and for the fiscal year ended June 30, 2011, and have issued our report thereon dated November 3, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Hamilton Township Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Hamilton Township Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of The Hamilton Township Board of Education's internal control over financial reporting.

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 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of management, the Hamilton Township Board of Education, the New Jersey State Department of Education (the cognizant audit agency), and other federal and state awarding agencies and pass-through entities, and is not intended and should not be used by anyone other than these specified parties.

Ford, Scott & Associates, L.L.C.

FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Glen J. Ortman
Certified Public Accountant
Licensed Public School Accountant
No. 853

November 3, 2011

FORD-SCOTT
& ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS
1535 HAVEN AVENUE • PO BOX 538 • OCEAN CITY, NJ • 08226-0538
PHONE 609.399.6333 • FAX 609.399.3710

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

The Honorable President and
Members of the Board of Education
Township of Hamilton School District
County of Atlantic
Hamilton Township, New Jersey

Compliance

We have audited the compliance of the Board of Education of the Township of Hamilton School District, in the County of Atlantic, State of New Jersey, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of Hamilton Township Board of Education's major federal and state programs for the fiscal year ended June 30, 2011. Hamilton Township Board of Education'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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Hamilton Township Board of Education's management. Our responsibility is to express an opinion on the Hamilton Township Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Hamilton Township Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Hamilton Township Board of Education's compliance with those requirements.

In our opinion, the Board of Education of the Hamilton Township School District, in the County of Atlantic, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2011.

Internal Control Over Compliance

The management of the Board of Education of the Hamilton Township School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Hamilton Township Board of Education's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB's Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Hamilton Township Board of Education's 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 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.

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

This report is intended solely for the information of the management, the Hamilton Township Board of Education, the New Jersey State Department of Education (cognizant audit agency), other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Ford, Scott & Associates, L.L.C.

FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Glen J. Ortman
Certified Public Accountant
Licensed Public School Accountant
No. 853

November 3, 2011

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2011

tor/Pass-Thr Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance June 30, 2010	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2011 (Accounts Receivable)	Balance at June 30, 2011 Deferred Revenue	Balance at June 30, 2011 Due to Grantor
U.S. Department of Education														
General Fund:														
Medical Assistance Program	93.778	N/A	$ 74,152.10	7/1/2010	6/30/2011	$	$	$ 42,232.40	$ (74,152.10)	$	$	$ (31,919.70)	$	$
Medical Assistance Program	93.778	N/A	76,140.77	7/1/2009	6/30/2010	(26,219.75)		26,219.75						
Total General Fund						(26,219.75)	-	68,452.15	(74,152.10)	-	-	(31,919.70)	-	-
U.S. Department of Education														
Passed-Through State														
Department of Education														
Special Revenue Fund:														
Title I, Part A Cluster:														
Title I, Part A	84.010A	NCLB194009	410,086.00	9/1/2008	8/31/2009	(636.00)		636.00						
Title I, Part A	84.010A	NCLB194011	408,272.00	9/1/2010	8/31/2011			284,065.00	(381,501.47)			(97,436.47)		
Title I, Part A	84.010A	NCLB194010	337,658.00	9/1/2009	8/31/2010	(95,122.18)	(12,474.89)	99,751.00				(7,846.07)		
Title I, Part A	84.010A	NCLB194010	337,658.00	9/1/2009	8/31/2010		12,474.89		(12,474.89)					
ARRA - Title I, Part A	84.389	ARRA194010	275,213.00	9/1/2009	8/31/2010	(37,745.09)		37,745.09						
ARRA - Title I, Part A	84.389	ARRA194011	275,213.00	9/1/2010	8/31/2011			110,333.91	(148,650.28)			(38,316.37)		
Title I, Part A - SIA	84.010A	NCLB194009	53,106.00	9/1/2008	8/31/2009	(16,601.00)		16,601.00						
Title I, Part A - SIA	84.010A	NCLB194010	82,595.00	9/1/2009	8/31/2010	(53,132.00)	(29,463.00)	82,595.00						
Title I, Part A - SIA	84.010A	NCLB194010	82,595.00	9/1/2009	8/31/2010		29,463.00		(29,463.00)					
ARRA - Title I, Part A - SIA	84.389	ARRA194011	25,199.00	9/1/2010	8/31/2011			2,385.62	(15,079.62)			(12,694.00)		
ARRA - Title I, Part A - SIA	84.389	ARRA194010	25,199.00	9/1/2009	8/31/2010	(3,008.38)		3,008.38						
Total Title I, Part A Cluster						(206,244.65)	-	637,121.00	(587,169.26)	-	-	(156,292.91)	-	-
Title II Part A	84.367A	NCLB194010	94,388.00	9/1/2010	8/31/2011			59,462.00	(91,547.65)			(32,085.65)		
Title II Part A	84.367A	NCLB194010	94,965.00	9/1/2009	8/31/2010	(15,287.16)	(618.84)	15,906.00						
Title II Part A - Carryover	84.367A	NCLB194010	94,965.00	9/1/2009	8/31/2010		618.84		(618.84)					
Title II Part A	84.367A	NCLB194009	88,342.00	9/1/2008	8/31/2009	(4,575.00)		4,575.00						
Educational Technology State Grants Cluster:														
Title II-D Enhancing Education Through Technology	84.318X	NCLB194010	3,744.00	9/1/2009	8/31/2010	(2,191.00)	(674.00)	2,865.00						
Title II-D Enhancing Education Through Technology -Carryover	84.318X	NCLB194010	3,744.00	9/1/2009	8/31/2010		674.00		(674.00)					
ARRA - Educational Technology State Grants	84.386A	ARRA10000168	1,430,000.00	2/1/2010	9/15/2011	(405,688.33)	(199,646.67)	605,335.00						
ARRA - Educational Technology State Grants -Carryover	84.386A	ARRA10000168	1,430,000.00	2/1/2010	9/15/2011		199,646.67		(595,895.32)			(396,248.65)		
Total Educational Technology State Grants Cluster						(407,879.33)	-	608,200.00	(596,569.32)	-	-	(396,248.65)	-	-
Title III English language Acquisition	84.365A	NCLB194010	24,169.00	9/1/2010	8/31/2011			7,639.00	(24,169.00)			(16,530.00)		
Title III English language Acquisition	84.365A	NCLB194010	18,601.00	9/1/2009	8/31/2010	(7,471.13)	(5,375.87)	12,464.00				(383.00)		
Title III English language Acquisition - Carryover	84.365A	NCLB194010	18,601.00	9/1/2009	8/31/2010		5,375.87		(5,375.87)					
Title III English language Acquisition	84.365A	NCLB194009	32,169.00	9/1/2008	8/31/2009	(478.45)	(1.55)	480.00						
Title III English language Acquisition - Carryover	84.365A	NCLB194009	32,169.00	9/1/2008	8/31/2009		1.55		(1.55)					
Title III Immigrant	84.365A	NCLB194009	15,201.00	9/1/2010	8/31/2011			2,008.00	(3,581.64)			(1,573.64)		
Title III Immigrant	84.365A	NCLB194009	18,743.00	9/1/2008	8/31/2009	(3,154.00)		3,154.00						
Title IV Drug Free	84.186A	NCLB194010	8,809.00	9/1/2009	8/31/2010	(8,308.00)		8,308.00						
Special Education Cluster (IDEA):														
IDEA Basic	84-027A	IDEA194010	782,760.00	9/1/2010	8/31/2011			696,558.00	(739,416.56)			(42,858.56)		
IDEA Basic	84-027A	IDEA194010	760,965.00	9/1/2009	8/31/2010	(123,657.14)	(60,440.86)	155,989.00				(28,109.00)		
IDEA Basic - Carryover	84-027A	IDEA194010	760,965.00	9/1/2009	8/31/2010		60,440.86		(60,440.86)					
IDEA Basic - Carryover	84-027A	IDEA194009	757,782.00	9/1/2008	8/31/2009	(32,975.83)	(1,913.17)	34,889.00						
IDEA Basic - Carryover	84-027A	IDEA194009	757,782.00	9/1/2008	8/31/2009		1,913.17		(1,913.17)					
ARRA - IDEA Basic - Carryover	84.391	ARRA194011	816,941.00	9/1/2009	8/31/2010		342,980.99		(342,980.99)					
ARRA - IDEA Basic	84.391	ARRA194010	816,941.00	9/1/2009	8/31/2010	(71,513.44)	(342,980.99)	348,966.00				(65,528.43)		
I.D.E.A. Preschool Handicapped	84.173A	NCLB194008	32,377.00	9/1/2010	8/31/2011			31,615.00	(32,377.00)			(762.00)		
ARRA - I.D.E.A. Preschool Handicapped	84.392	ARRA194011	29,425.00	9/1/2010	8/31/2011			6,928.00	(8,061.95)			(1,133.95)		
Total Special Education Cluster (IDEA)						(228,146.41)	-	1,274,945.00	(1,185,190.53)	-	-	(138,391.94)	-	-
Total Special Revenue Fund						(881,544.13)	-	2,634,262.00	(2,494,223.66)	-	-	(741,505.79)	-	-
U.S. Department of Agriculture														
Passed-Through State														
Department of Education														
Enterprise Fund:														
Food Distribution Program	10.550	N/A	71,773.63	7/1/2010	6/30/2011			71,773.63	(71,773.63)					
Child Nutrition Cluster:														
National School Lunch Program	10.555	N/A	588,003.88	7/1/2009	6/30/2010	(44,644.96)		44,644.96						
National School Lunch Program	10.555	N/A	612,866.70	7/1/2010	6/30/2011			572,236.62	(612,866.70)			(40,630.08)		
School Breakfast Program	10.553	N/A	211,860.36	7/1/2009	6/30/2010	(16,854.16)		16,854.16						
School Breakfast Program	10.553	N/A	196,522.04	7/1/2010	6/30/2011			185,181.04	(196,552.04)			(11,371.00)		
Special Milk Program	10.556	N/A	4,177.73	7/1/2007	6/30/2008	(302.90)		302.90						
Special Milk Program	10.556	N/A	1,893.45	7/1/2010	6/30/2011			1,783.52	(1,893.45)			(109.93)		
Total Child Nutrition Cluster						(61,802.02)	-	821,003.20	(811,312.19)	-	-	(52,111.01)	-	-
Total Enterprise Fund						(61,802.02)	-	892,776.83	(883,085.82)	-	-	(52,111.01)	-	-
Total Federal Financial Awards						$ (969,565.90)	$ -	$ 3,595,490.98	$ (3,451,461.58)	$ -	$ -	$ (825,536.50)	$ -	$ -

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

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2011

Grantor/Program	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance at June 30, 2010 Deferred Revenue (Acct. Receivable)	Balance at June 30, 2010 Due to Grantor	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment/ Repayment of prior years' Balances	Balance at June 30, 2011 (Accounts Receivable)	Balance at June 30, 2011 Deferred Revenue	Balance at June 30, 2011 Due to Grantor	MEMO Budgetary Receivable	MEMO Cumulative Total Expenditures
State Department of Education															
General Fund:															
State Aid - Public Cluster:															
Special Education Categorical Aid	11-495-034-5120-089	$ 1,646,402.00	7/1/2010	6/30/2011	$ -	$ -	$ -	$ 1,646,402.00	$ (1,646,402.00)	$ -	$ -	$ -	$ -	$ 156,830.81	$ 1,646,402.00
Equalization Aid	11-495-034-5120-078	18,498,477.00	7/1/2010	6/30/2011				18,498,477.00	(18,498,477.00)					1,762,103.79	18,498,477.00
Security Aid	11-495-034-5120-084	456,538.00	7/1/2010	6/30/2011				456,538.00	(456,538.00)					43,488.30	456,538.00
Total State Aid - Public Cluster					-	-	-	20,601,417.00	(20,601,417.00)	-	-	-	-	1,962,422.90	20,601,417.00
Extraordinary Aid	10-495-034-5120-005	278,207.00	7/1/2009	6/30/2010	(278,207.00)			278,207.00							-
Extraordinary Aid	11-495-034-5120-005	127,781.00	7/1/2010	6/30/2011					(127,781.00)		(127,781.00)				127,781.00
Additional Nonpublic Transportation Aid	10-495-034-5120-014	12,124.00	7/1/2009	6/30/2010	(12,124.00)			12,124.00							-
Additional Nonpublic Transportation Aid	11-495-034-5120-014	15,360.60	7/1/2010	6/30/2011					(15,360.60)		(15,360.60)				15,360.60
Reimbursed TPAF Social Security Contributions	11-495-034-5095-002	1,350,062.41	7/1/2010	6/30/2011				1,350,062.41	(1,350,062.41)						1,350,062.41
Total General Fund					(290,331.00)	-	-	22,241,810.41	(22,094,621.01)	-	(143,141.60)	-	-	1,962,422.90	22,094,621.01
Special Revenue Fund:															
Preschool Education Aid	11-495-034-5120-086	401,941.00	7/1/2010	6/30/2011				401,941.00	(401,941.00)					40,194.10	401,941.00
Preschool Education Aid	10-495-034-5120-086	401,941.00	7/1/2009	6/30/2010	2,200.00		(2,200.00)								-
Preschool Education Aid	10-495-034-5120-086	401,941.00	7/1/2009	6/30/2010			2,200.00		(2,200.00)						401,941.00
NJ Nonpublic Aid:															
Nursing	11-100-034-5120-070	13,201.00	7/1/2010	6/30/2011				13,201.00	(13,201.00)						13,201.00
Textbook Aid	11-100-034-5120-064	11,141.00	7/1/2010	6/30/2011				11,141.00	(11,141.00)						11,141.00
Auxiliary Services:															-
Basic Skills	10-100-034-5120-067	88,100.00	7/1/2009	6/30/2010		0.25				(0.25)					-
Basic Skills	11-100-034-5120-067	77,363.00	7/1/2010	6/30/2011				77,363.00	(77,363.00)						77,363.00
Transportation	10-100-034-5120-067	16,588.00	7/1/2009	6/30/2010		1.20				(1.20)					-
Transportation	11-100-034-5120-067	11,588.00	7/1/2010	6/30/2011				11,588.00	(11,588.00)						11,588.00
Handicapped Services:															
Supplemental Instruction	11-100-034-5120-066	8,894.00	7/1/2010	6/30/2011				8,894.00	(8,824.34)				69.66		8,824.34
Supplemental Instruction	10-100-034-5120-066	10,354.00	7/1/2009	6/30/2010		802.00				(802.00)					-
Examination & Classification	10-100-034-5120-066	25,044.00	7/1/2009	6/30/2010		5,854.64				(5,854.64)					-
Examination & Classification	11-100-034-5120-066	14,196.00	7/1/2010	6/30/2011				14,196.00	(14,195.71)				0.29		14,195.71
Corrective Speech	11-100-034-5120-066	22,140.00	7/1/2010	6/30/2011				22,140.00	(22,140.00)						22,140.00
Corrective Speech	10-100-034-5120-066	22,418.00	7/1/2009	6/30/2010		890.00				(890.00)					-
Total Special Revenue Fund					2,200.00	7,548.09	-	560,464.00	(562,594.05)	(7,548.09)	-	-	69.95	40,194.10	962,335.05
Capital Projects Fund:															
N.J. Economic Development Authority	G5-0830	8,329,210.00	7/1/2002	6/30/2003	(374,834.45)						(374,834.45)				8,262,021.15
N.J. School Development Authority (SDA)		12,170.00			(11,449.88)						(11,449.88)				11,449.88
N.J. School Development Authority (SDA)		41,535.00			(28,430.24)				(12,286.13)		(40,716.37)				40,716.37
N.J. School Development Authority (SDA)		40,563.00			(29,354.88)				(8,680.33)		(38,035.21)				38,035.21
N.J. School Development Authority (SDA)		82,099.00							(10,222.20)		(10,222.20)				10,222.20
					(444,069.45)	-	-	-	(31,188.66)	-	(475,258.11)	-	-	-	8,362,444.81
Debt Service Fund:															
Debt Service Aid Type II	11-495-034-5120-017	1,322,127.00	7/1/2010	6/30/2011				1,322,127.00	(1,322,127.00)						1,322,127.00
State Department of Agriculture															
Enterprise Fund:															
Food Service Fund:															
Child Nutrition Program Cluster (State)															
National School Lunch Program (State Share)	10-100-010-3360-067	27,684.08	7/1/2009	6/30/2010	(2,092.28)			2,092.28							
National School Lunch Program (State Share)	11-100-010-3360-067	18,401.61	7/1/2010	6/30/2011				16,319.15	(18,401.61)		(2,082.46)				18,401.61
National School Breakfast Program (State Share)	10-100-010-3360-096	16,622.60	7/1/2009	6/30/2010	(1,337.20)			1,337.20							
Total Child Nutrition Program Cluster (State)					(3,429.48)	-	-	19,748.63	(18,401.61)	-	(2,082.46)	-	-	-	18,401.61
Total State Financial Assistance					$ (735,629.93)	$ 7,548.09	$ -	$ 24,144,150.04	$ (24,028,932.33)	$ (7,548.09)	$ (620,482.17)	$ -	$ 69.95	$ 2,002,617.00	$ 32,759,929.48

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

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2011

Note 1. General

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Township of Hamilton School District. The Board of Education is defined in Note 1(A) to the Board's basic financial statements. All federal and state financial assistance 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 federal awards and state financial assistance.

Note 2. Basis Of Accounting

The accompanying schedules of expenditures of awards and financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the Food Service Fund, which is presented using the accrual basis of accounting. These bases of accounting are described in Notes 1 to the Board's basic financial statements. The information in these schedules are presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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 last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A 18A:22-44.2. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is ($219,831.00) for the general fund and ($37,288.53) for the special revenue fund. See the Notes to the Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2011
(CONTINUED)

Note 3. Relationship to Basic Financial Statements - Continued

	Federal	State	On-Behalf TPAF Pension	Total
General Fund	$ 74,152.10	$ 23,537,303.01	$ (1,222,851.00)	$ 22,388,604.11
Special Revenue Fund	2,456,935.13	562,594.05		3,019,529.18
Capital Projects Fund	-	10,222.20		10,222.20
Debt Service Fund		1,322,127.00		1,322,127.00
Food Service Fund	883,085.82	18,401.61		901,487.43
	$ 3,414,173.05	$ 25,450,647.87	$ (1,222,851.00)	$ 27,641,969.92

Note 4. Adjustments

The District has instances where a grant period overlaps fiscal years and the grant has not closed out at the end of the current fiscal year. The following adjustments were made to the Federal and State Grant Schedules.

Federal: (Schedule A)

NONE

State: (Schedule B)

NONE

Note 5. Relationship To Federal And State Financial Reports

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

Note 6. Other

Revenues and Expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the District for the year ended June 30, 2011. 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, 2011.

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified Opinion

Internal control over financial reporting:

1) Material weakness(es) identified? ____ yes __X__ No

2) Significant deficiency(s) identified? ____ yes __X__ none reported

Non-compliance material to basic financial statements noted? ____ yes __X__ No

Federal Awards

Internal Control over major programs:

1) Material weakness(es) identified: ____ yes __X__ No

2) Significant deficiency(s) identified? ____ Yes __X__ none reported

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

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? ____ yes __X__ No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
Title I, Part A Cluster:	
84.010	Title I
84.389	ARRA - Title I
Special Education Cluster (IDEA):	
84.027	IDEA
84.391	ARRA – IDEA
84.173	IDEA – Preschool
84.392	ARRA – IDEA – Preschool
84.386	ARRA – Educational Technology

Dollar threshold used to distinguish between type A and type B programs: $300,000

Auditee qualified as low-risk auditee? __X__ Yes _____ No

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(CONTINUED)

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

State Awards

Dollar threshold used to distinguish between type A and type B programs: **$ 720,672.00**

Auditee qualified as low-risk auditee? ___X___ Yes _____ No

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

Internal Control over major programs:

1) Material weakness(es) identified? ____ yes ___X___ No

2) Significant deficiencies identified? ____ Yes ___X___ None Reported

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 98-07? ____ Yes ___X___ No

Identification of major programs:

GMIS Number(s)	Name of State Program
State Aid Public Cluster:	
11-495-034-5120-078	Equalization Aid
11-495-034-5120-084	Security Aid
11-495-034-5120-089	Special Education
11-495-034-5120-017	Debt Service Aid
11-495-034-5095-002	Reimbursed TPAF Social Security

Section II - Financial Statement Findings

None

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

Federal Awards

None

State Awards

None

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

There were no prior year audit findings.