

SCHOOL DISTRICT
OF
HAMILTON TOWNSHIP

Hamilton Township Board of Education
Mays Landing, New Jersey

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2014

Comprehensive Annual Financial Report

of the

Hamilton Township Board of Education

Mays Landing, New Jersey

For the Fiscal Year Ended June 30, 2014

Prepared by

Hamilton Township Board of Education

Finance Department

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Introductory Section

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Hamilton Township School District

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October 22, 2014

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, 2014, 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 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:



All Children Can Learn! All Children Can Succeed!

RECIPIENT OF NATIONAL BLUE RIBBON AWARD, NEW JERSEY DEPARTMENT OF EDUCATION STAR SCHOOL AND BEST PRACTICE AWARDS

Annual October 15 Student Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2013-2014	3,114	-2.04%
2012-2013	3,179	0.002%
2011-2012	3,173	-1.52%
2010-2011	3,222	-2.63%
2009-2010	3,309	.76%
2008-2009	3,284	1.54%

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. Now charter schools and the school choice initiative may have an impact on Hamilton Township's future school population as well.

Again in 2013-2014 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 vacant and unable to be utilized for any purpose.

The Municipality of Hamilton Township, as other surrounding areas, has experienced budget cuts across the board, and continues to operate with less funding than previous years. Hamilton Township shows 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 2013-2014 the declining amount of visitors to the Atlantic City casinos caused a decrease in jobs and/or job loss felt by many families in Hamilton Township. This past summer with the closing of two casinos, several of our families lost jobs. 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 English 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, and New Jersey has joined the 46 other states in adopting new standards now in place. 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 to expand the model in Social Studies and Science in grades two through five. 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.

During the 14-15 school year the Davies School added a school-wide “Bring Your Own Device Program” or “BYOD.” One to one technology is available for our 7th and 8th grade students who utilize Dell net books. To offset the use of BYOD in 6th grade, chromebook carts have been made available to our staff and students. Additionally, READ180 and System 44 classrooms have begun to infuse the use of iPads. Every classroom in the Davies School is equipped with an Epson Smart Projector, while every teacher is equipped with a PC and laptop or chromebook. The Davies School IMC has begun transitioning into the use of technology with the addition of two MAC computers, iPads, chromebooks and green screen.

CURRICULUM MATERIALS:

Language Arts Literacy:

The Readers/Writers Workshop model is used in kindergarten through grade five for the instruction of English language arts. 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 as well as the READ 180, Scholastic Reading Inventory. During the 2013-2014 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:

Now in year two, the *GO MATH series* by Harcourt is the math program utilized in grades kindergarten through grade five. “Big Ideas” and “Math in Context” are utilized in the same manner in grades six, seven and eight. Supplemental materials were added to each grade level as appropriate to the written curriculum based on the “Curriculum Mapping” instructional design. The elementary and middle schools have benefitted from the use of a Math Coach – a Math Professor from the Richard Stockton College of New Jersey. As a result, there is observable increase in the students’ efficacy in mathematics along with the reflective teaching practices of our staff.

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 2013-2014 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 2013-2014 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 for the 14-15 school year are as follows:

- The Art and Science of Teaching with Dr. Robert Marzano
- Curriculum writing in all subject areas
- BYOD Initiative
- Technology – Integration, Student Data Base Systems, Web Page, Smart Boards, iPads
- Classroom management and student support
- Student achievement (academic/behavioral/social)
- Student Growth Objectives (SGO) development
- School Wide Enrichment Program (SWEP)
- English Language Learners
- Review of I.E.P. and Strategies
- Data Driven Decision Making
- Readers/Writers Workshop Model via Professional Learning Communities
- iObservation and its function as an evaluation tool
- 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 2013-2014 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. Throughout the 2013-2014 school year, a collaborative effort from administrators and staff was made to continue to remain current with preschool instruction. Creative curriculum is our current program of instruction.

A full day kindergarten program in affect for several years in the district provides 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 2013-2014 school year, Hamilton Township School District continued to offer 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. Students in grades five through eight have the opportunity to participate in an accelerated mathematics program. A Gifted and Talented teacher was added at the Hess School.

Basic Skills:

During the 2013-2014 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:

For the 2014-2015 school year, Hamilton Township School District has provided the following additions in accordance with our approved three-year technology program:

Shaner School

- Every computer was upgraded to Windows 7 Professional
- High speed Internet services from Comcast installed
- Two carts of fifteen notebooks on carts implemented
- Additional document cameras, interactive projectors, iPads

Davies School

- Every computer was upgraded to Windows 7 Professional
- Link-It benchmarking was implemented
- High speed Internet services from Comcast installed
- One-to-one student and staff wireless device continues in year 2
- Interactive projectors in each classroom installed, iPads

Hess School

- Every computer was upgraded to Windows 7 Professional
- Additional computer lab and teacher were added
- High speed Internet services from Comcast installed
- Replacing desktop computers continued
- Additional wireless notebook carts added
- Document cameras, interactive projectors, iPads

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, 2014.

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. DEBT ADMINISTRATION:

At June 30, 2014, the District's bond proceeds were to provide funds for capital improvements to the District's buildings. These improvements include additions and renovations to the various schools within the District, as well as the solar roof project. The District does not anticipate the issuance of additional debt in the upcoming fiscal year.

8. 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.

9. 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. was appointed by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984, and the related Office of Management and Budget Circular A-133 and New Jersey OMB Circular Letter 04-04. The auditor's report on the general-purpose 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.

10. ACKNOWLEDGMENTS:

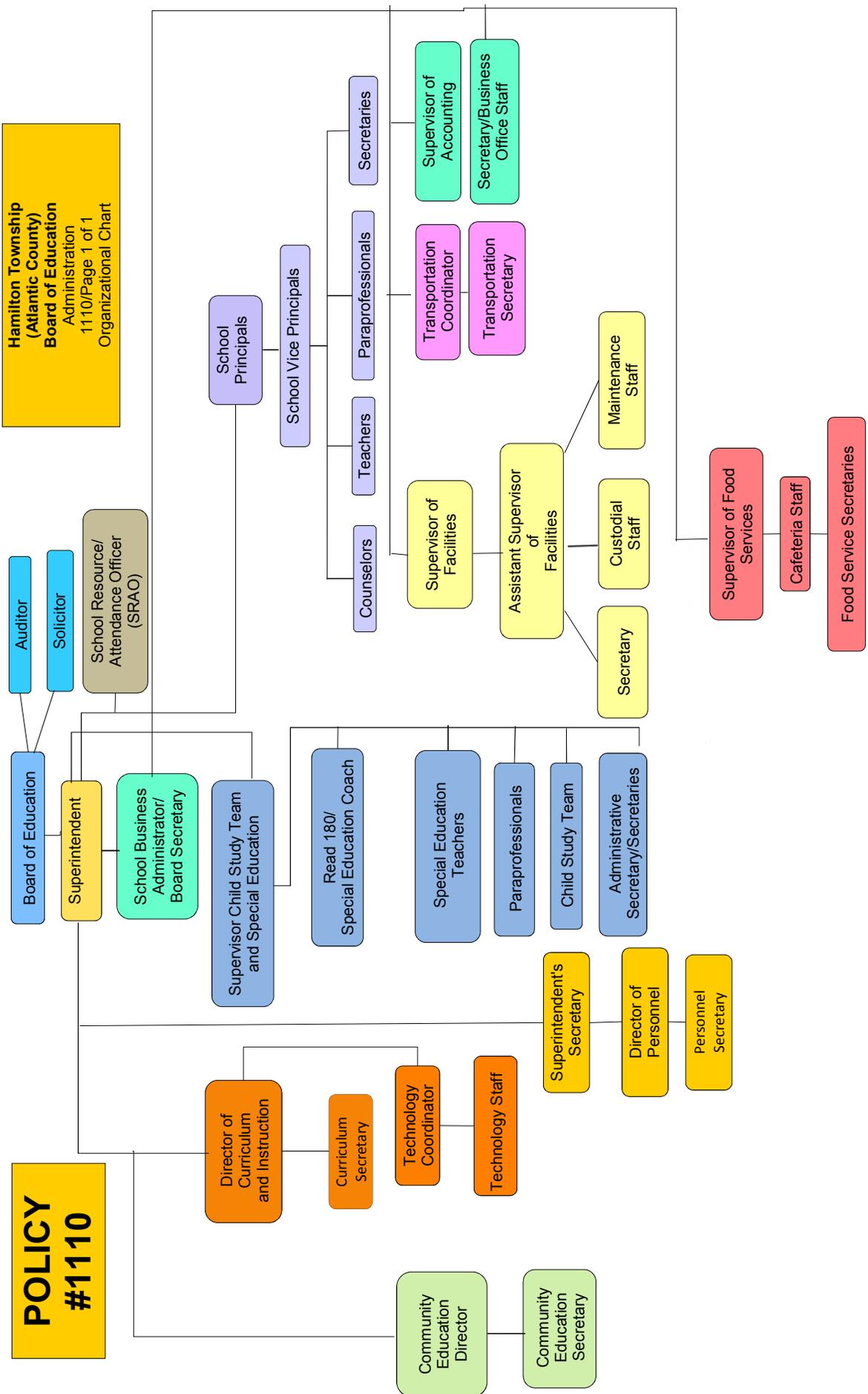
I would like to express my appreciation to the members of the Hamilton Township Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district, and thereby contributing their full support to the development and maintenance of our financial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

Respectfully submitted,



Michelle M. Cappelluti, Ed.D.
Superintendent

cc: Daniel Smith, Business Administrator



**HAMILTON TOWNSHIP SCHOOL DISTRICT
COUNTY OF ATLANTIC, NEW JERSEY**

ROSTER OF OFFICIALS

JUNE 30, 2014

MEMBERS OF THE BOARD	TERM EXPIRES
Anne Erickson, President	2014
Margaret Capone, Vice-President	2014
Eric Aiken	2014
Stephanie Buchanan	2016
Greg Cassidy	2015
Greg Ciambrone	2016
Amelia Francis	2015
Kim Melton	2016
John Sacchinelli	2015

OTHER OFFICIALS

Michelle M. Cappelluti, Ed.D., Superintendent of Schools
Daniel M. Smith, Board Secretary/Business Administrator
Eric Goldstein, Esq., Solicitor

**HAMILTON TOWNSHIP SCHOOL DISTRICT
CONSULTANTS AND ADVISORS**

ARCHITECT

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Nehmad, Perillo & Davis
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Egg Harbor Township, NJ 08234

OFFICIAL DEPOSITORY

Ocean City Home Bank
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Egg Harbor Township, NJ 08234

INSURANCE BROKER

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Hammonton, NJ 08037

Financial Section

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FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Hamilton Township School District, Hamilton Township, New Jersey, as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 Office of School 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Hamilton Township School District, Hamilton Township, New Jersey, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hamilton Township School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the schedule of state financial assistance as required by NJ OMB 04-04, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory section, combining statements, and individual nonmajor fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the schedule of state financial assistance as required by NJ OMB 04-04, and statistical information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the schedule of state financial assistance as required by NJ OMB 04-04 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2014 on our consideration of the Hamilton Township School District's internal control over financial

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

Very truly yours,

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Leon P. Costello
Leon P. Costello
Certified Public Accountant
Licensed Public School Accountant
No. 767

October 22, 2014

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Required Supplemental Information
Part I

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Hamilton Township School District ("District") annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2014. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statement.

FINANCIAL HIGHLIGHTS

- In the District's Governmental Activities, the net position of the District decreased \$2,300,121 due to the payment of additional salaries retroactive to the 2013 fiscal year as a result of the contract settlement. The State of New Jersey continued to defer both June state aid payments until July 2013.
- The State of New Jersey reimbursed the District \$1,469,524 during the fiscal year ended June 30, 2014 for the employer's share of social security contributions and pension contributions for TPAF members as calculated on their base salaries. Also, the State of New Jersey paid \$2,015,778 on behalf of the District for TPAF Pension Contributions. These amounts, which are not budgeted, are included as both a revenue and appropriation in the financial statements.
- In accordance with New Jersey State Statutes, the unreserved fund balance of the general fund is limited to the greater of 2% of the total general fund expenditures or \$250,000. Any excess is required to be designated as Reserved Fund Balance – Excess Surplus and included in next year's budget as budgeted fund balance. As of June 30, 2014 the District had excess surplus of \$2,345,899, or approximately 5.20% of the district's general fund budget, of which \$1,574,496 was applied to the 2014-15 budget. As of June 30, 2013 the District had excess surplus of \$3,177,726, or approximately 7.68% of the district's general fund budget, of which \$1,603,230 was applied to the 2013-14 school budget.
- During the fiscal year ended June 30, 2014, the District's General Fund revenue realized was \$2,131,540 less than total expenses. The District entered into a new contract with the teacher's union which was retroactive to July 1, 2012. As a result, the current year expenditures include the payment of additional salaries for the 2013 fiscal year. During the prior fiscal year, revenue realized was \$373,286 greater than total expenditures.
- In the District's business-type activities, net position decreased \$6,624 during fiscal 2014 as compared to a net increase of \$87,293 in fiscal 2013, due to the payment of retroactive salaries related to the 2013 fiscal year. In addition, although operating revenue was down, the District served more lunches to students who qualified for free or reduced meals, which are reimbursed by the State at a higher rate, and fewer paid meals. During the 2014 and 2013 fiscal year, the General Fund did not transfer funds to the Food Service Fund to cover operating deficits. The Enterprise Fund also includes the Kids Corner latchkey program which operated at a profit of \$33,823 and the Community Education program which operated at a profit of \$20,036 for the fiscal year ended June 30, 2014.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the District's government, reporting on the District's operations in *more detail* than the government-wide statements.

- The *governmental funds* statements tell how *general government* services like instruction were financed in the *short term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short-* and *long-term* financial information about the activities the District operates like businesses, such as the food service area.
- *Fiduciary fund* statements provide information about the financial relationships – like the unemployment trust fund – in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the formation in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

The following table summarizes the major features of the District's financial statements, including the portion of the District's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

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**Major Features of the Hamilton Township Board of Education's
Government-wide and Fund Financial Statements**

	Government wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as food service and student activities	Activities the District operates similar to private businesses; food service and latchkey	Instances in which the District is the trustee or agent for someone else's resources, such as payroll agency and student activities.
Required financial statements	Statement of net position Statement of activities	Balance sheet Statement of revenues, expenditures, and changes in fund balances	Statement of net position Statement of revenues, expenses, and changes in net position Statement of cash flows	Statement of fiduciary net position Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term.	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included.	All assets and liabilities, both financial and capital, and short-term and long-term.	All assets and liabilities, both short- term and long-term.
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses, regardless of when cash is received or paid.	All revenues and expenses during year, regardless of when cash is received or paid.

Government-wide Statements

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

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

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

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

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

Fund Financial Statements

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

The District has three kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement that explains the relationship (or differences) between them.
- *Proprietary funds* – Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. In fact, the District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
- *Fiduciary funds* – The District is the trustee, or *fiduciary*, for its employees' unemployment compensation plan. It is also responsible for other assets that - because of a trust arrangement – can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All

of the District's fiduciary activities are reported in separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. During the 2013-2014 school year, net position increased by \$844,568. This net increase is due to additional funding received through State and Federal grants, as well continued cost savings that were implemented several years ago. The financial condition of the District, excluding depreciation expense, improved during the 2014 fiscal year.

The business-type activities net position decreased due to an increase in expenses as a result of retroactive salaries paid during the current fiscal year. Overall revenue, operating and non-operating sources, increased by \$38,648, primarily due to an increase in free and reduced meals which are reimbursed at a higher rate. Expenditures increased by \$136,622 due to the increase in personnel costs.

	Governmental Activities	Business- Type Activities	Total 2014	Governmental Activities	Business- Type Activities	Total 2013
Current and other assets	\$4,917,335	652,330	5,569,665	7,245,184	640,057	7,885,241
Capital assets	52,274,202	125,573	52,399,775	53,014,616	136,895	53,151,511
Total assets	57,191,537	777,903	57,969,440	60,259,800	776,952	61,036,752
Long-term liabilities	21,044,873	47,726	21,092,599	24,905,273	44,753	24,950,026
Other liabilities	923,428	16,382	939,810	975,859	11,780	987,639
Total liabilities	21,968,301	64,108	22,032,409	25,881,132	56,533	25,937,665
Net position						
Investment in capital assets	33,340,202	125,573	33,465,775	30,280,616	136,895	30,417,511
Restricted	994,118		994,118	1,182,768		1,182,768
Unrestricted	888,916	588,222	1,477,138	2,915,284	583,524	3,498,808
Total net position	\$35,223,236	713,795	35,937,031	34,378,668	720,419	35,099,087

Changes in net position. The total governmental fund revenue of the District increased by \$252,001 due to increases in the tax levy and unrestricted state aid however these increases were partially offset by a decrease in the on-behalf TPAF pension contribution from the State of NJ. The local tax levy is 39.97% of total revenues. The municipality levies this tax on properties located in the Township and remits the collections on a monthly basis to the District.

Approximately 47% of the District's revenue comes from the State of New Jersey in the form of non-restricted state aid. This aid is based on the District's enrollment as well as other factors. The District expenses are primarily related to instruction, administration, and plant operations.

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Governmental Activities

	<u>2014</u>		<u>2013</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Property taxes	\$19,676,001	39.97%	19,290,197	39.39%
Federal and State aid				
Unrestricted	22,927,316	46.58%	22,624,962	46.20%
Restricted	1,325,441	2.69%	1,328,380	2.71%
Tuition	9,564	0.02%	4,130	0.01%
Operating grants and				
Contributions	5,166,972	10.50%	5,488,348	11.20%
Other	118,907	0.24%	236,183	0.49%
Totals	\$49,224,201	100.00%	48,972,200	100.00%

The following schedule summarizes the governmental and business-type activities of the District during the 2014 and 2013 fiscal years.

	<u>Govern- Mental Activities</u>	<u>Business- Type Activities</u>	<u>2014 Total</u>	<u>Govern- Mental Activities</u>	<u>Business- Type Activities</u>	<u>2013 Total</u>
Revenues						
Program revenue						
Charges for srvs		1,048,756	1,048,756		1,102,389	1,102,389
Federal grants	\$1,409,166	1,056,253	2,465,419	1,369,135	963,919	2,333,054
State grants and						
Entitlements	1,687,310	18,824	1,706,134	1,701,205	18,877	1,720,082
General revenues						
Property taxes	19,676,001		19,676,001	19,290,197		19,290,197
Tuition	9,564		9,564	4,130		4,130
State aid						
Entitlements	26,323,253		26,323,253	26,371,350		26,371,350
Other	118,907	684	119,591	236,183	698	236,881
Total revenues	\$49,224,201	2,124,517	51,348,718	48,972,200	2,085,883	51,058,083

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	<u>Govern- Mental Activities</u>	<u>Business- Type Activities</u>	<u>2014 Total</u>	<u>Govern- mental Activities</u>	<u>Business- Type Activities</u>	<u>2013 Total</u>
Expenses						
Instruction:						
Regular	\$18,316,595		\$18,316,595	17,054,189		17,054,189
Special Education	5,725,657		5,725,657	5,102,892		5,102,892
Other special instr.	2,416,291		2,416,291	2,040,501		2,040,501
Other Instruction	202,328		202,328	225,610		225,610
Nonpublic school programs	119,302		119,302	123,865		123,865
Support services:						
Tuition	915,419		915,419	1,429,508		1,429,508
Student & instr related services	6,185,226		6,185,226	6,250,058		6,250,058
School admin srvs	2,194,757		2,194,757	2,261,482		2,261,482
General & business admin services	2,151,612		2,151,612	2,059,681		2,059,681
Plant operations & maintenance	5,139,699		5,139,699	4,769,850		4,769,850
Pupil transport	4,102,574		4,102,574	3,989,584		3,989,584
Capital outlay	110,602		110,602			-
Special schools			-	71,729		71,729
Interest on Long Term Debt	799,469		799,469	908,162		908,162
Business-type Activities		2,131,141	2,131,141		1,994,519	1,994,519
Total expenses	48,379,531	2,131,141	50,510,672	46,287,111	1,994,519	48,281,630
Excess before special items						
And transfers	844,670	(6,624)	838,046	2,685,089	91,364	2,776,453
Special items	(102)		(102)	(12,896)	(4,071)	(16,967)
Increase in net position	\$844,568	(6,624)	837,944	2,672,193	87,293	2,759,486

Business-type Activities

Operating revenues of the District's business-type activities increased \$38,634 from the previous year while expenses also increased by \$136,622. Factors contributing to these results included:

- Increase in meals served to students eligible for free and reduced lunches which are reimbursed at a higher rate.
- Increase in expenses due to the payment of retroactive salaries related to the 2013 fiscal year.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of the year ended June 30, 2014, the governmental funds reported a combined fund balance of \$35,223,236, which is \$844,568 higher than the beginning of the year. This increase is due to continued cost saving measures put into place by the District over the past few years. The most significant savings was in the area of student transportation however these savings were offset by the increase in salaries paid related to the 2013 fiscal year.

General Fund Budgetary Highlights

As further explained in the Notes to the Financial Statements, annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the County office and, as a Type II School District that has elected to hold November elections, requires approval by the voters only when statutory limits are exceeded. Transfers of appropriations may be made by Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the board and under certain circumstances require approval by the County Executive Superintendent of Schools. The District is permitted to encumber funds throughout the year for purchases ordered but not yet received. Any open encumbrances as of June 30th carry over to the next fiscal year and are added to the appropriation reflected in the certified budget.

After adjusting total revenue reported on Exhibit C-1 for the Reimbursed TPAF Social Security Contribution and on-behalf TPAF Pension Contributions, which are not budgeted, the District's actual revenue exceeded the budget by \$116,349. The District realized additional funding for Special Education Extraordinary Aid as well as Nonpublic School Transportation Aid. Again, after adjusting for the Reimbursed TPAF Social Security Contribution and on-behalf TPAF Pension Contributions, actual expenditures were below the budgeted appropriations by \$1,156,814. The most significant variances occurred in the areas of student transportation, health benefits, and capital outlay. Audit Exhibit C-1 does not include current year depreciation expense.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2013, the District had invested \$53 million in a broad range of capital assets, including land, buildings, vehicles and machinery. This amount represents a net decrease (including additions and deductions) of \$857,013, or 1.59%, over last year. The decrease is due largely to current year depreciation expense.

	<u>Govern- Mental Activities</u>	<u>Business- Type Activities</u>	<u>2013 Total</u>	<u>Govern- Mental Activities</u>	<u>Business- Type Activities</u>	<u>2013 Total</u>
Land	\$1,423,600		1,423,600	1,423,600		1,423,600
Const in						
Progress	23,160,697		23,160,697	23,160,697		23,160,697
Site Improv	342,846		342,846	271,110		271,110
Buildings &						
Bldg improv	26,943,041		26,943,041	27,706,976		27,706,976
Machinery &						
equipment	378,722	125,573	504,295	440,026	136,895	576,921
Vehicles	25,296		25,296	12,207		12,207
Total	\$52,274,202	125,573	52,399,775	53,014,616	136,895	53,151,511

During the 2014 fiscal year the district incurred additional purchases for equipment for use throughout the district. More detailed information about the District's capital assets is presented in Note 4 to the financial statements.

Long-term Debt

All bonds are authorized in accordance with State law by the voters of the District. At the end of the current fiscal year, the District had total bonded debt outstanding of \$22,734,000.

	Balance 6/30/13	Issued	Retired/ Adjusted	Balance 6/30/14
Bonds payable	\$22,734,000		3,800,000	18,934,000
Compensated absences Payable	2,171,273	178,599	238,999	2,110,873
Total	\$24,905,273	178,599	4,038,999	21,044,873

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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 DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to present users (residents, receiving districts, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about the report or need additional financial information, contact the District's business administrator at 1876 Dr. Dennis Foreman Drive, Mays Landing, New Jersey 08330.

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BASIC FINANCIAL STATEMENTS

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DISTRICT - WIDE FINANCIAL STATEMENTS

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HAMILTON TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2014

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,561,613	525,927	2,087,540
Restricted cash	2,010,056		2,010,056
Receivables, net	30,433		30,433
Internal balances	209	(209)	-
Due from other governments	1,315,024	107,718	1,422,742
Inventory		18,894	18,894
Capital assets not being depreciated			
Construction in progress	23,160,697		23,160,697
Land	1,423,600		1,423,600
Capital assets, net	27,689,905	125,573	27,815,478
Total Assets	<u>57,191,537</u>	<u>777,903</u>	<u>57,969,440</u>
LIABILITIES			
Accounts payable	634,862	13,501	648,363
Other liabilities	253,613		253,613
Payable to state government	17,451		17,451
Unearned revenue	17,502	2,881	20,383
Noncurrent liabilities:			
Due within one year	3,959,045		3,959,045
Due beyond one year	17,085,828	47,726	17,133,554
Total liabilities	<u>21,968,301</u>	<u>64,108</u>	<u>22,032,409</u>
NET POSITION			
Net investment in capital assets	33,340,202	125,573	33,465,775
Restricted for:			
Debt service	159		159
Capital projects	942,959		942,959
Other purposes	51,000		51,000
Unrestricted	888,916	588,222	1,477,138
Total net position	<u>\$ 35,223,236</u>	<u>713,795</u>	<u>35,937,031</u>

The accompanying notes are an integral part of these financial statements

HAMILTON TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2014

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:								
Instruction:	\$							
Regular	13,730,451	4,586,144	9,564	2,714,580		(15,592,451)		(15,592,451)
Special education	4,166,356	1,559,301		428,925		(5,296,732)		(5,296,732)
Other special instruction	1,759,603	656,688		180,638		(2,235,653)		(2,235,653)
Other instruction	138,254	64,074		17,625		(184,703)		(184,703)
Nonpublic school programs	119,302					(119,302)		(119,302)
Support services:								
Tuition	649,955	265,464		73,022		(842,397)		(842,397)
Student & instruction related services	4,555,994	1,629,232		676,786		(5,508,440)		(5,508,440)
School administrative services	1,427,087	767,670		211,167		(1,983,590)		(1,983,590)
General and business administrative services	1,565,488	586,124		161,228		(1,990,384)		(1,990,384)
Plant operations and maintenance	3,725,794	1,413,905		388,930		(4,750,769)		(4,750,769)
Pupil transportation	2,960,810	1,141,764		314,071		(3,788,503)		(3,788,503)
Unallocated benefits	11,362,892	(11,362,892)				-		-
Capital outlay	110,602					(110,602)		(110,602)
Interest on long-term debt	799,469					(799,469)		(799,469)
Unallocated depreciation	1,307,474	(1,307,474)				-		-
Total governmental activities	48,379,531	-	9,564	5,166,972	-	(43,202,995)	-	(43,202,995)
Business-type activities:								
Food Service	1,672,589		536,827	1,075,077		(60,685)		(60,685)
Kids Corner	234,745		268,409	-		33,664		33,664
Community Education	223,807		243,520			19,713		19,713
Total business-type activities	2,131,141	-	1,048,756	1,075,077		(7,308)		(7,308)
Total primary government	\$ 50,510,672	-	1,058,320	6,242,049	-	(43,202,995)	(7,308)	(43,210,303)
General revenues:								
Taxes:								
Property taxes, levied for general purposes, net						16,621,103		16,621,103
Taxes levied for debt service						3,054,898		3,054,898
Federal and State aid not restricted						22,927,316		22,927,316
Federal and State aid restricted						1,325,441		1,325,441
Investment Earnings						2,167	684	2,851
Miscellaneous Income						116,740		116,740
Special items:								
Loss on disposal of fixed assets						(102)		(102)
Total general revenues, special items, extraordinary items and transfers						44,047,563	684	44,048,247
Change in Net Position						844,568	(6,624)	837,944
Net Position—beginning						34,378,668	720,419	35,099,087
Net Position—ending						\$ 35,223,236	713,795	35,937,031

The accompanying notes are an integral part of these financial statements

FUND FINANCIAL STATEMENTS

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HAMILTON TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2014

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 1,354,768		206,686	159	1,561,613
Restricted cash	2,010,056				2,010,056
Receivables, net	21,388	9,045			30,433
Due from other funds	146,511				146,511
Receivables from other governments	322,245	205,506	787,273		1,315,024
Total assets	<u>3,854,968</u>	<u>214,551</u>	<u>993,959</u>	<u>159</u>	<u>5,063,637</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	577,764	57,098			634,862
Due to other governments		17,451			17,451
Interfund payable		146,302			146,302
Unearned revenue		17,502			17,502
Total liabilities	<u>577,764</u>	<u>238,353</u>	<u>-</u>	<u>-</u>	<u>816,117</u>
Fund Balances:					
Restricted for:					
Excess Surplus	771,403				771,403
Excess Surplus - Designated for Subsequent Year's Expenditures	1,574,496				1,574,496
Capital Projects			942,959		942,959
Committed for:					
Capital Reserve Fund	860,056				860,056
Maintenance Reserve Fund	800,000				800,000
Designated for subsequent year's expenditures	70,254				70,254
Assigned to:					
Encumbrances	-		51,000		51,000
Unreserved, reported in:					
General fund	(799,005)				(799,005)
Special revenue fund		(23,802)			(23,802)
Debt service fund				159	159
Total Fund balances	<u>3,277,204</u>	<u>(23,802)</u>	<u>993,959</u>	<u>159</u>	<u>4,247,520</u>
Total liabilities and fund balances	<u>\$ 3,854,968</u>	<u>214,551</u>	<u>993,959</u>	<u>159</u>	

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. 52,274,202

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

Bond payable (18,934,000)

Accrued interest payable (253,613)

Compensated absences (2,110,873)

Net assets of governmental activities 35,223,236

HAMILTON TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local tax levy	\$ 16,621,103			3,054,898	19,676,001
Tuition Charges	9,564				9,564
Interest	2,167				2,167
Miscellaneous	116,740				116,740
State sources	26,323,253	361,869		1,325,441	28,010,563
Federal sources	89,365	1,319,801			1,409,166
Total revenues	<u>43,162,192</u>	<u>1,681,670</u>	<u>-</u>	<u>4,380,339</u>	<u>49,224,201</u>
EXPENDITURES					
Current:					
Regular instruction	12,282,296	1,448,155			13,730,451
Special education instruction	4,166,356				4,166,356
Other special instruction	1,759,603				1,759,603
Other instruction	138,254				138,254
Nonpublic school programs		119,302			119,302
Support services and undistributed costs:					
Tuition	649,955				649,955
Student & instruction related services	4,327,369	228,625			4,555,994
School administrative services	1,427,087				1,427,087
Other administrative services	1,565,488				1,565,488
Plant operations and maintenance	3,725,794				3,725,794
Pupil transportation	2,960,810				2,960,810
Unallocated Benefits	11,423,292				11,423,292
Debt service:					
Principal				3,800,000	3,800,000
Interest and other charges				824,172	824,172
Capital outlay	677,764	-	-		677,764
Total expenditures	<u>45,104,068</u>	<u>1,796,082</u>	<u>-</u>	<u>4,624,172</u>	<u>51,524,322</u>
Excess (Deficiency) of revenues over expenditures	<u>(1,941,876)</u>	<u>(114,412)</u>	<u>-</u>	<u>(243,833)</u>	<u>(2,300,121)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	115,253	-	243,990	359,243
Transfers out	(170,436)		(188,807)		(359,243)
Total other financing sources and uses	<u>(170,436)</u>	<u>115,253</u>	<u>(188,807)</u>	<u>243,990</u>	<u>-</u>
Net change in fund balances	(2,112,312)	841	(188,807)	157	(2,300,121)
Fund balance—July 1	5,389,516	(24,643)	1,182,766	2	6,547,641
Fund balance—June 30	<u>\$ 3,277,204</u>	<u>(23,802)</u>	<u>993,959</u>	<u>159</u>	<u>4,247,520</u>

HAMILTON TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2014

Total net change in fund balances - governmental funds (from B-2) \$ (2,300,121)

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

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

Depreciation expense	(1,307,474)	
Loss on disposition of fixed assets	(102)	
Capital outlays	<u>567,162</u>	(740,414)

Repayment of long term debt 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. 3,800,000

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+) 24,703

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). 60,400

Compensated absences

Change in net position of governmental activities \$ 844,568

HAMILTON TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2014

	Non-Major Funds	Total
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 525,927	525,927
Accounts receivable	107,718	107,718
Inventories	18,894	18,894
Total current assets	652,539	652,539
Noncurrent assets:		
Furniture, machinery & equipment	516,854	516,854
Less accumulated depreciation	(391,281)	(391,281)
Total noncurrent assets	125,573	125,573
Total assets	778,112	778,112
LIABILITIES		
Current liabilities:		
Interfund payable	209	209
Accounts payable	13,501	13,501
Deferred revenue	2,881	2,881
Total current liabilities	16,591	16,591
Noncurrent liabilities:		
Compensated absences	47,726	47,726
Total noncurrent liabilities	47,726	47,726
Total liabilities	64,317	64,317
NET POSITION		
Net investment in capital assets	125,573	125,573
Unrestricted	588,222	588,222
Total net position	\$ 713,795	713,795

The accompanying notes are an integral part of these financial statements

HAMILTON TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2014

	<u>Non-major Funds</u>	<u>Total</u>
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	\$ 349,832	349,832
Daily sales - non-reimbursable programs	142,634	142,634
Special functions	21,130	21,130
Miscellaneous	9,946	9,946
Community services	525,214	525,214
Total operating revenues	<u>1,048,756</u>	<u>1,048,756</u>
Operating expenses:		
Cost of sales	698,695	698,695
Salaries	1,013,094	1,013,094
Employee benefits	262,295	262,295
General supplies & materials	112,001	112,001
Other expenses	21,830	21,830
Depreciation	23,226	23,226
Total Operating Expenses	<u>2,131,141</u>	<u>2,131,141</u>
Operating (loss)	<u>(1,082,385)</u>	<u>(1,082,385)</u>
Nonoperating revenues:		
State sources:		
State school lunch program	18,824	18,824
Federal sources:		
National school lunch program	742,060	742,060
National school breakfast program	230,391	230,391
Special milk program	1,279	1,279
Food distribution program	82,523	82,523
Interest and investment revenue	684	684
Total nonoperating revenues	<u>1,075,761</u>	<u>1,075,761</u>
(Loss) before contributions & transfers	<u>(6,624)</u>	<u>(6,624)</u>
Other financing sources:		
None	-	-
Change in net position	<u>(6,624)</u>	<u>(6,624)</u>
Total net position—beginning	<u>720,419</u>	<u>720,419</u>
Total net position—ending	<u>\$ 713,795</u>	<u>713,795</u>

The accompanying notes are an integral part of these financial statements

HAMILTON TOWNSHIP SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2014

	<u>Non-major Funds</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 1,038,490	1,038,490
Payments to employees	(1,013,094)	(1,013,094)
Payments for employee benefits	(259,322)	(259,322)
Payments to suppliers	(133,831)	(133,831)
Payments to cost of sales	(612,057)	(612,057)
Net cash (used for) operating activities	<u>(979,814)</u>	<u>(979,814)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	18,674	18,674
Federal Sources	952,937	952,937
Payments from other funds	6	6
Net cash provided by non-capital financing activities	<u>971,617</u>	<u>971,617</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Acquisition of capital assets	(11,904)	(11,904)
Net cash (used for) capital financing activities	<u>(11,904)</u>	<u>(11,904)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends	684	684
Net cash provided by investing activities	<u>684</u>	<u>684</u>
Net decrease in cash and cash equivalents	(19,417)	(19,417)
Balances—beginning of year	545,344	545,344
Balances—end of year	<u>525,927</u>	<u>525,927</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating (loss)	(1,082,385)	(1,082,385)
Adjustments to reconcile operating (loss) to net cash provided by (used for) operating activities:		
Depreciation and net amortization	23,226	23,226
Federal commodities	82,523	82,523
(Increase) in inventories	(487)	(487)
(Increase) in other receivables	(10,266)	(10,266)
Increase in accounts payable	1,721	1,721
Increase in deferred revenue	2,881	2,881
Increase in compensated absences	2,973	2,973
Total adjustments	<u>102,571</u>	<u>102,571</u>
Net cash (used for) operating activities	<u>\$ (979,814)</u>	<u>(979,814)</u>

The accompanying notes are an integral part of these financial statements

HAMILTON TOWNSHIP SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Agency Fund
ASSETS			
Cash and cash equivalents	\$ 324,402	1,631	126,416
Due from payroll agency		-	
	<u>324,402</u>	<u>1,631</u>	<u>126,416</u>
Total assets	<u>324,402</u>	<u>1,631</u>	<u>126,416</u>
LIABILITIES			
Payable to student groups			125,589
Accounts payable	17,992		
Interfunds payable			50
Payroll deductions and withholdings			877
	<u>17,992</u>		<u>126,516</u>
Total liabilities	<u>17,992</u>		<u>126,516</u>
NET POSITION			
Held in trust for unemployment claims and other purposes	\$ <u>306,410</u>		
Reserved for scholarships		<u>1,631</u>	

HAMILTON TOWNSHIP SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2014

	Unemployment Compensation Trust	Private Purpose Scholarship Fund
ADDITIONS		
Contributions:		
Plan member	\$ 83,622	
Board of education	-	
Total Contributions	<u>83,622</u>	<u>-</u>
Investment earnings:		
Interest	453	17
Net investment earnings	<u>453</u>	<u>17</u>
Total additions	<u>84,075</u>	<u>17</u>
DEDUCTIONS		
Employee withholdings	35,840	
Unemployment claims	33,438	
Scholarships awarded		26,588
Total deductions	<u>69,278</u>	<u>26,588</u>
Operating income	14,797	(26,571)
Change in net position	<u>14,797</u>	<u>(26,571)</u>
Net position—beginning of the year	291,613	28,152
Net position—end of the year	<u>\$ 306,410</u>	<u>1,581</u>

The accompanying notes are an integral part of these financial statements

Notes to the Financial Statements

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Hamilton Township School District

Notes to Financial Statements

June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements of the Board of Education (Board) of the Hamilton Township School District (District) have been prepared in conformity with generally accepted accounting principles (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. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB). The more significant accounting policies established in GAAP and used by the District are discussed below.

A. REPORTING ENTITY:

The Hamilton Township School District is a Type II district located in the County of Atlantic, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-8. The Hamilton Township School District had an enrollment at June 30, 2014 and 2013 of 3,114 and 3,179 students.

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

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

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

B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS:

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's general and special revenue activities are classified as governmental activities. The District's food service, Kid's Corner (latchkey), and Community Education programs are classified as business-type activities. Fiduciary funds are excluded from the government-wide financial statements.

In the governmental-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position are reported in three parts—invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

Hamilton Township School District Notes to Financial Statements June 30, 2014

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

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

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

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities. Fiduciary funds are not included in the government-wide statements.

C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

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

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

The following fund types are used by the District:

1. Governmental Funds:

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

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

Hamilton Township School District Notes to Financial Statements June 30, 2014

- d. **Debt service** funds are used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

Fund Balances – Governmental Funds

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

- **Nonspendable** – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- **Restricted** – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- **Committed** – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.
- **Assigned** – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.
- **Unassigned** – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

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

2. Proprietary Funds:

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

- a. **Enterprise funds** are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designated to recover similar costs.

Food Services Fund – provides for the operation of food services in all schools within the school district.

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

**Hamilton Township School District
Notes to Financial Statements
June 30, 2014**

Community Education – accounts for the operation of the community education program of the District.

3. Fiduciary Funds:

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net assets and changes in net assets, and are reported using accounting principles similar to proprietary funds.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type (pension, private purpose and agency). Since by definition these assets are being held for the benefit of a third party (other local governments), private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

D. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual:

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

E. FINANCIAL STATEMENT AMOUNTS

1. Cash and Cash Equivalents:

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

**Hamilton Township School District
Notes to Financial Statements
June 30, 2014**

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

2. Investments:

Investments, including deferred compensation and pension funds, are stated at fair value, (quoted market price or the best available estimate). Interest earned in the Capital Projects Fund is recognized in the District's General Fund.

3. Inventories:

Inventories in the general fund consist of expendable supplies held for the District's use and are carried at cost using the first-in, first-out method. Inventories in the enterprise fund are valued at cost, which approximates market, using the first-in, first –out method. As of June 30, 2013, the District did not have inventory in the general fund and had the following inventory in the enterprise fund:

Food	\$	15,176
Supplies		<u>3,718</u>
	\$	<u><u>18,894</u></u>

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1996) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements. The value of commodities included in the food service inventory on June 30, 2014 is \$2,881.

4. Capital Assets:

Capital assets purchased or acquired with an original cost of \$2,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20-50 years
Machinery and equipment	5-10 years
Improvements	10-20 years

Infrastructure assets include roads, parking lots, underground pipe, etc. All infrastructure assets are reported in the financial statements and are being depreciated over their useful lives.

5. Revenues:

Substantially all governmental fund revenues are accrued. Property taxes are susceptible to accrual and under New Jersey State Statutes a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the

Hamilton Township School District
Notes to Financial Statements
June 30, 2014

entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non operating revenue. In respect to grant revenues, the provider recognizes liabilities and expenses and recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient. Program revenues, including tuition revenue, are reported as reductions to expenses in the Statement of Activities.

6. Expenditures:

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

7. Compensated Absences:

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

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the District-wide Financial Statements as a Governmental Activity.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

8. Interfund Activity:

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related costs as reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements. All funds internal activity is eliminated when carried to the Government-wide statements.

9. 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, as long as the District budget is within State mandated CAPs, there is no public vote on the budget. If the budget exceeds State mandated CAPs, the voters have an opportunity to approve or reject the budget at the regular election held in November. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-2(g).

Hamilton Township School District
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Transfers of appropriations may be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the Executive County Superintendent of Schools. The Board of Education approved the following significant budgetary appropriation transfers during the 2014 fiscal year:

<u>Account Name</u>	<u>Amount</u>
Salaries -	
Teachers – Kindergarten	139,027
Teachers – Grades 1-5	242,088
Teachers – Grades 6-8	199,469
Regular Programs – Undistributed Instruction:	
Other Salaries for Instruction	56,745
Multiple Disabilities	
Salaries of Teachers	116,812
Other Salaries for Instruction	169,704
Resource Room/Resource Center	
Salaries of Teachers	366,320
Autism	
Salaries of Teachers	49,578
Bilingual Education - Instruction	
Salaries of Teachers	119,173
Tuition to Other LEAs Within the State – Regular	59,000
Tuition to CSSD & Regional Day Schools	(521,016)
Undistributed Expenditures – Health Services	
Salaries	40,234
Undistributed Expenditures – Other Support Services -	
Students – Related Services	
Salaries of Other Professional Staff	58,196
Purchased Professional – Educational Services	(42,750)
Undistributed Expenditures – Other Support Services -	
Students – Extra Services	
Salaries	42,179
Purchased Professional – Educational Services	(60,000)
Undistributed Expenditures – Other Support Services -	
Students – Child Study Team	
Salaries of Other Professional Staff	(53,569)
Undistributed Expenditures – Improv of Instruction Services	
Salaries of Other Professional Staff	(68,755)
Undistributed Expenditures – Educational Media Services -	
School Library	
Salaries	40,832
Undistributed Expenditures – Support Services - General	
Administration	
Legal Services	64,379
Architectural/Engineering Services	(93,915)
Undistributed Expenditures – Support Serv – School Admin	
Salaries of Principals/Assistant Principals	(36,000)
Salaries of Secretarial and Clerical Assistants	38,496
Other Purchased Services	(34,516)
Supplies and Materials	(82,523)
Undistributed Expenditures – Admin Information Tech	
Supplies and Materials	(50,255)
Undistributed Expenditures – Required Maintenance for	

**Hamilton Township School District
Notes to Financial Statements
June 30, 2014**

School Facilities	
Cleaning, Repair, and Maintenance Services	(75,000)
Undistributed Expenditures – Custodial Services	
Salaries	114,786
Cleaning, Repair, and Maintenance Services	(53,000)
General Supplies	(64,500)
Energy (Electricity)	(148,240)
Contracted Services –	
Between Home and School – Joint Agreements	(193,851)
Unallocated Benefits -	
Other Retirement Contributions - PERS	(100,000)
Health Benefits	(173,495)

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 one or more June state aid payments 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.

10. Tuition Receivable

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

11. Tuition Payable

Tuition charges for the fiscal year 2013/14 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

12. Use of Estimates

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

13. Allocation of Costs

In the government-wide statement of activities, the District has allocated unallocated benefits to various programs based on the final budgetary appropriations by program.

**Hamilton Township School District
Notes to Financial Statements
June 30, 2014**

F. RECENT ACCOUNTING PRONOUNCEMENTS

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No 27". This statement is effective for fiscal periods beginning after June 15, 2014. Although not determinable, the impact of this statement on the net position of the entity is anticipated to be significant.

In January 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 69 "Government Combinations and Disposals of Government Operations". This statement, which is effective for fiscal periods beginning after December 15, 2013, will not have any effect on the District's financial reporting.

In April 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 70 "Accounting and Financial Reporting for Nonexchange Financial Guarantees". This statement, which is effective for fiscal periods beginning after June 15, 2013, will not have any impact on the District's financial statements.

In November 2013, Governmental Accounting Standards Board (GASB) issued Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68". The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014. Although not determinable, the impact of this statement on the net position of the entity is anticipated to be significant.

NOTE 2. INVESTMENTS

As of June 30, 2014, the District had the following investments in the Private Purpose Scholarship Fund.

	<u>Maturity</u>	<u>Term</u>	<u>Interest Rate</u>	<u>Fair Value</u>
Certificate of Deposit	9/14/14	12 Months	0.60%	\$1,631

Upon maturity in September 2014, the District renewed the certificate for an additional 13 month term at an interest rate of 1.00% per annum.

In addition, as of June 30, 2014 the District had \$478,582 on deposit with New Jersey ARM.

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

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

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

NOTE 3. CASH

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes

Hamilton Township School District
Notes to Financial Statements
June 30, 2014

requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2014, \$625,477 of the District's bank balance of \$4,966,145 was exposed to custodial credit risk.

NOTE 4. FIXED ASSETS

Capital asset activity for the year ended June 30, 2014 was as follows:

	<u>Balance June 30, 2013</u>	<u>Additions</u>	<u>Disposals/ Adjustments</u>	<u>Balance June 30, 2014</u>
Governmental Activities:				
Capital assets that are not being depreciated:				
Construction in progress	\$23,160,697			23,160,697
Land	1,423,600			1,423,600
Total capital assets not being depreciated	<u>24,584,297</u>	-	-	<u>24,584,297</u>
Site Improvements	406,883	96,611		503,494
Bldg and bldg improve	51,948,000	360,808		52,308,808
Machinery & equipment	2,902,008	90,134	(54,422)	2,937,720
Vehicles	95,047	19,609		114,656
Total at historical cost	<u>55,351,938</u>	<u>567,162</u>	<u>(54,422)</u>	<u>55,864,678</u>
Less accum depr for:				
Site improvements	(135,773)	(24,875)		(160,648)
Bldg and improve	(24,241,024)	(1,124,743)		(25,365,767)
Machinery & equipment	(2,461,982)	(151,336)	54,320	(2,558,998)
Vehicles	(82,840)	(6,520)		(89,360)
Total accum deprec	<u>(26,921,619)</u>	<u>(1,307,474)</u>	<u>54,320</u>	<u>(28,174,773)</u>
Total capital assets being depr, net of accum depr	<u>28,430,319</u>	<u>(740,312)</u>	<u>(102)</u>	<u>27,689,905</u>
Governmental activities capital assets, net	<u>53,014,616</u>	<u>(740,312)</u>	<u>(102)</u>	<u>52,274,202</u>
Business-type activities:				
Equipment	504,950	11,904		516,854
Less accum depr for:				
Equipment	(368,055)	(23,226)		(391,281)
Business-type activities capital assets, net	<u>\$136,895</u>	<u>(11,322)</u>	-	<u>125,573</u>

Hamilton Township School District
Notes to Financial Statements
June 30, 2014

Depreciation expense charged to governmental functions is as follows:

Regular instruction	\$	473,250
Special education		160,907
Other special instruction		67,765
Other instruction		6,612
Tuition		27,394
Student & instruction related services		168,123
School administrative expenses		79,217
General and business administration		60,483
Plant operations and maintenance		145,903
Student transportation services		117,820
	\$	<u>1,307,474</u>

NOTE 5. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Hamilton Township 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.

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

The activity of the capital reserve for the 2014 fiscal year is as follows:

Beginning balance, July 1	\$	1,809,044
Deposits –		
Board resolution adopted 11/19/13		350,000
Interest		2,167
Withdrawals		
Budgeted transfer		(350,000)
Board resolution adopted 11/19/13		(895,972)
Transfer to debt service fund		
For the payment of debt		(55,183)
Ending balance, June 30	\$	<u>860,056</u>

**Hamilton Township School District
Notes to Financial Statements
June 30, 2014**

NOTE 6: MAINTENANCE RESERVE FUND

New Jersey Administrative Code 6A:23A-14.2 permits school districts to establish a maintenance reserve account for the required maintenance of the District's facilities, in accordance with the Commissioner approved plan. The District can only increase the balance in this reserve account by appropriating funds in the annual general fund budget certified for taxes.

Beginning balance, July 1, 2013	\$	800,000
Increases		0
Withdrawals		0
Ending balance, June 30, 2014	\$	<u>800,000</u>

NOTE 7. GENERAL LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2014 was as follows:

	Balance		Balance		Amounts
	6-30-13	Issued	Retired	6-30-14	Due Within
					One year
Governmental Activities					
Bonds & loans payable:					
School bonds	\$ 22,734,000		3,800,000	18,934,000	3,880,000
Other liabilities:					
Compensated absences Payable	<u>2,171,273</u>	<u>178,599</u>	<u>238,999</u>	<u>2,110,873</u>	<u>79,045</u>
Governmental activities long-Term liabilities	<u>24,905,273</u>	<u>178,599</u>	<u>4,038,999</u>	<u>21,044,873</u>	<u>3,959,045</u>
Business-type Activities:					
Other liabilities:					
Compensated absences Payable	<u>44,753</u>	<u>6,136</u>	<u>3,163</u>	<u>47,726</u>	<u>0</u>
Business-type activities long-Term-liabilities	<u>\$ 44,753</u>	<u>6,136</u>	<u>3,163</u>	<u>47,726</u>	<u>0</u>

A. Bonds Payable:

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

Long-term debt as of June 30, 2014 consisted of the following:

\$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, 2014 is \$1,005,000.

**Hamilton Township School District
Notes to Financial Statements
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\$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, 2014 was \$2,715,000.

\$15,865,000 School Improvement Bonds dated July 15, 2003, due in annual installments through July 15, 2018, bearing interest at varying rates from 3.75% to 4.00% per annum. The Bonds scheduled for maturity on July 15, 2014 through July 15, 2018 were refunded on February 21, 2012. The total amount of bonds refunded was \$10,525,000. The balance remaining as of June 30, 2014 was \$0.

\$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, 2014 was \$462,000.

\$998,000 School Improvement bonds dated July 15, 2008, due in annual installments through July 15, 2018, bearing interest at a rate of 5.00% per annum. The balance remaining as of June 30, 2014 was \$568,000.

\$4,824,000 School Improvement Bonds dated June 23, 2010, due in annual installments through February 1, 2026, bearing interest at varying rates ranging from 2.0% to 4.0%. The balance remaining as of June 30, 2014 was \$4,109,000.

\$10,115,000 Refunding Bonds dated February 21, 2012 payable in annual installments through July 15, 2018. Interest is paid semiannually at varying rates ranging from 2.0% to 4.0% per annum. The total savings to the District was \$525,267, or 4.99% as a result of refunding the 2003 bond issue. The Bonds are not subject to redemption prior to their stated maturities. The balance remaining as of June 30, 2014 was \$10,075,000.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30,			
2015	\$ 3,880,000	669,298	4,549,298
2016	3,430,000	523,470	3,953,470
2017	2,915,000	395,841	3,310,841
2018	3,012,000	278,681	3,290,681
2019	2,993,000	160,272	3,153,272
2020-2024	1,810,000	376,226	2,186,226
2025-2027	894,000	53,520	947,520
	<u>\$ 18,934,000</u>	<u>2,457,308</u>	<u>21,391,308</u>

NOTE 8. SCHOOL CONSTRUCTION PROJECTS

The District was awarded \$412,429 in grant funding through the New Jersey Department of Education to fund various capital maintenance projects for repairs and replacement of building systems at various district buildings. The district has also transferred \$566,599 from capital outlay and capital reserve to fund these projects. As of June 30, 2014, the District has expended 100% of the funding on these projects.

Hamilton Township School District

Notes to Financial Statements

June 30, 2014

NOTE 9. PENSION PLANS

Description of Plans

All required employees of the District are covered by either the Public Employees' Retirement System or the Teacher's Pension and Annuity Fund cost-sharing multiple-employer defined benefit pension plans 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 both 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 or the reports can be accessed on the internet at: <http://www.state.nj.us/treasury/pensions/financial-rpts-home.shtml>.

Teachers' Pension and Annuity Fund

The Teachers' Pension and Annuity Fund was established in January, 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

The Public Employees' Retirement System was established in January, 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 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 (NJSA 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 NJSA 43:15C-1 et seq.

Funding Policy

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 6.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 11.1% and the PERS rate is 11.4% of covered payroll. The School District's contributions to TPAF

Hamilton Township School District Notes to Financial Statements June 30, 2014

for the years ending June 30, 2014, 2013, and 2012 were \$2,015,778, \$2,496,119, and \$1,669,810, respectively, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year. The School District's contributions to PERS for the years ending June 30, 2014, 2013, and 2012 were \$514,307, \$557,754, and \$548,255, respectively, equal to the required contributions for each year.

The Board's total payroll for the years ended June 30, 2014, 2013, and 2012, was \$27,242,850, \$24,875,854, and \$24,754,864; covered payroll was \$18,191,256, \$17,473,103, and \$17,477,628 for TPAF; and \$4,512,429, \$4,376,252, and \$4,411,762 for PERS.

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Teacher's Pension and Annuity Fund (TPAF) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS and TPAF hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the systems is increased from age 63 to 65 for Tier 5 members.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PERS active member rate increase from 8.5% to 10%. For fiscal year 2013, the member contribution rates increased in October 2012. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS and TPAF to $\frac{1}{60}$ th from $\frac{1}{55}$ th, and it provided that new members of PERS and TPAF have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS and TPAF will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. The law also requires the State to make its full pension contribution, defined a $\frac{1}{7}$ th of the required amount, beginning in fiscal years 2012.

**Hamilton Township School District
Notes to Financial Statements
June 30, 2014**

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State’s Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

NOTE 10. POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c. 6 required Teachers’ Pensions and Annuity Fund (TPAF) and the 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 of post-retirement medical benefits through the 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, 2013, there were 100,134 retirees eligible for post-retirement medical benefits, and the State contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. 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 to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members in Fiscal Year 2013.

NOTE 11. LABOR CONTRACTS

As of June 30, 2014, the District’s employees are organized in two collective bargaining units.

<u>Bargaining Unit</u>	<u>Employees Covered</u>	<u>Expiration</u>
Hamilton Township Education Association (HTEA)	All regularly employed certified and support personnel, as defined in Article 1 of the contract.	June 30, 2015
Supervisors, Coordinators and Directors Association	All supervisors, coordinators and directors, excluding the Superintendent, Business Administrator, Principals, Vice-Principals, Supervisor of Curriculum/Instruction, Supervisor of Instruction-Special Education, Supervisor of CST and Special Education programs, and all non-supervisory employees of the District.	June 30, 2016
Hamilton Township Administrator’s Association	All administrative staff excluding the Superintendent and Business Administrator	June 30, 2015

Hamilton Township School District
Notes to Financial Statements
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In addition to the above contracts, the Board of Education has entered into individual employment agreements with the Superintendent and Business Administrator. The expiration of these contracts will vary depending on the position.

NOTE 12. DEFERRED COMPENSATION

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

Equitable
Lincoln Investment Planning
Siracusa Benefits Program

NOTE 13. COMPENSATED ABSENCES

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

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. Sick leave benefits provide for ordinary sick pay and is capped based on the various employee contracts.

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees.

NOTE 14. LITIGATION

From time to time, the District is a defendant in legal proceedings relating to its operations as a school district. In the best judgment of the District's management, there are no potential legal proceedings that may have a material affect on the accompanying financial statements.

NOTE 15. FUND BALANCE APPROPRIATED

General Fund (Exhibit B-1) – Of the \$3,277,204 General Fund fund balance at June 30, 2014, \$385,545 is reserved for encumbrances, but not reflected as assigned on the balance sheet since the unassigned balance is negative; \$2,345,899 is reserved as excess surplus in accordance with NJSA 18A:7F-7 (\$1,574,496 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2015); \$860,056 has been reserved in the Capital Reserve Account; \$800,000 has been reserved in the Maintenance Reserve Account; \$70,254 has been appropriated and also included as anticipated revenue for the year ending June 30, 2015; and a deficit of \$799,005 is unreserved and undesignated, after adjusting for the encumbrance amount of \$385,545.

Hamilton Township School District Notes to Financial Statements June 30, 2014

Debt Service Fund – Of the Debt Service Fund fund balance at June 30, 2014, \$0 is reserved in accordance with N.J.S.A. 7F-41c(2) and \$159 is unreserved and undesignated.

NOTE 16. CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if the District did not appropriate a required minimum amount as budgeted fund balance in the subsequent years' budget. The excess fund balance at June 30, 2014 is \$2,345,899, of which \$1,574,496 has been included in the 2014-15 budget. The excess fund balance at June 30, 2013 was \$3,177,726.

NOTE 17. DEFICIT FUND BALANCE

The District has a deficit fund balance of \$799,005 in the General Fund and \$23,802 in the Special Revenue Fund as of June 30, 2014 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the school district can not recognize the June state aid payments (on the GAAP financial statements) until the year the State records the payable. This amount was \$2,141,262 in the General Fund and \$23,802 in the Special Revenue Fund. Due to the timing difference of recording the June state aid payments, the General Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The deficit in unreserved, undesignated general fund balance of \$799,005 is less than the last state aid payments.

NOTE 18. ECONOMIC DEPENDENCY

The District is heavily reliant on local property taxation and State aid to fund the District operations and debt service. During the 2013-2014 fiscal year, 95% of the Districts governmental operations were funded through property taxes and State Aid.

NOTE 19. RISK MANAGEMENT

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

Property and Liability Insurance – The District maintains commercial insurance coverage for property, liability and surety bonds. During the fiscal year ended June 30, 2014 the District did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

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

**Hamilton Township School District
Notes to Financial Statements
June 30, 2014**

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:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2013-2014	-	84,075	69,278	306,410
2012-2013	30,426	84,300	48,691	291,613
2011-2012	53,037	73,153	90,055	225,578

NOTE 20. INTERFUND RECEIVABLES AND PAYABLES

As of June 30, 2014, several interfunds remained on the various balance sheets of the Hamilton Township Board of Education.

	<u>From</u>	<u>To</u>
General Fund:		
Special Revenue Fund	\$146,302	
Food Service Fund	209	
Special Revenue Fund:		
General Fund		146,302
Food Service Fund:		
General Fund		209
	<u>\$146,511</u>	<u>146,511</u>

All interfunds are created as a result of timing differences between cash requirements in various funds and the receipt of cash from funding agencies. It is anticipated that all interfunds will be liquidated during the fiscal year.

NOTE 21. SUBSEQUENT EVENTS

The District has evaluated subsequent events through October 22, 2014, the date which the financial statements were available to be issued and no items were noted for disclosure or adjustment.

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Required Supplemental Information
Part II

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BUDGETARY COMPARISON SCHEDULES

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HAMILTON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 16,621,103		16,621,103	16,621,103	-
Tuition	20,000		20,000	9,564	(10,436)
Interest Earned on Maintenance Reserve Funds	750		750	-	(750)
Interest Earned on Capital Reserve Funds	1,650		1,650	2,167	517
Miscellaneous	95,502		95,502	116,740	21,238
Total - Local Sources	16,739,005	-	16,739,005	16,749,574	10,569
State Sources:					
Equalization Aid	19,321,187		19,321,187	19,321,187	-
Categorical Special Education Aid	1,746,258		1,746,258	1,746,258	-
Categorical Security Aid	764,626		764,626	764,626	-
Categorical Transportation Aid	728,399		728,399	728,399	-
Under Adequacy Aid	135,379		135,379	135,379	-
Special Education Extraordinary Aid	50,000		50,000	111,552	61,552
Nonpublic School Transportation Aid				10,480	10,480
Bullying Prevention				841	841
On-Behalf TPAF Pension Contributions (non-budgeted)				2,015,778	2,015,778
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,469,524	1,469,524
Total - State Sources	22,745,849	-	22,745,849	26,304,024	3,558,175
Federal Sources:					
Medical Assistance Program	56,458		56,458	89,365	32,907
Total - Federal Sources	56,458	-	56,458	89,365	32,907
Total Revenues	39,541,312	-	39,541,312	43,142,963	3,601,651

HAMILTON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	50,866	(31,601)	19,265	19,105	160
Kindergarten	693,633	139,027	832,660	830,668	1,992
Grades 1-5	5,628,837	242,088	5,870,925	5,866,391	4,534
Grades 6-8	3,874,323	199,469	4,073,792	4,072,907	885
Regular Programs - Home Instruction:					
Salaries of Teachers	15,000	14,000	29,000	25,234	3,766
Purchased Professional - Educational Services	15,000	(4,000)	11,000	694	10,306
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	378,687	56,745	435,432	432,295	3,137
Purchased Professional - Educational Services	6,800	3,430	10,230	6,206	4,024
Purchased Technical Services	100,346	-	100,346	94,590	5,756
Other Purchased Services	134,230	8,470	142,700	140,387	2,313
General Supplies	775,257	34,849	810,106	760,737	49,369
Textbooks	63,832	(31,325)	32,507	32,375	132
Other Objects	740	-	740	707	33
Total Regular Programs	11,737,551	631,152	12,368,703	12,282,296	86,407
Special Education - Instruction:					
Behavioral Disabilities					
Salaries of Teachers	48,707	(2,000)	46,707	45,913	794
Other Salaries for Instruction	13,610	11,175	24,785	22,426	2,359
General Supplies	1,000	(788)	212	212	-
Total Behavioral Disabilities	63,317	8,387	71,704	68,551	3,153
Multiple Disabilities					
Salaries of Teachers	557,750	116,812	674,562	673,935	627
Other Salaries for Instruction	79,451	169,704	249,155	243,979	5,176
Purchased Professional-Educational Services		8,702	8,702	8,702	-
General Supplies	20,481	(4,524)	15,957	15,534	423
Textbooks	5,000	(4,709)	291	291	-
Total Multiple Disabilities	662,682	285,985	948,667	942,441	6,226

HAMILTON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Resource Room/Resource Center					
Salaries of Teachers	2,326,755	366,320	2,693,075	2,690,205	2,870
General Supplies	50,000	(10,000)	40,000	32,709	7,291
Textbooks	4,000	(4,000)	-	-	-
Total Resource Room/Resource Center	2,380,755	352,320	2,733,075	2,722,914	10,161
Autism					
Salaries of Teachers	46,931	49,578	96,509	96,462	47
Other Salaries for Instruction	35,962	4,422	40,384	40,105	279
General Supplies	9,400	(2,865)	6,535	6,306	229
Total Autism	92,293	51,135	143,428	142,873	555
Preschool Disabilities - Part Time					
Salaries of Teachers	140,662	13,500	154,162	153,206	956
Other Salaries for Instruction	80,661	32,300	112,961	112,800	161
General Supplies	5,000	(909)	4,091	2,733	1,358
Total Preschool Disabilities - Part Time	226,323	44,891	271,214	268,739	2,475
Home Instruction					
Salaries of Teachers	44,000	(23,000)	21,000	18,153	2,847
Purchased Professional-Educational Services	25,000	-	25,000	2,685	22,315
Total Preschool Disabilities - Full Time	69,000	(23,000)	46,000	20,838	25,162
Total Special Education - Instruction	3,494,370	719,718	4,214,088	4,166,356	47,732
Basic Skills/Remedial - Instruction					
Salaries of Teachers	1,288,084	26,271	1,314,355	1,302,898	11,457
Total Basic Skills/Remedial - Instruction	1,288,084	26,271	1,314,355	1,302,898	11,457
Bilingual Education - Instruction:					
Salaries of Teachers	337,537	119,173	456,710	456,705	5
Total Bilingual Education - Instruction	337,537	119,173	456,710	456,705	5

HAMILTON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
School Sponsored Cocurricular Activities - Instruction:					
Salaries	126,833	(28,250)	98,583	69,147	29,436
Supplies and Materials	9,100	-	9,100	8,854	246
Other Objects	1,050	-	1,050	350	700
Total School Sponsored Cocurricular Activities - Instruction	136,983	(28,250)	108,733	78,351	30,382
School Sponsored Athletics:					
Salaries	42,506	6,250	48,756	48,714	42
Purchased Services	4,463	-	4,463	3,717	746
Supplies and Materials	8,100	-	8,100	5,759	2,341
Other Objects	2,750	-	2,750	1,713	1,037
School Sponsored Athletics:	57,819	6,250	64,069	59,903	4,166
Total Instruction	17,052,344	1,474,314	18,526,658	18,346,509	180,149
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	25,200	59,000	84,200	78,819	5,381
Tuition to Other LEAs Within the State - Special	57,600	15,766	73,366	73,075	291
Tuition to CSSD & Regional Day Schools	812,659	(521,016)	291,643	231,430	60,213
Tuition to Private Schools for the Disabled - Within State	168,489	34,000	202,489	202,386	103
Tuition - Other	47,000	17,250	64,250	64,245	5
Total Undistributed Expenditures - Instruction	1,110,948	(395,000)	715,948	649,955	65,993

HAMILTON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Attendance and Social Work:					
Salaries	130,565	14,830	145,395	145,357	38
Other Purchased Services	-	225	225	225	-
Total Undistributed Expenditures - Attendance and Social Work	130,565	15,055	145,620	145,582	38
Undistributed Expenditures - Health Services:					
Salaries	288,054	40,234	328,288	328,009	279
Purchased Professional and Technical Services	9,082	14,194	23,276	22,860	416
Other Purchased Services	800	(219)	581	566	15
Supplies and Materials	6,627	3,282	9,909	9,718	191
Total Undistributed Expenditures - Health Services	304,563	57,491	362,054	361,153	901
Undistributed Expenditures - Other Support Services - Students - Related Services:					
Salaries of Other Professional Staff	564,153	58,196	622,349	622,344	5
Purchased Professional - Educational Services	51,500	(42,750)	8,750	8,750	-
Supplies and Materials	11,330	(7,300)	4,030	3,944	86
Total Undistributed Expenditures - Other Support Services - Students - Related Services	626,983	8,146	635,129	635,038	91
Undistributed Expenditures - Other Support Services - Students - Extra Services:					
Salaries	727,658	42,179	769,837	766,780	3,057
Other Purchased Professional and Technical Services	137,500	(60,000)	77,500	72,484	5,016
Supplies and Materials	7,725	(4,780)	2,945	2,822	123
Total Undistributed Expenditures - Other Support Services - Extra Services	872,883	(22,601)	850,282	842,086	8,196

HAMILTON TOWNSHIP SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Other Support Services -					
Students - Guidance:					
Salaries of Other Professional Staff	461,348	33,034	494,382	494,338	44
Other Purchased Services	175	(125)	50	48	2
Supplies and Materials	3,250	(786)	2,464	2,462	2
Total Undistributed Expenditures - Other Support Services -	464,773	32,123	496,896	496,848	48
Undistributed Expenditures - Other Support Services -					
Students - Child Study Team:					
Salaries of Other Professional Staff	677,340	(53,569)	623,771	616,328	7,443
Salaries of Secretarial and Clerical Assistants	116,121	5,800	121,921	118,976	2,945
Other Salaries	89,906	(14,715)	75,191	71,340	3,851
Other Purchased Professional and Technical Services	117,213	-	117,213	108,163	9,050
Miscellaneous Purchased Services	25,121	(1,425)	23,696	21,370	2,326
Supplies and Materials	23,632	(9,509)	14,123	12,016	2,107
Other Objects	1,500	-	1,500	548	952
Total Undistributed Expenditures - Other Support Services -	1,050,833	(73,418)	977,415	948,741	28,674
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	131,392	-	131,392	129,196	2,196
Salaries of Other Professional Staff	261,505	(68,755)	192,750	183,486	9,264
Salaries of Secretarial and Clerical Assistants	35,627	-	35,627	32,296	3,331
Other Purchased Services	3,250	-	3,250	610	2,640
Supplies and Materials	1,250	(375)	875	865	10
Other Objects	500	(25)	475	80	395
Total Undistributed Expenditures - Improv. of Instr. Services	433,524	(69,155)	364,369	346,533	17,836

HAMILTON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Educational Media Services - School Library					
Salaries	284,804	40,832	325,636	325,632	4
Salaries of Technology Coordinators	111,271	-	111,271	109,411	1,860
Purchased Professional and Technical Services	1,381	-	1,381	901	480
Other Purchased Services	250	-	250	235	15
Supplies and Materials	17,884	(2,483)	15,401	14,100	1,301
Other Objects	100	-	100	-	100
Total Undistributed Expenditures - Educational Media Services - School Library	415,690	38,349	454,039	450,279	3,760
Undistributed Expenditures - Instructional Staff Training Services					
Salaries of Other Professional Staff	16,000	12,000	28,000	26,678	1,322
Purchased Professional - Educational Services	90,000	(21,655)	68,345	63,283	5,062
Other Purchased Services	24,600	(15,688)	8,912	8,217	695
Supplies and Materials	-	2,931	2,931	2,931	-
Total Undistributed Expenditures - Instructional Staff Training Srvc School Library	130,600	(22,412)	108,188	101,109	7,079
Undistributed Expenditures - Support Services - Gen. Admin.:					
Salaries	289,076	13,700	302,776	302,557	219
Legal Services	80,000	64,379	144,379	144,378	1
Audit Fees	24,000	-	24,000	24,000	-
Architectural/Engineering Services	152,555	(93,915)	58,640	49,363	9,277
Other Purchased Professional Services	30,000	(804)	29,196	28,172	1,024
Communications/Telephone	139,500	(11,620)	127,880	127,879	1
Other Purchased Services	2,000	-	2,000	1,350	650
Miscellaneous Purchased Services	206,663	8,448	215,111	214,276	835
General Supplies	16,096	(4,991)	11,105	10,040	1,065
BOE In-House Training/Meeting Supplies	2,000	-	2,000	1,367	633
Miscellaneous Expenditures	5,000	(1,241)	3,759	3,758	1
BOE Membership Dues and Fees	17,000	-	17,000	16,435	565
Total Undistributed Expenditures - Support Services - Gen. Admin.	963,890	(26,044)	937,846	923,575	14,271

HAMILTON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Support Serv. - School Admin.:					
Salaries of Principals/Assistant Principals	822,891	(36,000)	786,891	786,778	113
Salaries of Other Professional Staff	106,880	(1,780)	105,100	105,093	7
Salaries of Secretarial and Clerical Assistants	405,097	38,496	443,593	443,333	260
Purchased Professional and Technical Services	800	(720)	80	80	-
Other Purchased Services	61,425	(34,516)	26,909	26,909	-
Supplies and Materials	146,543	(82,523)	64,020	64,019	1
Other Objects	4,115	(3,240)	875	875	-
Total Undistributed Expenditures - Support Serv. - School Admin.	1,547,751	(120,283)	1,427,468	1,427,087	381
Undistributed Expenditures - Central Services					
Salaries	302,759	7,748	310,507	309,882	625
Purchased Professional Services	14,100	2,875	16,975	16,973	2
Miscellaneous Purchased Services (400-500 series)	3,100	(2,000)	1,100	907	193
Supplies and Materials	11,189	(6,615)	4,574	4,574	-
Miscellaneous Expenditures	3,500	(2,035)	1,465	1,465	-
Total Undistributed Expenditures - Central Services	334,648	(27)	334,621	333,801	820
Undistributed Expenditures - Administrative Information Technology					
Salaries	257,306	30,148	287,454	287,295	159
Purchased Professional Services	5,000	-	5,000	4,989	11
Other Purchased Services	7,500	(6,409)	1,091	1,091	-
Supplies and Materials	65,000	(50,255)	14,745	14,737	8
Total Undistributed Expenditures - Admin. Information Technology	334,806	(26,516)	308,290	308,112	178
Undistributed Expenditures - Required Maint for School Facilities					
Salaries	304,174	37,640	341,814	341,302	512
Cleaning, Repair, and Maintenance Services	305,941	(75,000)	230,941	213,424	17,517
General Supplies	172,703	(32,000)	140,703	135,437	5,266
Total Undistributed Expenditures - Required Maint for School Facilities	782,818	(69,360)	713,458	690,163	23,295

HAMILTON TOWNSHIP SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Custodial Services					
Salaries	1,316,832	114,786	1,431,618	1,419,802	11,816
Cleaning, Repair and Maintenance Services	121,215	(53,000)	68,215	62,330	5,885
Other Purchased Property Services	95,000	(9,800)	85,200	80,570	4,630
Insurance	98,909	(3,000)	95,909	94,768	1,141
Miscellaneous Purchased Services	18,754	(7,000)	11,754	10,361	1,393
General Supplies	249,000	(64,500)	184,500	178,532	5,968
Energy (Electricity)	984,010	(148,240)	835,770	810,863	24,907
Other Objects	750	-	750	675	75
Energy (Natural Gas)	299,743	(25,600)	274,143	270,676	3,467
Energy (Oil)	2,400	(2,400)	-	-	-
Total Undistributed Expenditures - Custodial Services	3,186,613	(198,754)	2,987,859	2,928,577	59,282
Undistributed Expenditures - Care & Upkeep of Grounds					
Salaries	69,240	10,500	79,740	76,122	3,618
Cleaning, Repair and Maintenance Services	8,500	1,015	9,515	9,514	1
General Supplies	23,160	(475)	22,685	21,418	1,267
Total Undistributed Expenditures - Care & Upkeep of Grounds	100,900	11,040	111,940	107,054	4,886
Total Undistributed Expenditures - Oper & Main of Plant Services	4,070,331	(257,074)	3,813,257	3,725,794	87,463
Undistributed Expenditures - Student Transportation Services:					
Sal for Pupil Transp (Between Home and School)-Reg.	69,471	4,500	73,971	73,635	336
Contracted Services - (Between Home and School) - Vendors	120,000	21,000	141,000	120,026	20,974
Contracted Services - (Other than Between Home and School) - Vendors	107,900	(4,000)	103,900	82,281	21,619
Contracted Services - (Between Home and School) - Joint Agreements	1,989,260	(193,851)	1,795,409	1,726,334	69,075
Contracted Services - (Special Ed Students) - Vendors	2,000	(2,000)	-	-	-
Contracted Services - (Special Ed Students) - Joint Agree.	829,000	6,814	835,814	830,963	4,851
Contracted Services - Aid in Lieu of Payments-Non Public	75,000	27,226	102,226	102,226	-
Contracted Services - Aid in Lieu of Payments - Charter School	25,000	(24,100)	900	-	900
Contracted Services - Aid in Lieu of Payments - Choice School	14,000	1,112	15,112	15,028	84
Miscellaneous Purchased Services - Transportation	3,100	6,200	9,300	9,289	11
General Supplies	600	921	1,521	1,028	493
Miscellaneous Expenditures	150	-	150	-	150
Total Undistributed Expenditures - Student Transportation Serv.	3,235,481	(156,178)	3,079,303	2,960,810	118,493

HAMILTON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Unallocated Benefits:					
Social Security Contributions	496,282	(22,000)	474,282	470,557	3,725
Other Retirement Contributions - PERS	673,637	(100,000)	573,637	514,307	59,330
Unemployment Compensation	30,000	(30,000)	-	-	-
Workmen's Compensation	238,434	-	238,434	228,594	9,840
Health Benefits	6,817,556	(173,495)	6,644,061	6,565,935	78,126
Tuition Reimbursement	83,200	(10,000)	73,200	59,229	13,971
Other Employee Benefits	125,850	(20,000)	105,850	99,368	6,482
Total Unallocated Benefits	8,464,959	(355,495)	8,109,464	7,937,990	171,474
On-behalf TPAF Pension Contributions (non-budgeted)					
Reimbursed TPAF Social Security Contributions (non-budgeted)				2,015,778	(2,015,778)
				1,469,524	(1,469,524)
Total On-behalf Contributions	-	-	-	3,485,302	(3,485,302)
Total Undistributed Expenditures	24,493,228	(1,373,039)	23,120,189	26,079,795	(2,959,606)
Total Current Expense	41,545,572	101,275	41,646,847	44,426,304	(2,779,457)
Capital Outlay:					
Interest Deposit to Capital Reserve	1,650	-	1,650	-	1,650
Total Interest Deposit to Capital Reserve	1,650	-	1,650	-	1,650
Equipment:					
Undistributed Expenditures:					
Support Services - Sponsored and Other Instructional Programs	3,400	-	3,400	3,399	1
Support Services - Health Services	3,100	2,900	6,000	2,350	3,650
Support Services - Related & Extra Services	11,000	(11,000)	-	-	-
Undist. Expend. - Admin Info Tech.	88,830	-	88,830	81,715	7,115
Undist. Expend. - Required Maintenance		2,670	2,670	2,670	-
Undist. Expend. - Custodial Services	20,000	(391)	19,609	19,609	-
Total Equipment	126,330	(5,821)	120,509	109,743	10,766

HAMILTON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Facilities Acquisition and Construction Services:					
Construction Services	895,972	-	895,972	457,419	438,553
Debt service assessment on SDA funding	110,602	-	110,602	110,602	-
Total Facilities Acquisition and Construction Services	1,006,574	-	1,006,574	568,021	438,553
Total Capital Outlay	1,134,554	(5,821)	1,128,733	677,764	450,969
Transfer to Charter Schools	95,454	(95,454)	-	-	-
Total Expenditures	42,775,580	-	42,775,580	45,104,068	(2,328,488)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,234,268)	-	(3,234,268)	(1,961,105)	1,273,163
Other Financing Sources (Uses):					
Interest earned on Maintenance Reserve	(750)	-	(750)	-	750
Operating Transfers In:					
Transfer from Capital Projects Fund					
Withdrawal from Capital Reserve for Local Share	55,183	-	55,183	-	(55,183)
Withdrawal from Capital Reserve-Excess Cost & Other Capital Projects	895,972	-	895,972	-	(895,972)
Operating Transfers Out:					
Local Contribution-Transfer to Special Revenue - Regular	(115,253)	-	(115,253)	(115,253)	-
Capital Reserve Transfer to Pay Debt Service	(55,183)	-	(55,183)	(55,183)	-

HAMILTON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,454,299)	-	(2,454,299)	(2,131,541)	322,758
Fund Balances, July 1	7,550,007		7,550,007	7,550,007	-
Fund Balances, June 30	<u>5,095,708</u>	<u>-</u>	<u>5,095,708</u>	<u>5,418,466</u>	<u>322,758</u>

Recapitulation of Fund Balance:

Restricted Fund Balance:

Reserve for Excess Surplus	771,403
Excess Surplus-Designated for Subsequent Year's Expenditures	1,574,496

Committed Fund Balance:

Reserve for Capital Reserve	860,056
Reserve for Maintenance Reserve	800,000
Designated for Subsequent Year's Expenditures	70,254

Assigned Fund Balance:

Year-end Encumbrances	385,545
-----------------------	---------

Unassigned Fund Balance

	<u>956,712</u>
	5,418,466

Reconciliation to Governmental Funds Statements (GAAP)
 Last State Aid Payment Not Recognized on GAAP Basis

	<u>(2,141,262)</u>
\$	<u>3,277,204</u>

HAMILTON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
State Sources:					
Preschool Education Aid	238,016	-	238,016	238,016	-
Nonpublic aid	121,322	19,080	140,402	122,951	(17,451)
Total - State Sources	359,338	19,080	378,418	360,967	(17,451)
Federal Sources:					
Title I	285,209	164,462	449,671	434,235	(15,436)
Title II	53,089	19,245	72,334	72,335	1
Title III	10,770	15,852	26,622	26,623	1
I.D.E.A., Part B	590,408	169,134	759,542	756,735	(2,807)
Other	-	43,688	43,688	43,688	-
Total - Federal Sources	939,476	412,381	1,351,857	1,333,616	(18,241)
Total Revenues	1,298,814	431,461	1,730,275	1,694,583	(35,692)
EXPENDITURES:					
Instruction					
Salaries of Teachers	216,272	251,728	468,000	462,891	5,109
Other Salaries for Instruction	77,451	-	77,451	77,451	-
Other Professional Services	111,826	16,301	128,127	110,676	17,451
Purchased Professional and Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	590,408	157,895	748,303	748,303	-
General Supplies	359,629	(178,764)	180,865	172,104	8,761
Textbooks	6,935	2,060	8,995	8,995	-
Total instruction	1,362,521	249,220	1,611,741	1,580,420	31,321

HAMILTON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
EXPENDITURES (CONT'D):					
Support Services					
Salaries of Program Directors		16,062	16,062	16,062	-
Salaries of Secretarial and Clerical Assistants	14,691	-	14,691	14,691	-
Personal Services - Employee Benefits	36,855	55,875	92,730	92,339	391
Purchased Technical Services		98,144	98,144	94,311	3,833
Travel		7,634	7,634	7,634	-
Supplies & Materials		4,303	4,303	4,156	147
Miscellaneous Expenses		223	223	223	-
Total support services	51,546	182,241	233,787	229,416	4,371
Facilities acquisition and construction services:					
Instructional Equipment		-	-	-	-
Total facilities acquisition and construction services	-	-	-	-	-
Transfers to Charter Schools					
		-	-	-	-
Total expenditures	1,414,067	431,461	1,845,528	1,809,836	35,692
Other financing sources (uses)					
Transfer from other funds	115,253	-	115,253	115,253	-
Total other financing sources (uses)	115,253	-	115,253	115,253	-
Total outflows	1,298,814	431,461	1,730,275	1,694,583	35,692
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	-	-	-	-

HAMILTON TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2014

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

	General Fund	Special Revenue
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 43,142,963	1,694,583
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized		
Prior year		3,748
Current year		(17,502)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	2,160,491	24,643
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(2,141,262)	(23,802)
Total revenues reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	43,162,192	1,681,670
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	45,104,068	1,809,836
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes		
Prior year		3,748
Current year		(17,502)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 45,104,068	1,796,082

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SPECIAL REVENUE FUND

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HAMILTON TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenue and Expenditures
Budgetary Basis
For Fiscal Year Ended June 30, 2014

	Nonpublic Textbooks	Compensatory Education	Nonpublic Auxiliary Aid English As A Second Language	Examination & Classification	Nonpublic Handicapped Aid Corrective Speech	Supplemental Instruction	Nonpublic Nursing	Nonpublic Technology
REVENUES:								
State Sources	\$ 8,995	65,654	610	10,033	14,843	6,938	12,598	3,280
Federal Sources								
Total revenues	<u>8,995</u>	<u>65,654</u>	<u>610</u>	<u>10,033</u>	<u>14,843</u>	<u>6,938</u>	<u>12,598</u>	<u>3,280</u>
EXPENDITURES:								
Instruction:								
Salaries of teachers								
Other salaries for instruction								
Purchased prof. and technical services								
Other professional services		65,654	610	10,033	14,843	6,938	12,598	
Other purchased services								
General supplies								3,280
Textbooks	8,995							
Total instruction	<u>8,995</u>	<u>65,654</u>	<u>610</u>	<u>10,033</u>	<u>14,843</u>	<u>6,938</u>	<u>12,598</u>	<u>3,280</u>
Support services:								
Salaries of program directors								
Salaries of secretarial and clerical assistants								
Personal services- employee benefits								
Purchased technical services								
Travel								
Supplies and materials								
Miscellaneous expenses								
Total support services	-	-	-	-	-	-	-	-
Facilities acquisition and const. serv.:								
Instructional equipment								
Total facilities acquisition and construction services	-	-	-	-	-	-	-	-
Transfer to charter schools								
Total expenditures	<u>8,995</u>	<u>65,654</u>	<u>610</u>	<u>10,033</u>	<u>14,843</u>	<u>6,938</u>	<u>12,598</u>	<u>3,280</u>
Other financing sources (uses)								
Transfer from other funds								
Total outflows	<u>8,995</u>	<u>65,654</u>	<u>610</u>	<u>10,033</u>	<u>14,843</u>	<u>6,938</u>	<u>12,598</u>	<u>3,280</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	-	-	-	-	-	-	-

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenue and Expenditure
Budgetary Basis
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Preschool Education Aid	Total State Funds	I.D.E.A. Part - B Basic	Carryover I.D.E.A. Part - B Basic	I.D.E.A. Part - B Preschool	Title I Part A	Carryover Title I Part A	Title II Part A	Carryover Title II Part A
REVENUES:									
State Sources	238,016	360,967			30,699	339,090	95,145	69,923	2,412
Federal Sources	-	-	745,157	11,578	30,699	339,090	95,145	69,923	2,412
Total revenues	<u>238,016</u>	<u>360,967</u>	<u>745,157</u>	<u>11,578</u>	<u>30,699</u>	<u>339,090</u>	<u>95,145</u>	<u>69,923</u>	<u>2,412</u>
EXPENDITURES:									
Instruction:									
Salaries of teachers	216,272	216,272	4,253			182,287	7,544	39,240	
Other salaries for instruction	77,451	77,451							
Purchased prof. and technical services	-	-							
Other professional services	110,676	110,676	717,604		30,699	69,287	77,735	4,986	1,412
Other purchased services	-	-							
General supplies	8,000	11,280							
Textbooks	-	8,995							
Total instruction	<u>301,723</u>	<u>424,674</u>	<u>721,857</u>	<u>-</u>	<u>30,699</u>	<u>251,574</u>	<u>85,279</u>	<u>44,226</u>	<u>1,412</u>
Support services:									
Salaries of program directors	14,691	14,691				14,553			
Salaries of secretarial and clerical assistants	36,855	36,855	325	11,578		43,733	577	8,555	
Personal services- employee benefits	-	-	22,975			23,494	9,289	16,975	
Purchased technical services	-	-				5,736			
Travel	-	-						167	1,000
Supplies and materials	-	-							
Miscellaneous expenses	-	-							
Total support services	<u>51,546</u>	<u>51,546</u>	<u>23,300</u>	<u>11,578</u>	<u>-</u>	<u>87,516</u>	<u>9,866</u>	<u>25,697</u>	<u>1,000</u>
Facilities acquisition and const. serv.:									
Instructional equipment	-	-							
Total facilities acquisition and construction services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfer to charter schools	-	-							
Total expenditures	<u>353,269</u>	<u>476,220</u>	<u>745,157</u>	<u>11,578</u>	<u>30,699</u>	<u>339,090</u>	<u>95,145</u>	<u>69,923</u>	<u>2,412</u>
Other financing sources (uses)	115,253	115,253							
Transfer from other funds	238,016	360,967	745,157	11,578	30,699	339,090	95,145	69,923	2,412
Total outflows	<u>353,285</u>	<u>491,480</u>	<u>745,157</u>	<u>11,578</u>	<u>30,699</u>	<u>339,090</u>	<u>95,145</u>	<u>69,923</u>	<u>2,412</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Revenue and Expenditure
 Budgetary Basis
 FOR THE FISCAL YEAR ENDED June 30, 2014

	Title III English Language Enhancement	Carryover Title III ELH	Carryover Title III Immigrant	Race to the Top	Total Federal Funds	Totals
REVENUES:						
State Sources	18,287	2,899	5,437	12,989	1,333,616	360,967
Federal Sources	18,287	2,899	5,437	12,989	1,333,616	1,333,616
Total revenues	<u>18,287</u>	<u>2,899</u>	<u>5,437</u>	<u>12,989</u>	<u>1,333,616</u>	<u>1,694,583</u>
EXPENDITURES:						
Instruction:						
Salaries of teachers	11,212		2,083		246,619	462,891
Other salaries for instruction						77,451
Purchased prof. and technical services						-
Other professional services					748,303	110,676
Other purchased services	2,935	2,899	1,570		160,824	748,303
General supplies						172,104
Textbooks						8,995
Total instruction	<u>14,147</u>	<u>2,899</u>	<u>3,653</u>	<u>-</u>	<u>1,155,746</u>	<u>1,560,420</u>
Support services:						
Salaries of program directors			1,509		16,062	16,062
Salaries of secretarial and clerical assistants						14,691
Personal services- employee benefits	2,019		275	10,000	55,484	92,339
Purchased technical services					94,311	94,311
Travel	1,898				7,634	7,634
Supplies and materials				2,989	4,156	4,156
Miscellaneous expenses	223				223	223
Total support services	<u>4,140</u>	<u>-</u>	<u>1,784</u>	<u>12,989</u>	<u>177,870</u>	<u>229,416</u>
Facilities acquisition and const. serv.:						
Instructional equipment						-
Total facilities acquisition and construction services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfer to charter schools						
Total expenditures	<u>18,287</u>	<u>2,899</u>	<u>5,437</u>	<u>12,989</u>	<u>1,333,616</u>	<u>1,809,836</u>
Other financing sources (uses)						
Transfer from other funds						115,253
Total outflows	<u>18,287</u>	<u>2,899</u>	<u>5,437</u>	<u>12,989</u>	<u>1,333,616</u>	<u>1,694,583</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

HAMILTON TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2014

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 216,272	216,272	
Other Salaries for Instruction	77,451	77,451	
General Supplies	<u>8,000</u>	<u>8,000</u>	
Total Instruction	<u>301,723</u>	<u>301,723</u>	<u>-</u>
Support Services:			
Salaries of Secr and Clerical Assistants	14,691	14,691	
Personnel Services - Employee Benefits	<u>36,855</u>	<u>36,855</u>	
Total Support Services	<u>51,546</u>	<u>51,546</u>	<u>-</u>
Total Expenditures	<u>\$ 353,269</u>	<u>353,269</u>	<u>-</u>

Total Revised 2013-14 Preschool Education Aid Allocation	238,016
Add: Actual ECPA Carryover (June 30, 2013)	-
Add: Budgeted Transfer from General Fund 2013-14	<u>115,253</u>
Total Preschool Education Aid Funds Available for 2013-14 Budget	353,269
Less: 2013-14 Budgeted Preschool Education Aid (including prior year budgeted carryover)	<u>353,269</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2014	-
Add: June 30, 2014 Unexpended Preschool Education Aid	-
2013-14 Carryover - Preschool Education Aid Programs	<u>-</u>
2013-14 Preschool Education Aid Carryover Budgeted for Preschool Programs 2014-15	<u>-</u>

CAPITAL PROJECTS FUND

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HAMILTON TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Statement of Project Expenditures
Year Ended June 30, 2014

Number	Issue/Project Title	Original Date	Appropriations	Expenditures to Date		Transfers (Out)	Unexpended Balance
				Prior Years	Expended		
#1940-120-03-0418	William Davies Middle School Addition	4/17/2003	\$ 24,234,445	24,184,445			50,000
#1940-055/060-120-09-2000	Solar Roof Project	9/29/2009	4,824,000	3,705,888		(188,807)	929,305
Totals			\$ 29,058,445	27,890,333	-	(188,807)	979,305

HAMILTON TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Projects Revenues, Expenditures, and Changes in
Fund Balance - Budgetary Basis
For the Year Ended June 30, 2014

Revenues and other Financing Sources

State sources -		
School Facilities Grant Program	\$	-
NJ Department of Treasury Grant		-
NJ Economic Development Authority		-
Bond proceeds and transfers		-
Township of Egg Harbor		-
Transfer from capital reserve		-
Transfer from capital outlay		-
Total revenues		<u>-</u>

Expenditures and other Financing Uses

Salaries		-
Purchased professional and technical services		-
Legal services		-
Land and improvements		-
Construction services		-
Equipment purchases		-
Total expenditures		<u>-</u>

Other financing sources (uses):

Transfer to debt service fund		(188,807)
Transfers out to general fund		-
Total other financing sources (uses)		<u>(188,807)</u>

Excess (deficiency) of revenues over (under) expenditures (188,807)

Fund balance - beginning 1,182,766

Fund balance - ending \$ 993,959

HAMILTON TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Projects 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, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Costs
Revenues and other Financing Sources				
State sources -				
SCC Grant	\$ 8,329,210		8,329,210	8,329,210
NJ Department of Treasury Grant			-	-
NJ Economic Development Authority			-	-
Bond proceeds and transfers	15,865,000		15,865,000	15,865,000
Township of Hamilton			-	-
Transfer from capital reserve	16,579		16,579	16,579
Transfer from capital outlay	23,656		23,656	23,656
Total revenues	<u>24,234,445</u>	<u>-</u>	<u>24,234,445</u>	<u>24,234,445</u>
Expenditures and other Financing Uses				
Salaries			-	-
Purchased professional and technical services	2,010,002		2,010,002	2,010,002
Legal services			-	-
Contingency			-	-
Construction services	21,261,476		21,261,476	21,310,616
Furniture & equipment purchases	912,967		912,967	913,827
Total expenditures	<u>24,184,445</u>	<u>-</u>	<u>24,184,445</u>	<u>24,234,445</u>
Other financing sources (uses):				
Transfer to debt service fund			-	-
Transfers out			-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 50,000</u>	<u>-</u>	<u>50,000</u>	<u>-</u>

Additional project information:

Project number	1940-120-03-0418
Grant date	4/17/03
Bond Authorization Date	3/11/03
Bonds Authorized	15,865,000
Bonds Issued	15,865,000
Original Authorized Cost	24,194,210
Additional Authorized Cost	40,235
Revised Authorized Cost	24,234,445

Percentage Increase over Original Authorized Cost	0.17%
Percentage Completion	99.79%
Original target completion date	Sep-05
Revised target completion date	Jun-12

HAMILTON TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Projects Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Solar Roof Project - 2010 Bonds
From Inception and for the Year Ended June 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Costs
Revenues and other Financing Sources				
State sources -				
School Facilities Grant Program			-	
NJ Department of Treasury Grant			-	
NJ Economic Development Authority			-	
Bond proceeds and transfers	\$ 4,824,000		4,824,000	4,824,407
Township of Hamilton			-	
Transfer from capital reserve			-	
Transfer from capital outlay			-	
Total revenues	<u>4,824,000</u>	<u>-</u>	<u>4,824,000</u>	<u>4,824,407</u>
Expenditures and other Financing Uses				
Salaries			-	
Purchased professional and technical services	348,458		348,458	454,140
Legal services	17,581		17,581	1,507
Contingency			-	
Construction services	3,135,230		3,135,230	3,859,525
Furniture & equipment purchases	2,500		2,500	509,235
Total expenditures	<u>3,503,769</u>	<u>-</u>	<u>3,503,769</u>	<u>4,824,407</u>
Other financing sources (uses):				
Transfer to debt service fund	(201,709)	(188,807)	(390,516)	
Transfers out			-	
Total other financing sources (uses)	<u>(201,709)</u>	<u>(188,807)</u>	<u>(390,516)</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,118,522</u>	<u>(188,807)</u>	<u>929,715</u>	<u>-</u>

Additional project information:

Project number	1940-060/055/120-09-2000
Grant date	N/A
Bond Authorization Date	9/29/09
Bonds Authorized	4,824,000
Bonds Issued	4,824,000
Original Authorized Cost	4,824,407
Additional Authorized Cost	
Revised Authorized Cost	4,824,407
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	72.63%
Original target completion date	6/30/11
Revised target completion date	6/30/12

PROPRIETARY FUNDS

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HAMILTON TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Net Position
June 30, 2014

G-1

	Non-Major Funds			Total Non-Major Funds
	Food Service	Kids Corner Program	Community Education	
ASSETS:				
Cash and cash equivalents	\$ 78,445	118,845	328,637	525,927
Accounts Receivable:				
State	2,541			2,541
Federal	82,356			82,356
Other	18,637	1,684	2,500	22,821
Inventories	18,894			18,894
Total Current Assets	<u>200,873</u>	<u>120,529</u>	<u>331,137</u>	<u>652,539</u>
Fixed Assets:				
Equipment	475,548	2,353	38,953	516,854
Accumulated depreciation	(370,432)	(2,353)	(18,496)	(391,281)
Total fixed assets	<u>105,116</u>	<u>-</u>	<u>20,457</u>	<u>125,573</u>
Total assets	<u>305,989</u>	<u>120,529</u>	<u>351,594</u>	<u>778,112</u>
LIABILITIES				
Current liabilities:				
Interfund payable	209			209
Accounts payable	13,501		-	13,501
Deferred revenue	2,881			2,881
Total current liabilities	<u>16,591</u>	<u>-</u>	<u>-</u>	<u>16,591</u>
Noncurrent liabilities:				
Compensated absences	47,726			47,726
Total noncurrent liabilities	<u>47,726</u>	<u>-</u>	<u>-</u>	<u>47,726</u>
Total liabilities	<u>64,317</u>	<u>-</u>	<u>-</u>	<u>64,317</u>
NET POSITION				
Net investment in capital assets	105,116	-	20,457	125,573
Unrestricted	136,556	120,529	331,137	588,222
Total net position	<u>241,672</u>	<u>120,529</u>	<u>351,594</u>	<u>713,795</u>
Total liabilities and net position	<u>\$ 305,989</u>	<u>120,529</u>	<u>351,594</u>	<u>778,112</u>

HAMILTON TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Revenues, Expenses
and Changes in Fund Net Position
For the Fiscal Year ended June 30, 2014

	Non-Major Funds			Total Non-Major Funds
	Food Service	Kids Corner Program	Community Education	
OPERATING REVENUES:				
Local Sources:				
Daily sales- reimbursable programs				
School lunch and special milk program	\$ 349,832			349,832
Daily sales non- reimbursable programs	142,634			142,634
Special functions	21,130			21,130
Community service activities	13,285	268,409	243,520	525,214
Miscellaneous	9,946			9,946
	<hr/>	<hr/>	<hr/>	<hr/>
Total Operating Revenues	536,827	268,409	243,520	1,048,756
OPERATING EXPENSES:				
Salaries	672,473	175,304	165,317	1,013,094
Employee benefits	210,220	38,234	13,841	262,295
Supplies & Materials	59,736	21,140	31,125	112,001
Depreciation	20,172		3,054	23,226
Cost of sales	698,695			698,695
Other expenses	11,293	67	10,470	21,830
	<hr/>	<hr/>	<hr/>	<hr/>
Total operating expenses	1,672,589	234,745	223,807	2,131,141
Operating income/(loss)	<u>(1,135,762)</u>	<u>33,664</u>	<u>19,713</u>	<u>(1,082,385)</u>
Nonoperating revenues:				
State sources				
State school lunch program	18,824			18,824
Federal sources				
National school lunch program	742,060			742,060
National school breakfast program	230,391			230,391
Special milk program	1,279			1,279
Food Distribution Program	82,523			82,523
Interest revenue	202	159	323	684
Total nonoperating revenues	<u>1,075,279</u>	<u>159</u>	<u>323</u>	<u>1,075,761</u>
Net income/(loss)	(60,483)	33,823	20,036	(6,624)
Other financing sources (uses):				
Loss on disposal of fixed assets	-			-
Net position, July 1	302,155	86,706	331,558	720,419
	<hr/>	<hr/>	<hr/>	<hr/>
Net position, June 30	<u>\$ 241,672</u>	<u>120,529</u>	<u>351,594</u>	<u>713,795</u>

HAMILTON TOWNSHIP SCHOOL DISTRICT
Combining Statement of Cash Flows
All Proprietary fund Types and Similar Trust Funds
For the Fiscal Year Ended June 30, 2014

	Non-Major Funds			Total
	Food Service	Kids Corner Program	Community Education	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 529,344	267,766	241,380	1,038,490
Payments to employees	(672,473)	(175,304)	(165,317)	(1,013,094)
Payments for employee benefits	(207,247)	(38,234)	(13,841)	(259,322)
Payments to suppliers	(71,029)	(21,207)	(41,595)	(133,831)
Payments to cost of sales	(612,057)			(612,057)
Net cash provided/(used) for operating activities	<u>(1,033,462)</u>	<u>33,021</u>	<u>20,627</u>	<u>(979,814)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State Sources	18,674			18,674
Federal Sources	952,937			952,937
Payments from other funds	6	-	-	6
Net cash provided by non-capital financing activities	<u>971,617</u>	<u>-</u>	<u>-</u>	<u>971,617</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES				
Acquisition of capital assets	-		(11,904)	(11,904)
Net cash (used) by capital financing activities	<u>-</u>	<u>-</u>	<u>(11,904)</u>	<u>(11,904)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	202	159	323	684
Net cash provided by investing activities	<u>202</u>	<u>159</u>	<u>323</u>	<u>684</u>
Net increase/(decrease) in cash and cash equivalents	(61,643)	33,180	9,046	(19,417)
Balances—beginning of year	140,088	85,665	319,591	545,344
Balances—end of year	<u>78,445</u>	<u>118,845</u>	<u>328,637</u>	<u>525,927</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income/(loss)	(1,135,762)	33,664	19,713	(1,082,385)
Adjustments to reconcile operating (loss) to net cash provided by/(used for) operating activities				
Depreciation and net amortization	20,172		3,054	23,226
Federal commodities	82,523			82,523
(Increase) in inventories	(487)			(487)
(Increase)/decrease in other receivables	(7,483)	(643)	(2,140)	(10,266)
Increase in accounts payable	1,721			1,721
Increase in deferred revenue	2,881			2,881
Increase in compensated absences	2,973			2,973
Total adjustments	<u>102,300</u>	<u>(643)</u>	<u>914</u>	<u>102,571</u>
Net cash provided/(used) for operating activities	<u>\$ (1,033,462)</u>	<u>33,021</u>	<u>20,627</u>	<u>(979,814)</u>

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FIDUCIARY FUNDS

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HAMILTON TOWNSHIP SCHOOL DISTRICT
Fiduciary Fund
Combining Statement of Fiduciary Net Position
June 30, 2014

H-1

	Unemployment Compensation	Private Purpose Scholarship Fund	Student Activity	Agency Fund	Total
ASSETS:					
Cash and cash equivalents	\$ 324,402	1,631	125,539	877	452,449
Interfunds receivable			50		50
Total Assets	324,402	1,631	125,589	877	452,499
LIABILITIES AND NET POSITION:					
Liabilities:					
Payroll deductions and withholdings				877	877
Accounts payable	17,992				17,992
Due to student groups			125,589		125,589
Interfunds payable		50			50
Total Liabilities	17,992	50	125,589	877	144,508
Net Position:					
Reserved - Expendable Trust					
Unemployment	306,410				306,410
Scholarship		1,581			1,581
Total net position	306,410	1,581	-	-	307,991
Total liabilities and net position	\$ 324,402	1,631	125,589	877	452,499

HAMILTON TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year ended June 30, 2014

H-2

	Unemployment Compensation	Private Purpose Scholarship Fund	Totals
OPERATING REVENUES:			
Contributions:			
Plan Member	\$ 83,622		83,622
Other			-
Total operating revenues	<u>83,622</u>	<u>-</u>	<u>83,622</u>
Investment Earnings:			
Interest	453	17	470
Total Revenue	<u>84,075</u>	<u>17</u>	<u>84,092</u>
OPERATING EXPENSES:			
State of New Jersey:			
Employee withholdings	35,840		35,840
Unemployment claims	33,438		33,438
Scholarships awarded		26,588	26,588
Total operating expenses	<u>69,278</u>	<u>26,588</u>	<u>95,866</u>
Operating Income	<u>14,797</u>	<u>(26,571)</u>	<u>(11,774)</u>
Change in net position	14,797	(26,571)	(11,774)
Net position, July 1	<u>291,613</u>	<u>28,152</u>	<u>319,765</u>
Net position, June 30	<u>\$ 306,410</u>	<u>1,581</u>	<u>307,991</u>

HAMILTON TOWNSHIP SCHOOL DISTRICT
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2014

H-3

	Balance July 1, 2013	Cash Receipts	Cash Disbursements	Accounts Payable June 30, 2014	Balance June 30, 2014
Shaner	\$ 21,891	22,297	20,385		23,803
Hess	36,031	60,101	50,499		45,633
Davies	74,154	62,546	80,597		56,103
Total all schools	\$ 132,076	144,944	151,481	-	125,539

HAMILTON TOWNSHIP SCHOOL DISTRICT
 Payroll Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year ended June 30, 2014

H-4

	Balance July 1, 2013	Additions	Deletions	Balance July 1, 2014
ASSETS:				
Cash and cash equivalents	\$ 660	29,663,744	29,663,527	877
Total assets	<u>660</u>	<u>29,663,744</u>	<u>29,663,527</u>	<u>877</u>
LIABILITIES:				
Payroll deductions and withholdings	660	29,663,744	29,663,527	877
Total liabilities	<u>660</u>	<u>29,663,744</u>	<u>29,663,527</u>	<u>877</u>

LONG-TERM DEBT

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HAMILTON TOWNSHIP SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
June 30, 2014

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2013	Issued	Retired	Balance June 30, 2014
			Date	Amount					
Refunding School Bonds	9/17/02	\$ 8,240,000	12/15/2014	660,000	4.490%	1,640,000		635,000	1,005,000
			12/15/2015	345,000					
Refunding School Bonds	7/15/2003	21,535,000	12/15/2014	1,780,000	4.250%	4,420,000		1,705,000	2,715,000
			12/15/2015	935,000					
Davies School Addition and Renovations	7/15/2003	15,865,000	7/15/2013	1,005,000	4.000%	1,005,000		1,005,000	-
Various School Improvements	7/15/2007	997,000	7/15/2014	110,000	4.375%	567,000		105,000	462,000
			7/15/2015	115,000					
			7/15/2016	120,000					
			7/15/2017	117,000					
Various School Improvements	7/15/2008	998,000	7/15/2014	105,000	5.000%	668,000		100,000	568,000
			7/15/2015	110,000					
			7/15/2016	115,000					
			7/15/2017	120,000					
Solar Roof Project	6/23/2010	4,824,000	2/1/2015	260,000	3.000%	4,359,000		250,000	4,109,000
			2/1/2016	275,000					
			2/1/2017	280,000					
			2/1/2018	290,000					
			2/1/2019	300,000					
			2/1/2020	310,000					
			2/1/2021	325,000					
			2/1/2022	350,000					
			2/1/2023	400,000					
			2/1/2024	425,000					
			2/1/2025	450,000					
			2/1/2026	444,000					
Refunding School Bonds	2/21/2012	10,115,000	7/15/2014	965,000	3.000%	10,075,000			10,075,000
			7/15/2015	1,650,000					
			7/15/2016	2,400,000					
			7/15/2017	2,485,000					
			7/15/2018	2,575,000	4.000%				
\$						22,734,000		3,800,000	18,934,000

HAMILTON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	3,054,898	-	3,054,898	3,054,898	-
	<u>3,054,898</u>	<u>-</u>	<u>3,054,898</u>	<u>3,054,898</u>	<u>-</u>
State Sources:					
Debt Service Aid Type II	1,325,441	-	1,325,441	1,325,441	-
	<u>1,325,441</u>	<u>-</u>	<u>1,325,441</u>	<u>1,325,441</u>	<u>-</u>
Total - State Sources	4,380,339	-	4,380,339	4,380,339	-
EXPENDITURES:					
Regular Debt Service:					
Interest	824,331	-	824,331	824,172	159
Redemption of Principal	3,800,000	-	3,800,000	3,800,000	-
	<u>4,624,331</u>	<u>-</u>	<u>4,624,331</u>	<u>4,624,172</u>	<u>159</u>
Total expenditures	4,624,331	-	4,624,331	4,624,172	159
Excess (Deficiency) of Revenues Over (Under) Expenditures	(243,992)	-	(243,992)	(243,833)	159
Other Financing Sources (Uses)					
Operating Transfers in:					
Unexpended balances on capital projects	188,807	-	188,807	188,807	-
Transfer from capital reserve	55,183	-	55,183	55,183	-

HAMILTON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2)	-	(2)	157	159
Fund Balance, July 1	2	-	2	2	-
Fund Balance, June 30	<u>-</u>	<u>-</u>	<u>-</u>	<u>159</u>	<u>159</u>

Recapitulation of Fund Balance:

Designated for Subsequent Year's Expenditures	-
Unrestricted Fund Balance	<u>159</u>
	<u>159</u>

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Statistical Section

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HAMILTON TOWNSHIP SCHOOL DISTRICT
Net Position by Component,
Last Ten Fiscal Years
Unaudited

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net investment in capital assets	\$ 6,415,195	12,446,018	14,725,779	17,086,683	19,733,282	18,677,705	24,280,837	27,437,989	30,280,616	33,340,202
Restricted	6,079,931	1,378,410	1,158,101	1,170,654	2,307,054	7,500,741	6,378,329	1,679,765	1,182,768	994,118
Unrestricted	(1,073,347)	(1,523,995)	(2,181,333)	(1,577,015)	(2,848,366)	(3,454,118)	(3,673,443)	2,588,721	2,915,284	888,916
Total governmental activities net position	11,421,779	12,300,433	13,702,547	16,680,322	19,191,970	22,724,328	26,985,723	31,706,475	34,378,668	35,223,236
Business-type activities										
Net investment in capital assets	50,891	67,445	57,681	50,465	63,429	128,504	157,187	141,535	136,895	125,573
Unrestricted	225,012	403,092	604,365	767,427	949,857	895,019	584,703	491,591	583,524	588,222
Total business-type activities net position	275,903	470,537	662,046	817,892	1,013,286	1,023,523	741,890	633,126	720,419	713,795
District-wide										
Net investment in capital assets	6,466,086	12,513,463	14,783,460	17,137,148	19,796,711	18,806,209	24,438,024	27,579,524	30,417,511	33,465,775
Restricted	6,079,931	1,378,410	1,158,101	1,170,654	2,307,054	7,500,741	6,378,329	1,679,765	1,182,768	994,118
Unrestricted	(848,335)	(1,120,903)	(1,576,968)	(809,588)	(1,898,509)	(2,559,099)	(3,088,740)	3,080,312	3,498,808	1,477,138
Total district net position	11,697,682	12,770,970	14,364,593	17,498,214	20,205,266	23,747,851	27,727,613	32,339,601	35,099,087	35,937,031

Source: CAFR Schedule A-1

HAMILTON TOWNSHIP SCHOOL DISTRICT
Changes in Net Position, Last Ten Fiscal Years
Unaudited

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities										
Instruction										
Regular	13,807,364	13,640,822	14,769,957	15,330,800	15,859,397	17,379,930	16,786,701	16,920,040	17,054,189	18,316,595
Special education	4,214,783	4,735,070	5,057,454	5,270,886	4,258,963	5,479,913	4,856,539	4,723,836	5,102,892	5,725,657
Other instruction	777,453	990,311	1,003,718	1,102,816	3,238,009	2,345,590	2,353,785	1,892,923	2,266,111	2,618,619
Nonpublic school programs								126,395		119,302
Adult/continuing education programs	11,574	6,079	5,561	9,032	4,220	2,230	3,181			
Support Services:										
Tuition	685,768	715,879	793,495	404,945	617,299	715,666	774,043	1,157,145	1,429,508	915,419
Student & instruction related services	4,399,453	4,400,675	4,758,373	4,877,748	5,370,499	5,777,221	5,910,481	6,161,829	6,250,058	6,185,226
General administrative services								1,899,231	2,059,681	2,151,612
School administrative services	1,555,108	1,779,275	1,890,768	1,978,544	1,775,582	1,900,476	1,892,274	2,133,152	2,261,482	2,194,757
Business administrative services	1,263,998	1,438,646	1,521,197	1,561,247	1,707,381	1,707,498	1,617,512			
Plant operations and maintenance	4,314,015	4,212,599	4,271,600	4,294,022	4,652,468	4,190,828	3,993,638	4,644,765	4,769,850	5,139,699
Pupil transportation	2,726,526	3,011,392	3,178,345	3,139,552	3,451,991	3,491,091	2,896,958	4,154,109	3,989,584	4,102,574
Special Schools					31,024			43,649		
Charter Schools	43,659	70,368	103,703	53,888	40,670	131,633	141,170			
Interest on long-term debt	1,741,288	1,624,814	1,541,825	1,486,161	1,433,757	1,302,805	1,307,930	1,099,240	908,162	798,469
Capital Outlay									71,729	110,602
Unallocated depreciation	119,212	1,005,825	956,339	904,174	983,511	1,019,027	1,122,235			
Total governmental activities expenses	35,660,201	37,631,755	39,852,325	40,413,815	43,424,761	45,443,908	43,656,447	44,956,314	46,287,111	48,379,531
Business-type activities:										
Food service	1,055,075	1,124,018	1,162,586	1,270,810	1,320,047	1,419,581	1,661,589	1,634,390	1,537,402	1,672,589
Child Care	209,964	218,156	218,154	229,936	233,964	249,103	229,209	243,779	222,639	234,745
Community Education	92,456	97,632	160,947	183,775	178,331	230,690	241,891	251,020	234,478	223,807
Total business-type activities expense	1,357,495	1,439,806	1,541,687	1,684,521	1,732,342	1,899,374	2,132,689	2,129,189	1,994,519	2,131,141
Total district expenses	37,017,696	39,071,561	41,394,012	42,098,336	45,157,103	47,343,282	45,789,136	47,085,503	48,281,630	50,510,672
Program Revenues										
Governmental activities:										
Charges for services:										
Business and other support services	119,839	39,020	32,030	83,851	62,311	43,091	89,163	28,596	4,130	9,564
Operating grants and contributions	10,235,918	10,561,926	11,376,493	11,769,960	8,142,997	8,862,900	7,757,625	5,044,483	5,488,348	5,166,972
Capital grants and contributions	71,261				77,449	94,268	77,449			
Total governmental activities program revenues	10,427,018	10,600,946	11,408,523	11,853,811	8,205,308	9,000,259	7,924,237	5,073,079	5,492,478	5,176,536

HAMILTON TOWNSHIP SCHOOL DISTRICT
Changes in Net Position, Last Ten Fiscal Years
Unaudited

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Business-type activities:										
Charges for services										
Food service	586,826	577,060	592,694	652,652	625,523	582,377	533,218	554,272	559,607	536,827
Child care	197,132	232,535	227,741	250,730	236,927	228,298	237,417	233,952	251,490	268,409
Community Education	120,184	158,543	199,885	210,905	227,608	247,947	243,885	296,406	291,292	243,520
Operating grants and contributions	581,363	649,930	708,641	794,791	877,155	848,349	829,714	934,099	982,796	1,075,077
Total business type activities program revenues	1,485,505	1,618,068	1,728,961	1,909,078	1,967,213	1,906,971	1,844,234	2,018,729	2,085,185	2,123,833
Total district program revenues	11,912,523	12,219,014	13,137,484	13,762,889	10,172,521	10,907,230	9,768,471	7,091,808	7,577,663	7,300,369
Net (Expense)/Revenue										
Governmental activities	(25,233,183)	(27,030,809)	(28,443,802)	(28,560,004)	(35,219,453)	(36,443,649)	(35,732,210)	(39,883,235)	(40,794,633)	(43,202,995)
Business-type activities	128,010	178,262	187,274	224,557	234,871	7,597	(288,455)	(110,460)	90,666	(7,308)
Total district-wide net expense	(25,105,173)	(26,852,547)	(28,256,528)	(28,335,447)	(34,984,582)	(36,436,052)	(36,020,665)	(39,993,695)	(40,703,967)	(43,210,303)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	11,895,179	12,969,997	15,007,035	15,572,797	15,835,561	16,190,597	16,235,299	16,235,299	16,235,299	16,621,103
Taxes levied for debt service	1,793,238	2,751,498	2,800,921	2,801,501	2,864,492	2,930,426	3,155,022	3,373,688	3,054,898	3,054,898
Unrestricted grants and contributions	10,867,437	11,533,217	11,561,316	12,695,304	18,568,610	20,454,786	20,128,259	22,328,324	22,624,962	22,927,316
Federal and state aid restricted								1,667,094	1,328,380	1,325,441
Tuition	78,194	101,584	37,551	7,691	56,327	79,849	47,995			
Investment earnings	172,031	139,353	174,282	125,615	73,739	50,823	78,167	5,966	3,190	2,167
Miscellaneous income	227,135	413,815	244,809	250,930	282,371	269,525	354,526	952,802	232,993	116,740
Special items								(162,152)		
Loss on disposal of fixed assets							(5,666)		(12,896)	(102)
Transfers			20,000	83,940	50,000	39,976,006		44,401,021	43,466,826	44,047,563
Total governmental activities	25,033,214	27,909,464	29,845,914	31,537,778	37,731,100	39,976,006	39,993,602	44,401,021	43,466,826	44,047,563
Business-type activities:										
Investment earnings	6,444	16,372	24,234	17,418	10,712	10,301	6,822	1,696	698	684
Loss on disposal of fixed assets					(190)	(7,662)			(4,071)	
Special items				(2,187)	(50,000)					
Transfers			(20,000)	(83,940)	(39,478)	2,639	6,822	1,696	(3,373)	684
Total business-type activities	6,444	16,372	4,234	(68,709)	(39,478)	2,639	6,822	1,696	(3,373)	684
Total district-wide	25,039,658	27,925,836	29,850,148	31,469,069	37,691,622	39,978,645	40,000,424	44,402,717	43,463,453	44,048,247

Township of Hamilton School District
Changes in Net Position, Last Ten Fiscal Years
Unaudited

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Change in Net Position										
Governmental activities	\$ (199,969)	878,655	1,402,112	2,977,774	2,511,647	3,532,357	4,261,392	4,517,786	2,672,193	844,568
Business-type activities	134,454	194,634	191,508	155,848	195,393	10,236	(281,633)	(108,764)	87,293	(6,624)
Total district	<u>\$ (65,515)</u>	<u>1,073,289</u>	<u>1,593,620</u>	<u>3,133,622</u>	<u>2,707,040</u>	<u>3,542,593</u>	<u>3,979,759</u>	<u>4,409,022</u>	<u>2,759,486</u>	<u>837,944</u>

Change in Net Position
Governmental activities
Business-type activities
Total district

Source: CAFR Schedule A-2

HAMILTON TOWNSHIP SCHOOL DISTRICT
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
Unaudited

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Restricted										
Committed										
Unassigned										
Reserved	1,203,426	809,374	421,737	1,347,175	2,380,899	3,457,442	4,853,563	3,248,550	3,177,726	2,345,899
Unreserved	113,420	64,988	(69,822)	(19,999)	(1,083,924)	(1,229,258)	(659,443)	3,184,364	2,609,044	1,730,310
Total general fund	1,316,846	874,362	351,915	1,327,176	1,296,975	2,228,184	4,194,120	5,163,674	5,389,516	3,277,204
All Other Governmental Funds										
Restricted										
Committed										
Assigned										
Unassigned										
Reserved	4,618,684	565,181	367,169	141,052	243,398	2,714,929	1,282,878	1,568,173	1,131,766	942,959
Unreserved, reported in:										
Special revenue fund	(114,454)	(114,454)	(114,454)	(140,904)	(38,548)	(40,194)	244,666	55,795	51,000	51,000
Capital projects fund	573,484	62,223	39,257	17,369	37,115	1,645,797	(40,194)	(24,188)	(24,643)	(23,802)
Debt service fund	194	1	1	90	90	1			2	159
Total all other governmental funds	\$ 5,077,908	512,951	291,973	17,607	242,055	4,320,533	1,487,350	1,599,782	1,158,125	970,316

The requirements related to reporting fund balance in the general fund were modified by the Governmental Accounting Standards Board (GASB) effective for fiscal years ending June 30, 2011.

Source: CAFR Schedule B-1

HAMILTON TOWNSHIP SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
Unaudited

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Tax levy	13,688,417	15,721,495	17,807,956	18,374,298	18,700,053	19,121,023	19,390,321	19,608,987	19,290,197	19,676,001
Tuition charges	78,194	101,584	37,551	7,691	56,327	79,849	47,995	28,596	4,130	9,564
Interest earnings	10,128	16,578	19,539	12,220	5,890	5,972	15,484	5,966	3,190	2,167
Miscellaneous	510,857	575,610	431,583	448,176	412,531	357,467	506,373	952,802	232,993	116,740
Local sources								20,000		
State sources	19,206,981	20,271,363	21,354,933	23,117,954	25,165,533	23,387,964	25,432,246	26,578,517	28,072,555	28,010,563
Federal sources	1,953,581	1,823,781	1,582,876	1,356,176	1,546,074	6,023,990	2,531,087	2,441,384	1,369,135	1,409,166
Total revenue	35,448,158	38,510,411	41,234,438	43,316,515	45,886,408	48,976,265	47,923,506	49,636,252	48,972,200	49,224,201
Expenditures										
Instruction										
Regular instruction	11,170,315	10,862,647	11,354,404	11,721,893	14,705,721	13,369,212	12,671,148	13,111,734	12,671,495	13,730,451
Special education instruction	3,086,100	3,378,501	3,504,961	3,609,290	3,843,458	3,905,235	3,454,564	3,550,592	3,680,477	4,166,356
Other special instruction								1,312,282	1,468,432	1,759,603
Other instruction	570,093	707,868	694,907	753,004	3,041,384	1,667,284	1,660,692	113,804	164,747	138,254
Adult/continuing education programs	9,318	4,310	4,190	6,495	3,805	1,579	2,240	126,395	123,865	119,302
Nonpublic programs										
Support Services:										
Tuition	685,768	715,879	793,495	404,945	617,299	715,666	774,043	813,610	1,006,563	649,955
Student & instruction related services	3,432,359	3,397,072	3,546,396	3,566,882	4,954,851	4,307,684	4,484,018	4,715,917	4,513,069	4,555,994
School administrative services	1,145,126	1,292,657	1,335,573	1,380,836	1,632,941	1,395,047	1,381,856	1,446,720	1,462,195	1,427,087
Other administrative services	1,035,703	1,171,301	1,217,319	1,226,616	1,623,792	1,399,651	1,300,778	1,401,521	1,461,606	1,565,488
Plant operations and maintenance	2,740,735	3,210,508	3,522,775	3,521,413	4,451,720	3,506,849	3,283,709	3,415,374	3,389,879	3,725,794
Pupil transportation	2,704,786	2,987,067	3,148,326	3,108,563	3,443,848	3,459,250	2,863,432	3,116,979	2,808,804	2,960,810
Unallocated employee benefits	6,089,817	6,689,298	7,975,909	8,624,167	2,414,733	8,901,451	9,100,911	9,839,180	11,293,206	11,423,292
Special Schools					28,424			43,649		
Charter Schools	43,659	70,368	103,703	53,888	40,670	131,633	141,170			
Capital outlay	15,885,629	4,607,152	433,863	1,344,302	1,342,393	1,300,963	3,195,043	739,402	511,718	677,764
Debt service:										
Principal	1,580,000	2,855,000	2,990,000	3,080,000	3,250,000	3,455,000	3,360,000	3,505,000	3,695,000	3,800,000
Interest and other charges	1,926,581	1,568,224	1,483,682	1,388,385	1,345,125	1,274,074	1,117,149	1,237,188	936,959	824,172
Total expenditures	52,105,989	43,517,852	42,109,403	43,790,679	46,740,164	48,790,578	48,790,753	48,489,347	49,188,015	51,524,322
Excess (Deficiency) of revenues over (under) expenditures	\$ (16,657,831)	(5,007,441)	(874,965)	(474,164)	(853,756)	185,687	(867,247)	1,146,905	(215,815)	(2,300,121)

HAMILTON TOWNSHIP SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
Unaudited

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Other Financing sources (uses)										
Capital leases (non-budgeted)	\$ 66,540		111,538	102,986						
Cancellation of prior year receivables/purchase orders				(8,866)				9,347		
Debt service assessment				997,000	998,000	4,824,000		(52,266)		
Bond proceeds										
Payment to refunded debt escrow agent										
Loss on refunding bonds										
Transfer to capital projects	(77,697)	(23,656)	(30,797)	83,940	50,000			359,677	369,028	359,243
Transfers in	77,697	23,656	50,797					(381,677)	(369,028)	(359,243)
Transfers out								(64,919)		
Total other financing sources (uses)	<u>66,540</u>	<u>-</u>	<u>131,538</u>	<u>1,175,060</u>	<u>1,048,000</u>	<u>4,824,000</u>	<u>-</u>	<u>(64,919)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	\$ (16,591,291)	(5,007,441)	(743,427)	700,896	194,244	5,009,687	(867,247)	1,081,986	(215,815)	(2,300,121)
Debt service as a percentage of noncapital expenditures	9.68%	11.37%	10.73%	10.53%	10.12%	9.96%	9.82%	9.93%	9.52%	9.09%

Source: CAFR Schedule B-2

HAMILTON TOWNSHIP SCHOOL DISTRICT
General Fund Other Local Revenue by Source
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Interest on Investments	Refund of Prior Year Expenditures	Use of Facilities	Proceeds from Bond Escrow Issuance/Restruct.	Energy Rebate/ Sale of SREC's/	Misc.	Total
2005	161,903	8,512	119,839	211,144		7,479	508,877
2006	145,520	115,665	39,020	226,376		49,030	575,611
2007	159,998	6,582	35,460	222,961		6,582	431,583
2008	125,615	30,788	83,851	214,208		5,934	460,396
2009	73,739	12,761	62,936	215,816		53,168	418,420
2010	44,851	13,495	43,091	198,127		63,875	363,439
2011	78,167	29,109	89,163	100,319		225,099	521,857
2012	25,594	9,259	95,716	17,395	680,723	124,115	952,802
2013	12,691	43	31,365	15,513	51,890	121,491	232,993
2014	9,586	7,740	37,450			61,964	116,740

Source: District Records

HAMILTON TOWNSHIP SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
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	286,622,700	15,077,100	44,823,300	1,266,204,700	3,742,079	1,269,946,779	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	895,118,900	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	7,388,595	2,399,494,081	0.817	2,609,111,189	
2012	112,511,900	1,628,180,200	11,964,600	1,874,686	494,635,500	25,056,500	106,584,800	2,381,008,186	7,388,392	2,388,396,578	0.808	2,429,207,260	
2013	99,901,600	1,618,394,900	11,854,900	1,866,086	496,187,500	25,056,500	103,361,000	2,366,622,486	6,442,727	2,363,065,213	0.833	2,414,987,443	
2014	91,181,800	1,558,340,300	11,866,300	1,884,986	481,205,900	22,256,500	102,611,000	2,269,346,786	5,660,600	2,275,007,386	0.863	2,286,669,400	

Source: District records Tax list summary & Municipal Tax Assessor

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

* Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

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

Fiscal Year Ended June 30,	Township of Hamilton Board of Education			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Atlantic County	Greater Egg Harbor Regional	Municipal Local Purpose	
2005	1.046	0.173	1.219	0.586	0.626	0.780	3.211
2006	1.156	0.160	1.316	0.601	0.639	0.798	3.354
2007	1.192	0.230	1.422	0.625	0.727	0.819	3.593
2008	1.228	0.223	1.451	0.625	0.759	0.903	3.738
2009	1.229	0.221	1.450	0.613	0.724	1.010	3.797
2010	1.228	0.222	1.450	0.644	0.673	1.307	4.074
2011	0.677	0.140	0.817	0.392	0.414	0.740	2.363
2012	0.680	0.128	0.808	0.379	0.428	0.740	2.355
2013	0.703	0.129	0.833	0.481	0.475	0.739	2.528
2014	0.731	0.132	0.863	0.475	0.519	0.770	2.627

Source: District Records and Municipal Tax Collector

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

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
Principal Property Tax Payers,
Current Year and Nine Years Ago
Unaudited

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Benderson-Wainberg Associates	113,726,900	1	5.00%	69,144,500	2	5.79%
Hamilton Mall, LLC	96,608,500	2	4.25%	80,000,000	1	6.70%
BFW/Pike Associates, LLC	52,728,100	3	2.32%	32,124,700	3	2.69%
JSM at Timber Glen, LLC (C0001)	50,533,600	4	2.22%	16,243,400	5	1.36%
DD Residential, LP	32,950,100	5	1.45%	14,710,000	6	1.23%
Hometown Mays Landing MHC	20,500,000	6	0.90%			
RH Macy and Company, LLC	19,400,000	7	0.85%	16,500,000	4	1.38%
Wal-mart Property Tax Department	19,113,800	8	0.84%			
Sears Roebuck and Company	16,100,000	9	0.71%	13,800,000	7	1.15%
J.C. Penney Properties, Inc.				11,500,000	8	0.96%
SJS Holdings, LLC				9,806,300	9	0.82%
Joey T., LLC	14,000,000	10	0.62%			
Greenwood ACRA, Inc./Racetrack				9,500,000	10	0.80%
Total	435,661,000		18.53%	273,328,900		22.88%

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
Property Tax Levies and Collections,
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2005	13,688,417	13,688,417	100%	-
2006	15,721,495	15,721,495	100%	-
2007	17,807,956	17,807,956	100%	-
2008	18,374,298	18,374,298	100%	-
2009	18,700,053	18,700,053	100%	-
2010	19,121,023	19,121,023	100%	-
2011	19,390,321	19,390,321	100%	-
2012	19,608,987	19,608,987	100%	-
2013	19,290,197	19,290,197	100%	-
2014	19,676,001	19,676,001	100%	-

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

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Capital Leases		Capital Leases	Total District		
2005	42,515,000	51,616			42,566,616	5.18%	1,816
2006	39,660,000	22,148			39,682,148	4.63%	1,679
2007	36,670,000	81,068			36,751,068	4.02%	1,519
2008	34,587,000	129,875			34,716,875	3.66%	1,420
2009	32,335,000	78,368			32,413,368	3.35%	1,332
2010	33,704,000	37,408			33,741,408	3.53%	1,387
2011	30,344,000	2,941			30,346,941	2.88%	1,145
2012	26,429,000	-			26,429,000	2.42%	998
2013	22,734,000	-			22,734,000	2.02%	851
2014	18,934,000	-			18,934,000	1.68%	708

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

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

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited

General Bonded Debt Outstanding						
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b	
2005	42,515,000	-	42,515,000	3.56%	1,814	
2006	39,660,000	-	39,660,000	3.17%	1,678	
2007	36,670,000	-	36,670,000	2.90%	1,515	
2008	34,587,000	-	34,587,000	2.68%	1,415	
2009	32,335,000	-	32,335,000	2.45%	1,328	
2010	33,704,000	-	33,704,000	2.56%	1,386	
2011	30,344,000	-	30,344,000	1.26%	1,144	
2012	26,429,000	-	26,429,000	1.11%	998	
2013	22,734,000	-	22,734,000	0.96%	851	
2014	18,934,000	-	18,934,000	0.83%	708	

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

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-13.

HAMILTON TOWNSHIP SCHOOL DISTRICT
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2014
Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Township of Hamilton	\$ 13,645,924	100.00%	13,645,924
Other debt			
Hamilton Township Municipal Utilities Authority	5,859,850	100.00%	5,859,850
Greater Egg Harbor Regional High School District	42,035,000	37.44%	15,737,904
Atlantic County	112,039,000	5.26%	5,897,012
Subtotal, overlapping debt			41,140,690
Township of Hamilton School District debt	18,934,000	100.00%	18,934,000
Total direct and overlapping debt	\$		<u><u>60,074,690</u></u>

Sources: Township of Hamilton Finance Officer and Atlantic County Finance Office

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

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
Legal Debt Margin Information,
Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2014

Equalized valuation basis	
2013	2,368,702,871
2012	2,433,324,666
2011	2,432,735,441
	<u>7,234,762,978</u>

Average equalized valuation of taxable property	
	2,411,587,659
Debt limit (3% of average)	
	72,347,630
Net bonded school debt	
	18,934,000
	<u>53,413,630</u>

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	42,148,863	50,298,373	62,101,707	72,779,298	79,151,665	80,252,811	79,177,088	76,719,672	74,556,414	72,347,630
Total net debt applicable to limit	42,515,000	39,660,000	36,670,000	34,587,000	32,335,000	33,704,000	30,344,000	26,429,000	22,734,000	18,934,000
Legal debt margin	(368,137)	10,638,373	25,431,707	38,192,298	46,816,665	46,548,811	48,833,088	50,290,672	51,822,414	53,413,630

Total net debt applicable to the limit as a percentage of debt limit	100.87%	78.85%	59.05%	47.52%	40.85%	42.00%	38.32%	34.45%	30.49%	26.17%
--	---------	--------	--------	--------	--------	--------	--------	--------	--------	--------

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2004	23,443	821,794	35,055	4.30%
2005	23,638	856,239	36,223	4.30%
2006	24,197	913,485	37,752	4.80%
2007	24,446	948,187	38,787	4.80%
2008	24,340	966,517	39,709	6.00%
2009	24,326	955,744	39,289	10.70%
2010	26,514	1,052,897	39,711	10.90%
2011	26,483	1,090,755	41,187	11.90%
2012	26,728	1,125,222	42,099	12.90%
2013	26,752	1,126,232	42,099	11.50%

Source:

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

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

c Per Capita Income US Department of Commerce, Bureau of Economic Analysis, November 2013

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
Principal Employers,
Current Year and Nine Years Ago
Unaudited

Employer	2014			2004		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
Atlantic Cape Community College	720	1	3%			0.00%
Hamilton Township School District	500	2	2%			0.00%
Atlantic County Special Services School District	500	3	2%			0.00%
Greater Egg Harbor Regional High School District	415	4	2%			0.00%
Atlantic City Electric	300	5	1%			0.00%
Macy's	220	6	1%			0.00%
Wal-Mart	200	7	1%			0.00%
Sears Roebuck & Co.	200	8	1%			0.00%
JC Penney	200	9	1%			0.00%
Target	150	10	1%			0.00%
	3,405		16%	-		-

GASB requires this table present the principal taxpayers for the current year and nine years ago, however information from 2004 was not available. Also, the Township does not update this information on an annual basis, therefore the most recent information is reported.

Source: Township of Hamilton Tax Assessor

HAMILTON TOWNSHIP SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years
Unaudited

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Instruction										
Regular	184.0	192.0	190.0	189.0	192.0	194.0	186.0	185.0	194.0	200.0
Special education	83.0	85.0	81.0	80.0	75.0	71.0	62.0	66.0	67.0	72.0
Other instruction	18.0	16.0	17.0	22.0	28.0	30.0	25.0	28.0	25.0	22.0
Nonpublic school programs			1.0	1.0	2.0	3.0	2.0	3.0	2.0	2.0
Adult/continuing education programs	1.0	1.0	1.0	1.0						
Support Services:										
Student & instruction related services	65.0	54.0	60.0	56.0	83.0	93.0	84.0	86.0	81.0	71.0
General administrative services	4.0	4.0	4.0	5.0	5.0	5.0	5.0	4.0	5.0	5.0
School administrative services	26.0	28.0	29.0	28.0	21.0	22.0	20.0	18.0	22.0	21.0
Business administrative services	9.0	10.0	11.0	11.0	11.0	11.0	11.0	10.0	10.0	11.0
Plant operations and maintenance	34.0	38.0	36.0	36.0	48.0	41.0	38.0	40.0	37.0	38.0
Pupil transportation	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Food Service	26.0	26.0	26.0	28.0	20.0	29.0	22.0	23.0	25.0	27.0
Child Care	1.0	1.0	1.0	1.0	2.0	2.0	2.0	1.0	1.0	1.0
Total	453.0	457.0	459.0	460.0	489.0	503.0	459.0	466.0	471.0	472.0

Source: District Personnel Records

HAMILTON TOWNSHIP SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
Unaudited

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2005	3,231	32,713,779	10,125	2.98%	244	1:12.6	1:11.7	2,973	2,821	-3.41%	94.89%
2006	3,207	34,487,476	10,754	6.21%	251	1:13.4	1:10.8	3,218	3,037	8.24%	94.38%
2007	3,217	37,201,858	11,564	7.54%	254	1:12.9	1:10.3	3,016	2,862	-6.28%	94.89%
2008	3,268	37,977,992	11,621	0.49%	266	1:13.2	1:10.8	3,237	3,063	7.33%	94.62%
2009	3,349	40,802,646	12,184	4.84%	288	1:12.6	1:10.0	3,204	3,026	-1.02%	94.44%
2010	3,295	42,760,541	12,977	6.52%	297	1:12.3	1:9.5	3,336	3,140	4.12%	94.12%
2011	3,200	41,118,561	12,850	-0.99%	284	1:12.2	1:9.6	3,209	3,026	-3.81%	94.30%
2012	3,147	43,007,757	13,666	5.31%	262	1:12.6	1:10.2	3,151	2,982	-1.81%	94.64%
2013	3,179	44,044,338	13,855	7.82%	255	1:12.9	1:10.7	3,079	2,909	-2.28%	94.48%
2014	3,114	46,222,386	14,843	15.52%	254	1:13.1	1:10.7	3,114	2,942	-1.17%	94.48%

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

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1

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

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years
Unaudited

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
District Building										
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	652	666	658	617	624	744	756	619	639	640
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	1,600	1,468	1,492	1,574	1,662	1,524	1,460	1,522	1,472	1,488
Middle School										
William Davies Middle School (1989; addition 2006)										
Square Feet	98,500	202,670	202,670	202,670	202,670	202,670	202,670	202,670	202,670	202,670
Capacity (students)	552	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120
Enrollment	702	1,065	1,067	1,077	1,063	1,027	993	1,006	987	986
Other										
J. Harold Duberson School (1927)										
(vacant as of 9/1/06)										
Square Feet	36,715	36,715	36,715	36,715	36,715	36,715	36,715	36,715	36,715	36,715
Capacity (students)	485	485	485	485	485	485	485	485	485	485
Enrollment	5	-	-	-	-	-	-	-	-	-
Number of Schools at June 30, 2013										
Elementary = 2										
Middle School = 1										
Other = 1										

Source: District records, ASSA

Note: Year of original construction, or major renovation, 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 had been used by the Greater Egg Harbor Regional High School District for its alternative program. The third floor had housed the Davies School alternative program. Upon the opening of the Davies School addition in September 2005 the building was closed and is currently unoccupied.

HAMILTON TOWNSHIP SCHOOL DISTRICT
General Fund
Schedule of Required Maintenance for School Facilities
Last Ten Years
Unaudited

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

School Facilities	Project # (s)	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Joseph C. Shaner School	N/A	\$ 97,428	112,478	121,863	109,463	364,250	111,630	95,979	92,881	106,825	121,096
George Hess Educational Complex	N/A	242,544	297,453	249,581	200,064	445,251	241,197	210,611	254,684	254,209	289,798
William Davies Middle School	N/A	131,291	109,642	151,864	266,749	451,423	206,833	197,547	234,082	222,625	247,971
Total School Facilities		471,263	519,573	523,308	576,276	1,260,924	559,660	504,137	581,647	583,659	658,865
Other Facilities		30,948	13,111	4,955	12,158	25,210	26,580	25,830	5,564	31,890	31,298
Grand Total		\$ 502,211	532,684	528,263	588,434	1,286,134	586,240	529,967	587,211	615,549	690,163

HAMILTON TOWNSHIP SCHOOL DISTRICT

Insurance Schedule

June 30, 2014

Unaudited

	Coverage	Deductible
Property, Inland Marine and Automobile Physical Damages		
A. Limit of Liability	150,000,000	
ACCASBOJIF Self Insured Retention, per occurrence	250,000	
Members District Deductible, per occurrence		500
Perils Included	"All Risk"	
B. Property Valuation		
Buildings and Contents	Replacement Cost	
Contractors Equipment	Actual Cash Value	
Automobiles	Actual Cash Value	
Boiler and Machinery		
A. Limit of Liability	125,000,000	
ACCASBOJIF Self Insured Retention	None	
Members District Deductible		1,000
Crime		
A. Limit of Liability	500,000	
ACCASBOJIF Self Insured Retention	250,000	
Members District Deductible		500
General and Automobile Liability		
A. Limit of Liability	15,000,000	
ACCASBOJIF Self Insured Retention	250,000	
Members District Deductible		None
Workers' Compensation		
A. Limit of Liability	Statutory	
ACCASBOJIF Self Insured Retention	250,000	None
Members District Deductible		
Educator's Legal Liability		
A. Limit of Liability	15,000,000	
ACCASBOJIF Self Insured Retention	100,000	
Members District Deductible		None
Pollution Legal Liability/Mold Legal Liability		
A. Limit of Liability	3,000,000	
ACCASBOJIF Self Insured Retention	None	
Members District Deductible		25,000

HAMILTON TOWNSHIP SCHOOL DISTRICT
Insurance Schedule
June 30, 2014
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Cyber Liability		
A. Limit of Liability	1,000,000	
ACCASBOJIF Self Insured Retention	None	
Members District Deductible		25,000

Source: District Records (Coverage is through the Atlantic & Cape May Counties
Association of School Business Officials Joint Insurance Fund (ACCASBOJIF))

Single Audit Section

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FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Hamilton Township School District, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Hamilton Township School District's basic financial statements, and have issued our report thereon dated October 22, 2014.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Hamilton Township School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do

not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

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

Very truly yours,

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

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

Leon P. Costello

**Leon P. Costello
Certified Public Accountant
Licensed Public School Accountant
No. 767**

October 22, 2014



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

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

Report on Compliance for Each Major State Program

We have audited the Hamilton Township School District's compliance 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 Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Hamilton Township School District's major federal and state programs for the year ended June 30, 2014. The Hamilton Township School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Hamilton Township School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. 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; OMB Circular A-133, and New Jersey 04-04 *State Aid/Grant Compliance Supplement*. Those standards and Circulars 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 School District'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 on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Hamilton Township School District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Hamilton Township School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its federal and major state programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the Hamilton Township School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Hamilton Township School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJ OMB 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 the Hamilton Township School District'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 state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of MB Circular A-133 and NJ OMB 04-04. Accordingly, this report is not suitable for any other purpose.

Very truly yours,

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Leon P. Costello
Leon P. Costello
Certified Public Accountant
Licensed Public School Accountant
No. 767

October 22, 2014

HAMILTON TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2014

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period	Balance at June 30, 2013	Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2014		
										(Accounts Receivable)	Deferred Revenue	Due to Grantor
U. S. Department of Agriculture												
Passed through State Department of Education:												
Enterprise Fund:												
National School Breakfast Program	10.555		85,404	7/1/13 - 6/30/14			85,404	(82,523)			2,881	
National School Breakfast Program	10.553		212,537	7/1/12 - 6/30/13	(12,424)		12,424					
National School Breakfast Program	10.553		230,391	7/1/13 - 6/30/14	(49,028)		213,141	(230,391)			(17,250)	
National School Lunch Program	10.555		684,375	7/1/12 - 6/30/13			49,028				(65,009)	
National School Lunch Program	10.555		742,060	7/1/13 - 6/30/14	(111)		677,051	(742,060)			(97)	
Special Milk Program	10.556		1,559	7/1/12 - 6/30/13			111					
Special Milk Program	10.556		1,279	7/1/13 - 6/30/14			1,182	(1,279)				
Total U.S. Department of Agriculture					(61,563)		1,038,341	(1,056,253)			(82,356)	2,881
U.S. Department of Education												
Passed through State Department of Education:												
General Fund:												
Education Jobs Fund	84.410	N/A	1,930	7/1/12 - 6/30/13	(1,930)		1,930					
Medical Assistance Program	93.778	N/A	89,476	7/1/13 - 6/30/14			89,365	(89,365)				
Total U.S. Department of Education					(1,930)		91,295	(89,365)				
Special Revenue Fund:												
Title I, Part A	84.010	NCLB-1310-12	468,577	9/1/11 - 8/31/12	(26,033)		28,532	(2,499)				
Title I, Part A	84.010	NCLB-1310-13	380,278	9/1/12 - 8/31/13	(121,979)		210,438	(92,646)			(4,187)	
Title I, Part A	84.010	NCLB-1310-14	354,527	9/1/13 - 6/30/14	(148,012)		200,521	(339,090)			(138,569)	
Total Title I, Part A							439,491	(434,235)			(142,756)	
Title II, Part A	84.367A	NCLB-1310-13	69,745	9/1/12 - 8/31/13	(26,157)		28,569	(2,412)				
Title II, Part A	84.367A	NCLB-1310-14	69,923	9/1/13 - 6/30/14	(26,157)		50,231	(69,923)			(19,692)	
Total Title II, Part A							78,800	(72,335)			(19,692)	
Title III, English Language Enhancement	84.365A	NCLB-1310-13	14,360	9/1/12 - 8/31/13	(3,763)		6,158	(2,899)			(504)	
Title III, English Language Enhancement	84.365A	NCLB-1310-14	18,287	9/1/13 - 6/30/14	(7,680)		6,193	(18,287)			(12,094)	
Title III, Immigrant	84.xxx	NCLB-1310-13	21,271	9/1/12 - 8/31/13	(11,443)		13,114	(5,437)	3			
Total Title III							25,465	(26,623)	3		(12,598)	
ID.E.A. Part B - Basic	84.027	IDEA2012	790,899	9/1/11 - 8/31/12	(8,809)						(8,809)	
ID.E.A. Part B - Basic	84.027	IDEA2013	755,084	9/1/12 - 8/31/13			11,578	(11,578)				
ID.E.A. Part B - Basic	84.027	IDEA2014	747,964	7/1/13 - 6/30/14	(202,421)		725,192	(745,197)			(19,965)	
ID.E.A. Part B - Preschool	84.173	IDEA2014	30,899	7/1/13 - 6/30/14	(8,809)		30,699	(30,699)				
Total IDEA, Part B							767,469	(787,434)			(28,774)	
Race to the Top	84.413A	N/A	37,317	9/1/12 - 8/31/13	(8,000)		19,303	(12,989)			(1,686)	
Total Special Revenue Fund							1,330,528	(1,333,616)	3		(205,506)	
Total Federal Financial Awards							2,460,164	(2,479,294)	3		(287,862)	2,881

**Hamilton Township Board of Education
Notes to the Schedules of Financial Assistance
June 30, 2014**

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

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is 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 this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE 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 NJSA 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 NJSA 18A:22-44.2.

The net adjustment to reconcile from budgetary basis to GAAP basis is \$19,229 for the general fund and \$(12,913) for the special revenue fund. See the following schedule 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 follows:

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**Hamilton Township Board of Education
Notes to the Schedules of Financial Assistance
June 30, 2014**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Food Service</u>	<u>Total</u>
State Assistance:						
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of State Financial Assistance	\$24,288,246	360,967	0	1,325,441	18,824	25,993,478
Difference – budget to "GAAP" Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		61				61
On-behalf payments recognized for GAAP statements but not included in the Schedule of Expenditures of State Financial Assistance	2,015,778					2,015,778
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).	19,229	841				20,070
Total State revenue as reported on the statement of revenues, expenditures and changes in fund balances	<u>\$26,323,253</u>	<u>361,869</u>	<u>0</u>	<u>1,325,441</u>	<u>18,824</u>	<u>28,029,387</u>

**Hamilton Township Board of Education
Notes to the Schedules of Financial Assistance
June 30, 2014**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service</u>	<u>Total</u>
Federal Assistance:				
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of Federal Awards	\$89,365	1,333,616	1,056,253	2,479,234
Difference – budget to "GAAP" Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(13,815)		(13,815)
Total Federal revenue as reported on the statement of revenue, expenditures, and changes in fund balances	<u>\$89,365</u>	<u>1,319,801</u>	<u>1,056,253</u>	<u>2,465,419</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. The amounts reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the district for the year ended June 30, 2014. 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, 2014.

**HAMILTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Part I -- Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued:		Unmodified			
Internal control over financial reporting:					
1) Material weakness(es) identified?	_____	yes	_____ X _____	no	
2) Significant deficiency(ies) identified	_____	yes	_____ X _____	no	
Noncompliance material to financial statements noted?	_____	yes	_____ X _____	no	

Federal Awards Section

Internal Control over major programs:		Unmodified			
1) Material weakness(es) identified?	_____	yes	_____ X _____	no	
2) Significant deficiency(ies) identified	_____	yes	_____ X _____	no	
Type of auditor's report on compliance for major programs					
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	_____	yes	_____ X _____	no	

Identification of major programs:					
<u>CFDA Number(s)</u>		<u>Name of Federal Program or Cluster</u>			
_____ 84.010 _____		NCLB, Title 1, Part A			
_____ 10.553 _____		School Breakfast Program			
_____ 10.555 _____		National School Lunch Program			
_____ 10.556 _____		Special Milk Program for Children			

Dollar threshold used to distinguish between Type A and Type B programs:		\$300,000			
Auditee qualified as low-risk auditee?	_____ X _____	yes	_____	no	_____ n/a

**HAMILTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Part 2 -- Schedule of Financial Statement Findings

None

Part 3 – Federal Awards and State Financial Assistance Findings and Questioned Costs

None

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

STATUS OF PRIOR YEAR FINDINGS

None