

Comprehensive Annual Financial Report

of the

Hamilton Township Board of Education

Mays Landing, New Jersey

For the Fiscal Year Ended June 30, 2015

Prepared by

Hamilton Township Board of Education

Finance Department

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Introductory Section



Hamilton Township School District

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December 4, 2015

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, 2015, 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>
2014-2015	3,084	-0.90%
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%

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

Again in 2014-2015 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 2014-2015 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 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 are the basis for the district's curriculum, and New Jersey has joined 46 other states in adopting new standards now in place. The curriculum is monitored and updated as required by the Department of Education.

Our primary and elementary grades are in full swing with workshop model instruction. For several years our district has partnered with Columbia University to gain knowledge and expertise in perfecting Readers/Writers Workshop. The model has been expanded 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.

The Davies School is in year two of a school-wide initiative of “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, chrome book 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 chrome book. The Davies School IMC has begun transitioning into the use of technology with the addition of two MAC computers, iPads, chrome books and a 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 three, 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 and, as a result, there is observable increase in student 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 six through eight and informal instruction in kindergarten through grade five.

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:

Art and music instruction is provided to students in kindergarten through grade five 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 2014-2015 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.
- Creative Curriculum and other professional development through the Preschool Expansion Grant

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 2014-2015 school year:

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

Early Childhood Education:

Hamilton Township School District's Pre-K program is an in-district program housed at the George L. Hess Educational Complex and the Joseph C. Shaner School. In addition to the Preschool Education Aid (PEA) funding, the district's preschool program expanded to include qualifying students through the four year Preschool Expansion Grant (PEG). The 2015-16 year includes an additional 60 students and is slated to double by year three of the grant. 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 2014-2015 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 2014-2015 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, 2015.

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, 2015, 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,

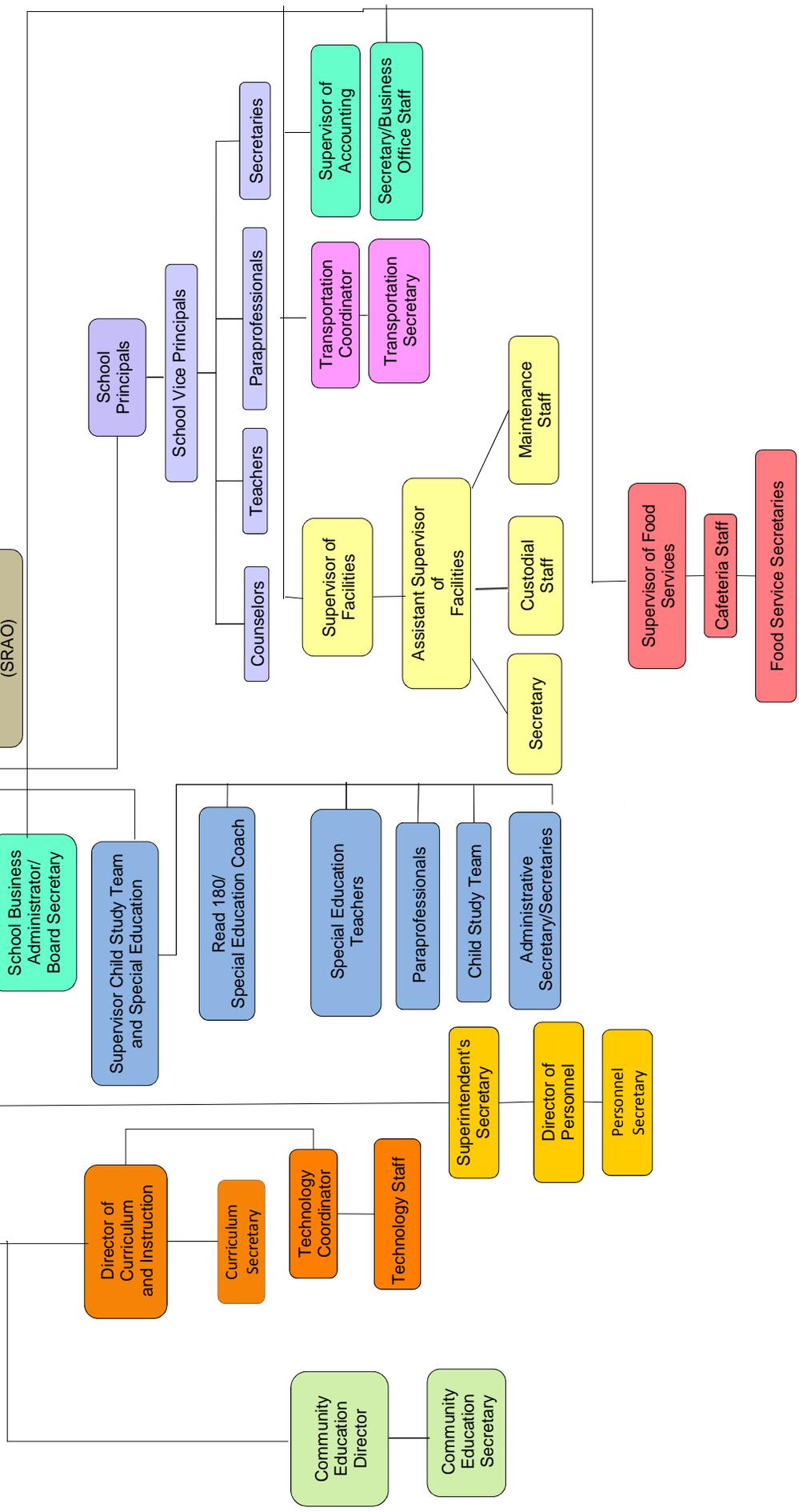


Michelle M. Cappelluti, Ed.D.
Superintendent

cc: Daniel Smith, Business Administrator

**Hamilton Township
(Atlantic County)
Board of Education
Administration
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Organizational Chart**

**POLICY
#1110**



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

ROSTER OF OFFICIALS

JUNE 30, 2015

MEMBERS OF THE BOARD	TERM EXPIRES
Eric Aiken, President	2017
John Sacchinelli, Vice-President	2015
Stephanie Buchanan	2016
Greg Cassidy	2015
Greg Ciambrone	2016
Amelia Francis	2015
Derek Haye	2017
Barbara Kupp	2017
Kim Melton	2016

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**

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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, County of Atlantic, State of New Jersey, as of and for the fiscal year ended June 30, 2015, 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, County of Atlantic, State of New Jersey, as of June 30, 2015, 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 Required Supplementary 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 non-major 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 Circular 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 non-major 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 Circular 04-04, and statistical information is the responsibility of management and was derived from and relate 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 non-major 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's Circulars 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2015 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.

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

December 4, 2015

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Required Supplemental Information
Part I

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Township of Hamilton 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, 2015. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statement.

FINANCIAL HIGHLIGHTS

- The net position of the District increased compared to the prior year as a result of an excess of revenues over expenses.
- The State of New Jersey reimbursed the District \$1,407,481 during the fiscal year ended June 30, 2015 for the employer's share of social security contributions. The State of New Jersey also paid \$2,475,734 in pension contributions and retiree health coverage for TPAF members as calculated on their base salaries on behalf of the District. This amount, which is not budgeted, is included as both a revenue and appropriation in the financial statements.
- As indicated by New Jersey State Statutes, the unreserved fund balance of the general fund is limited to 2% of the total general fund expenditures or \$250,000, whichever is greater. Any excess is required to be designated as Reserved Fund Balance – Excess Surplus and included in the next year's budget as budgeted fund balance. As of June 30, 2015 the District had excess surplus of \$2,168,534, of which \$771,403 was required to be budgeted as a revenue for the year ending June 30, 2016 and \$1,397,131 is designated for subsequent year budgets.
- During the fiscal year ended June 30, 2015, the District's expenses were approximately \$1,500,000 more than total revenues in the fund financial statements.

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

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

**Figure A-1
Major Features of Township of Hamilton 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	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 non-financial 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.

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 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 - The District's governmental activities net position increased between fiscal years 2015 and 2014 as a result of an excess of revenues over expenses. The business-type activities net position increased due to an excess of revenues over costs.

	Governmental Activities		Business-type Activities		Total	
	2015	2014 *	2015	2014	2015	2014 *
Current and other assets	\$ 2,936,206	4,917,335	680,756	652,330	3,616,962	5,569,665
Capital assets	51,514,816	52,274,202	114,061	125,573	51,628,877	52,399,775
Total assets	54,451,022	57,191,537	794,817	777,903	55,245,839	57,969,440
Deferred outflows of resources	913,279	-	-	-	913,279	-
Long-term liabilities	29,276,550	33,218,075	49,494	47,726	29,326,044	33,265,801
Other liabilities	424,062	923,428	20,022	16,382	444,084	939,810
Total liabilities	29,700,612	34,141,503	69,516	64,108	29,770,128	34,205,611
Deferred inflows of resources	992,343	-	-	-	992,343	-
Net position						
Invested in capital assets	36,460,816	33,340,202	114,061	125,573	36,574,877	33,465,775
Restricted	785,258	994,118			785,258	994,118
Unrestricted	(12,574,728)	(11,284,286)	611,240	588,222	(11,963,488)	(10,696,064)
Total net position	\$ 24,671,346	23,050,034	725,301	713,795	25,396,647	23,763,829

* as restated

Net position of the District increased slightly due to an excess of revenues over expenses. Also, included in long-term liabilities are amounts due to be paid on compensated absences.

Changes in net position - The total general fund revenue of the District increased approximately \$675,000 due to an increase in state and federal sources and miscellaneous income.

Approximately 61% of the District's governmental funds revenue comes from the State of New Jersey in the form of non-restricted federal and state aid. This aid is based on the District's enrollment as well as other factors related to the District's formula aid which is a relationship of the adequacy budget and the Township's property values and income of the residents. The District expenses are primarily related to instruction, administration, and plant operations.

		2015		2014	
		<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Property taxes	\$	19,625,352	36.26%	19,676,001	39.97%
Unrestricted Federal and State aid		23,053,103	42.60%	25,934,427	52.69%
Tuition		3,500	0.01%	9,564	0.02%
Operating grants and contributions		11,137,363	20.58%	3,485,302	7.08%
Other		301,410	0.56%	118,907	0.24%
Totals	\$	54,120,728	100.00%	49,224,201	100.00%

Governmental Activities

The following schedule summarizes the governmental and business-type activities of the District during the 2015 and 2014 fiscal years:

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Revenues						
Program revenue						
Charges for services	\$ 2,495,094	9,564	1,001,102	1,048,756	3,496,196	1,058,320
Grants and entitlements	9,811,929	5,166,972	1,084,759	1,075,077	10,896,688	6,242,049
General revenues						
Property taxes	19,625,352	19,676,001			19,625,352	19,676,001
State aid entitlements	21,886,943	24,252,757			21,886,943	24,252,757
Other	301,410	118,907	728	684	302,138	119,591
Total revenues	54,120,728	49,224,201	2,086,589	2,124,517	56,207,317	51,348,718
Expenses						
Instruction:						
Regular	21,879,556	18,316,595			21,879,556	18,316,595
Special Education	7,224,479	5,725,657			7,224,479	5,725,657
Other Instruction	2,963,721	2,737,921			2,963,721	2,737,921
Support services:						
Tuition	810,923	915,419			810,923	915,419
Student & instruction related	7,383,844	6,185,226			7,383,844	6,185,226
School administration services	2,165,870	2,194,757			2,165,870	2,194,757
General & business admin	1,945,156	2,151,612			1,945,156	2,151,612
Plant operations & maintenance	4,534,636	5,139,699			4,534,636	5,139,699
Pupil transportation	2,919,775	4,102,574			2,919,775	4,102,574
Capital Outlay		110,602			-	110,602
Interest on long-term debt	657,212	799,469			657,212	799,469
Business-type activities			2,066,018	2,131,141	2,066,018	2,131,141
Total expenses	52,485,172	48,379,531	2,066,018	2,131,141	54,551,190	50,510,672
Special Items:						
Cancellation of Receivables	(14,244)				(14,244)	
Loss on disposal of fixed assets	-	(102)	(9,065)	-	(9,065)	(102)
Increase/(Decrease) in net position	1,621,312	844,568	11,506	(6,624)	1,632,818	837,944

Business-type Activities

Operating and non-operating revenues of the District's business-type activities decreased \$37,972 from the previous year and expenses increased by \$65,123.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of the year end, the governmental funds reported a combined fund balance of \$2,753,670 which is approximately \$1,500,000 lower than the beginning of the 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 and special revenue funds. The budgets are submitted to the County office and, as a Type II School District, are approved by the voters annually if the District exceeds the statutory CAP limitations. Effective with the 2012-2013 school year, if the District stays within the statutory limitations, there is no vote on the budget by the District voters and Board Members are elected at the time of the general election in November. Transfers of appropriations may be made by Board resolution at any time during the fiscal year. 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 budgeted revenue by approximately \$450,000. This is a result of excess unbudgeted miscellaneous revenue and federal and state 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 approximately \$1,010,000.

CAPITAL ASSET

Capital Assets

At the end of 2015, the District had invested \$51.6 million in a broad range of capital assets, including land, buildings, vehicles and machinery.

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Land	\$ 1,423,600	\$ 1,423,600			1,423,600	1,423,600
Construction in Progress	344,309	23,160,697			344,309	23,160,697
Buildings and Bldg improvements	49,118,245	27,285,887			49,118,245	27,285,887
Machinery & equipment	628,662	404,018	114,061	125,573	742,723	529,591
Total	\$ 51,514,816	52,274,202	114,061	125,573	51,628,877	52,399,775

Long-term Debt

	Balance June 30, 2014	Issued	Retired/ Adjusted	Balance June 30, 2015
Governmental Activities:				
Bonds Payable	\$ 18,934,000		3,880,000	15,054,000
Compensated Absences Payable	2,110,873	181,263	169,740	2,122,396
Net Pension Liability	12,100,154			12,100,154
Total Governmental Activities	\$ 33,145,027	181,263	4,049,740	29,276,550
Business-Type Activities:				
Compensated Absences Payable	\$ 47,726	4,072	2,304	49,494
Business-Type Activities	\$ 47,726	4,072	2,304	49,494

More detailed information about the District's long-term debt is presented in the Notes 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

DISTRICT - WIDE FINANCIAL STATEMENTS

HAMILTON TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2015

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 1,044,644	582,877	1,627,521
Restricted cash	971,193		971,193
Receivables, net	19,273		19,273
Internal balances	7,647	(7,347)	300
Due from other governments	893,449	91,118	984,567
Inventory		14,108	14,108
Capital assets not being depreciated			
Land	1,423,600		1,423,600
Capital assets, net	50,091,216	114,061	50,205,277
Total Assets	<u>54,451,022</u>	<u>794,817</u>	<u>55,245,839</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	913,279		913,279
Total Deferred Outflows of Resources	<u>913,279</u>	<u>-</u>	<u>913,279</u>
LIABILITIES			
Accounts payable	117,374	13,118	130,492
Other liabilities	241,526		241,526
Payable to state government	24,436		24,436
Unearned revenue	40,726	6,904	47,630
Noncurrent liabilities:			
Due within one year	3,430,000		3,430,000
Due beyond one year	13,746,396	49,494	13,795,890
Net Pension Liability	12,100,154		12,100,154
Total liabilities	<u>29,700,612</u>	<u>69,516</u>	<u>29,770,128</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	992,343		992,343
NET POSITION			
Net investment in capital assets	36,460,816	114,061	36,574,877
Restricted for:			
Debt service	159		159
Capital projects	785,099		785,099
Unrestricted	(12,574,728)	611,240	(11,963,488)
Total net position	<u>\$ 24,671,346</u>	<u>725,301</u>	<u>25,396,647</u>

HAMILTON TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2015

**Net (Expense) Revenue and
Changes in Net Position**

Functions/Programs	Expenses	Program Revenues					Total
		Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Governmental activities:							
Instruction:							
Regular	\$ 16,451,796	5,427,760	3,500	5,639,353	(16,236,703)	(16,236,703)	
Special education	5,236,161	1,988,318	1,746,258	1,401,232	(4,076,989)	(4,076,989)	
Other special instruction	1,959,374	757,617		528,751	(2,188,240)	(2,188,240)	
Support services:	186,770	59,960		46,424	(200,306)	(200,306)	
Tuition	810,923				(810,923)	(810,923)	
Student & instruction related services	5,505,537	1,878,307		1,595,734	(5,788,110)	(5,788,110)	
School administrative services	1,526,747	639,123		207,487	(1,958,383)	(1,958,383)	
General and business administrative services	1,509,807	435,349		141,333	(1,803,823)	(1,803,823)	
Plant operations and maintenance	3,778,940	755,696		245,331	(4,289,305)	(4,289,305)	
Pupil transportation	2,900,420	19,355	745,336	6,284	(2,168,155)	(2,168,155)	
Unallocated benefits	11,961,485	(11,961,485)			-	-	
Interest on long-term debt	657,212				(657,212)	(657,212)	
Total governmental activities	52,485,172	-	2,495,094	9,811,929	(40,178,149)	(40,178,149)	
Business-type activities:							
Food Service	1,604,722		492,538	1,084,759	(27,425)	(27,425)	
Kids Corner	236,908		268,480		31,572	31,572	
Community Education	224,388		240,084		15,696	15,696	
Total business-type activities	2,066,018	-	1,001,102	1,084,759	-	19,843	
Total primary government	54,551,190	-	3,496,196	10,896,688	(40,178,149)	(40,158,306)	
General revenues:							
Taxes:							
Property taxes, levied for general purposes, net					16,621,103	16,621,103	
Taxes levied for debt service					3,004,249	3,004,249	
Federal and State aid not restricted					20,561,509	20,561,509	
Federal and State aid restricted					1,325,434	1,325,434	
Investment Earnings					936	1,664	
Miscellaneous Income					300,474	300,474	
Special items:							
Cancellation of Receivables					(14,244)	(14,244)	
Loss on disposal of fixed assets					(9,065)	(9,065)	
Total general revenues, special items, extraordinary items and transfers					41,799,461	41,791,124	
Change in Net Position					1,621,312	1,632,818	
Net Position—beginning, As restated					23,050,034	23,763,829	
Net Position—ending					24,671,346	25,396,647	

FUND FINANCIAL STATEMENTS

HAMILTON TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 665,076		379,409	159	1,044,644
Restricted cash	971,193				971,193
Receivables, net	2,402	16,871			19,273
Due from other funds	127,421				127,421
Receivables from other governments	292,903	194,856	405,690		893,449
Total assets	2,058,995	211,727	785,099	159	3,055,980
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	63,806	53,568			117,374
Due to other governments		24,436			24,436
Interfund payable		119,774			119,774
Unearned revenue		40,726			40,726
Total liabilities	63,806	238,504	-	-	302,310
Fund Balances:					
Restricted for:					
Excess Surplus	1,397,131				1,397,131
Excess Surplus - Designated for Subsequent Year's Expenditures	771,403				771,403
Capital Projects			785,099		785,099
Debt Service Fund				159	159
Committed for:					
Capital Reserve Fund	171,193				171,193
Maintenance Reserve Fund	800,000				800,000
Assigned to:					
Unreserved, reported in:					
General fund	(1,144,538)				(1,144,538)
Special revenue fund		(26,777)			(26,777)
Total Fund balances	1,995,189	(26,777)	785,099	159	2,753,670
Total liabilities and fund balances	\$ 2,058,995	211,727	785,099	159	

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.	51,514,816
Pension Liabilities Net of Deferred Outflows & Inflows	(12,179,218)
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	(15,054,000)
Accrued interest payable	(241,526)
Compensated absences	(2,122,396)
Net assets of governmental activities	24,671,346

HAMILTON TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local tax levy	\$ 16,621,103			3,004,249	19,625,352
Tuition Charges	3,500				3,500
Interest	936				936
Miscellaneous	275,474		25,000		300,474
State sources	26,762,742	381,640		1,325,434	28,469,816
Federal sources	173,576	1,312,324			1,485,900
Total revenues	<u>43,837,331</u>	<u>1,693,964</u>	<u>25,000</u>	<u>4,329,683</u>	<u>49,885,978</u>
EXPENDITURES					
Current:					
Regular instruction	11,679,113	1,606,943			13,286,056
Special education instruction	4,228,389				4,228,389
Other special instruction	1,582,254				1,582,254
Other instruction	150,832				150,832
Support services and undistributed costs:					
Tuition	810,923				810,923
Student & instruction related services	4,254,778	191,307			4,446,085
School administrative services	1,439,605				1,439,605
Other administrative services	1,423,811				1,423,811
Plant operations and maintenance	3,459,673				3,459,673
Pupil transportation	2,900,401				2,900,401
Unallocated Benefits	11,961,485				11,961,485
Debt service:					
Principal				3,880,000	3,880,000
Interest and other charges				669,299	669,299
Capital outlay	1,126,771	-	-		1,126,771
Total expenditures	<u>45,018,035</u>	<u>1,798,250</u>	<u>-</u>	<u>4,549,299</u>	<u>51,365,584</u>
Excess (Deficiency) of revenues over expenditures	<u>(1,180,704)</u>	<u>(104,286)</u>	<u>25,000</u>	<u>(219,616)</u>	<u>(1,479,606)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in		101,311		219,616	320,927
Cancellation of Receivables			(14,244)		(14,244)
Transfers out	(101,311)		(219,616)		(320,927)
Total other financing sources and uses	<u>(101,311)</u>	<u>101,311</u>	<u>(233,860)</u>	<u>219,616</u>	<u>(14,244)</u>
Net change in fund balances	(1,282,015)	(2,975)	(208,860)	-	(1,493,850)
Fund balance—July 1	3,277,204	(23,802)	993,959	159	4,247,520
Fund balance—June 30	<u>\$ 1,995,189</u>	<u>(26,777)</u>	<u>785,099</u>	<u>159</u>	<u>2,753,670</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, 2015

Total net change in fund balances - governmental funds (from B-2) \$ (1,493,850)

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	(1,775,555)	
Capital outlays	<u>1,016,169</u>	(759,386)

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. 3,880,000

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. (+) 12,087

Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

District pension contributions - PERS	532,785	
Cost of benefits earned net of employee contributions	<u>(538,801)</u>	(6,016)

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 (+).

Compensated absences (11,523)

Change in net position of governmental activities \$ 1,621,312

HAMILTON TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2015

	Non-Major Funds	Total
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 582,877	582,877
Accounts receivable	91,118	91,118
Interfund receivable	1,819	1,819
Inventories	14,108	14,108
Total current assets	689,922	689,922
Noncurrent assets:		
Furniture, machinery & equipment	435,204	435,204
Less accumulated depreciation	(321,143)	(321,143)
Total noncurrent assets	114,061	114,061
Total assets	803,983	803,983
LIABILITIES		
Current liabilities:		
Interfund payable	9,166	9,166
Accounts payable	13,118	13,118
Unearned revenue	6,904	6,904
Total current liabilities	29,188	29,188
Noncurrent liabilities:		
Compensated absences	49,494	49,494
Total noncurrent liabilities	49,494	49,494
Total liabilities	78,682	78,682
NET POSITION		
Net investment in capital assets	114,061	114,061
Unrestricted	611,240	611,240
Total net position	\$ 725,301	725,301

HAMILTON TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2015

	Non-major Funds	Total
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	\$ 302,436	302,436
Daily sales - non-reimbursable programs	147,924	147,924
Special functions	19,244	19,244
Miscellaneous	7,203	7,203
Community services	524,295	524,295
Total operating revenues	1,001,102	1,001,102
 Operating expenses:		
Cost of sales	673,911	673,911
Salaries	995,202	995,202
Employee benefits	254,349	254,349
General supplies & materials	87,207	87,207
Other expenses	32,486	32,486
Depreciation	22,863	22,863
Total Operating Expenses	2,066,018	2,066,018
Operating (loss)	(1,064,916)	(1,064,916)
 Nonoperating revenues:		
State sources:		
State school lunch program	17,013	17,013
Federal sources:		
National school lunch program	744,332	744,332
National school breakfast program	230,847	230,847
Special milk program	1,283	1,283
Federal Equipment Grant	9,890	9,890
Food distribution program	81,394	81,394
Interest and investment revenue	728	728
Total nonoperating revenues	1,085,487	1,085,487
(Loss) before contributions & transfers	20,571	20,571
 Other financing sources:		
Loss on disposal of fixed assets	(9,065)	(9,065)
Change in net position	11,506	11,506
Total net position—beginning	713,795	713,795
Total net position—ending	\$ 725,301	725,301

HAMILTON TOWNSHIP SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2015

	Non-major Funds	Total
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 1,005,921	1,005,921
Payments to employees	(995,202)	(995,202)
Payments for employee benefits	(252,581)	(252,581)
Payments to suppliers	(110,823)	(110,823)
Payments to cost of sales	(584,091)	(584,091)
Net cash (used for) operating activities	(936,776)	(936,776)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	18,170	18,170
Federal Sources	995,157	995,157
Payments from other funds	87	87
Net cash provided by non-capital financing activities	1,013,414	1,013,414
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Acquisition of capital assets	(20,416)	(20,416)
Net cash (used for) capital financing activities	(20,416)	(20,416)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends	728	728
Net cash provided by investing activities	728	728
Net decrease in cash and cash equivalents	56,950	56,950
Balances—beginning of year	525,927	525,927
Balances—end of year	582,877	582,877
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating (loss)	(1,064,916)	(1,064,916)
Adjustments to reconcile operating (loss) to net cash provided by (used for) operating activities		
Depreciation and net amortization	22,863	22,863
Federal commodities	81,394	81,394
(Increase) in inventories	4,786	4,786
(Increase) in other receivables	4,819	4,819
Increase in accounts payable	8,487	8,487
Increase in deferred revenue	4,023	4,023
Increase in compensated absences	1,768	1,768
Total adjustments	128,140	128,140
Net cash (used for) operating activities	\$ (936,776)	(936,776)

HAMILTON TOWNSHIP SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Agency Fund
ASSETS			
Cash and cash equivalents	\$ 309,185	1,284	164,709
Total assets	309,185	1,284	164,709
LIABILITIES			
Payable to student groups			160,114
Accounts payable	23,109		1,309
Interfunds payable			300
Payroll deductions and withholdings			2,986
Total liabilities	23,109		164,709
NET POSITION			
Held in trust for unemployment claims and other purposes	\$ 286,076		
Reserved for scholarships		1,284	

HAMILTON TOWNSHIP SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2015

	Unemployment Compensation Trust	Private Purpose Scholarship Fund
ADDITIONS		
Contributions:		
Plan member	\$ 76,902	
Total Contributions	76,902	-
Investment earnings:		
Interest	443	3
Net investment earnings	443	3
Total additions	77,345	3
DEDUCTIONS		
Employee withholdings	32,228	
Unemployment claims	65,451	
Scholarships awarded		300
Total deductions	97,679	300
Operating income	(20,334)	(297)
Change in net position	(20,334)	(297)
Net position—beginning of the year	306,410	1,581
Net position—end of the year	\$ 286,076	1,284

Notes to the Financial Statements

Hamilton Township School District

Notes to Financial Statements

June 30, 2015

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, 2015 and 2014 of 3,034 and 3,114 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, 2015

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. Non-major funds by category are summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements. The State of New Jersey Department of Education has mandated that all New Jersey School Districts must report all governmental funds as major, regardless of the fund meeting the GASB definition of a major fund. However, the criteria are applied to 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, 2015

- 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:

- Non-spendable – 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.

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

Hamilton Township School District

Notes to Financial Statements

June 30, 2015

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 focuses are on net position and changes in net position, 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, 2015**

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, 2015, the District did not have inventory in the general fund and had the following inventory in the enterprise fund.

Food	\$	11,098
Supplies		3,010
	\$	<u>14,108</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 non-operating revenue in the financial statements. The value of commodities included in the food service inventory on June 30, 2015 is \$6,903.

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.

Hamilton Township School District

Notes to Financial Statements

June 30, 2015

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 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.

**Hamilton Township School District
Notes to Financial Statements
June 30, 2015**

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). 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 2015 fiscal year:

<u>Account Name</u>	<u>Amount</u>
Salaries -	
Teachers - Grades 1-5	266,075
Teachers - Grades 6-8	(141,205)
Multiple Disabilities	
Salaries for Teachers	104,052
Tuition to CSSD & Regional Day Schools	172,766
Unallocated Benefits - Health Benefits	(148,632)
Undistributed Expenditures-Student Transport-Joint Agreements	(96,964)
Facilities Acquisition and Construction Services	
Construction Services	689,800

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.

Hamilton Township School District

Notes to Financial Statements

June 30, 2015

11. Tuition Payable

Tuition charges for the fiscal year 2014/15 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.

14. Pensions:

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

F. RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE

In June 2012, GASB issued Statement No. 68 "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014, will have a significant effect on the District's financial reporting.

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. The impact of this statement on the net position of the entity is not presently determinable; but it is anticipated to be significant.

In February 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 72, "Fair Value Measurement and Application". This statement is effective for fiscal periods beginning after June 15, 2015, will not have any effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68". This statement is effective for fiscal periods beginning after June 30, 2016, will not have any effect on the District's financial reporting.

**Hamilton Township School District
Notes to Financial Statements
June 30, 2015**

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans". This statement is effective for fiscal periods beginning after June 30, 2016 and establishes new accounting and financial reporting requirements for OPEB plans. It is anticipated that this statement will not have any effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This statement is effective for fiscal periods beginning after June 30, 2017. 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, 2015, 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	10/16/15	12 Months	1.00%	\$1,284

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, 2015 the District had \$478,659 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 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, 2015, \$595,436 of the District's bank balance of \$3,146,990 was exposed to custodial credit risk.

**Hamilton Township School District
Notes to Financial Statements
June 30, 2015**

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions/Adj.</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,423,600			1,423,600
Construction in Progress	23,160,697	344,310	(23,160,698)	344,309
Total capital assets not being depreciated	<u>24,584,297</u>	<u>344,310</u>	<u>(23,160,698)</u>	<u>1,767,909</u>
Capital assets being depreciated:				
Buildings and building improvements	52,308,808	23,807,473		76,116,281
Equipment	3,555,870	25,084	(8,840)	3,572,114
Total capital assets being depreciated at historical cost	<u>55,864,678</u>	<u>23,832,557</u>	<u>(8,840)</u>	<u>79,688,395</u>
Less accumulated depreciation for:				
Buildings and improvements	(25,365,767)	(1,632,269)		(26,998,036)
Equipment	(2,809,006)	(143,286)	8,840	(2,943,452)
Total capital assets being depreciated, net of accumulated depreciation	<u>27,689,905</u>	<u>22,057,002</u>	<u>-</u>	<u>49,746,907</u>
Governmental activity capital assets, net	<u>\$ 52,274,202</u>	<u>22,401,312</u>	<u>(23,160,698)</u>	<u>51,514,816</u>
Business-type activities:				
Capital assets being depreciated:				
Food Service Equipment	\$ 516,854	20,416	(102,066)	435,204
Less accumulated depreciation	(391,281)	(19,458)	89,596	(321,143)
Enterprise Fund capital assets, net	<u>\$ 125,573</u>	<u>958</u>	<u>(12,470)</u>	<u>114,061</u>

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 1,026,956
Special Instruction	228,373
Other Special Instruction	47,466
Student & Instruction Related Services	271,753
Gen Administration Services	126,465
School Administration Services	74,542
	<u>\$ 1,775,555</u>

**Hamilton Township School District
Notes to Financial Statements
June 30, 2015**

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 2015 fiscal year is as follows:

Beginning balance, July 1, 2014	\$	860,057
Deposits:		
Board Resolution Adopted		350,000
Interest		936
Withdrawals:		
Budgeted Transfer		(1,039,800)
		<hr/>
Ending balance, June 30, 2015	\$	<u>171,193</u>

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, 2014	\$	800,000
No Activity		
		<hr/>
Ending balance, June 30, 2015	\$	<u>800,000</u>

**Hamilton Township School District
Notes to Financial Statements
June 30, 2015**

NOTE 7: GENERAL LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2015 was as follows:

	Balance June 30, 2014	Issues or Additions	Payments or Expenditures	Balance June 30, 2015	Amounts Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 2,110,873	181,263	169,740	2,122,396	
Bonds Payable	18,934,000		3,880,000	15,054,000	3,430,000
Net Pension Liability	12,100,154			12,100,154	
	<u>\$ 33,145,027</u>	<u>181,263</u>	<u>4,049,740</u>	<u>29,276,550</u>	<u>3,430,000</u>
Business-Type Activities:					
Compensated Absences	\$ 47,726	4,072	2,304	49,494	-

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, 2015 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, 2015 is \$345,000.

\$21,535,000 Refunding Bonds dated July 15, 2003, due in annual installments through December 15, 2015, bearing interest at varying rates. The balance remaining as of June 30, 2015 was \$935,000.

\$997,000 School Improvement Bonds dated July 15, 2007, due in annual installments through July 15, 2017, bearing interest at a rate of 4.375% per annum. The balance remaining as of June 30, 2015 was \$352,000.

\$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, 2015 was \$463,000.

\$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, 2015 was \$3,849,000.

\$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, 2015 was \$9,110,000.

**Hamilton Township School District
Notes to Financial Statements
June 30, 2015**

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

Fiscal Year Ending June 30,	Principal	Interest	Total
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	310,000	96,822	406,822
2021-2025	1,950,000	315,164	2,265,164
2026	444,000	17,760	461,760
	<u>\$ 15,054,000</u>	<u>1,788,010</u>	<u>16,842,010</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, 2015, the District has expended 100% of the funding on these projects.

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.

Hamilton Township School District Notes to Financial Statements June 30, 2015

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 and PERS rate is 6.78% of covered payroll. The School District's contributions to TPAF for the years ending June 30, 2015, 2014, and 2013 were \$2,475,734, \$2,015,778, and \$2,496,119, 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, 2015, 2014, and 2013 were \$545,950, \$514,307, and \$557,754, respectively, equal to the required contributions for each year.

The Board's total payroll for the years ended June 30, 2015, 2014, and 2013, was \$25,239,256, \$27,242,850, and \$24,875,854; covered payroll was \$19,161,490, \$18,191,256, and \$17,473,103 for TPAF; and \$4,499,429, \$4,512,429, and \$4,376,252 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.

Hamilton Township School District Notes to Financial Statements June 30, 2015

- 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 1/60th from 1/55th, 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 1/7th of the required amount, beginning in fiscal years 2012.

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.

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**Hamilton Township School District
Notes to Financial Statements
June 30, 2015**

NOTE 10 – PUBLIC EMPLOYEES RETIREMENT SYSTEM

At June 30, 2015, the District reported a liability of \$12,100,154 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014, the District's proportion was 0.0646281321%, which was a decrease of 2.53% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$538,801. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		
Changes of assumptions	\$ 380,494	
Net difference between projected and actual earnings on pension plan investments		721,103
Changes in proportion and differences between District contributions and proportionate share of contributions		271,240
District contributions subsequent to the measurement date	<u>532,785</u>	
Total	<u>\$ 913,279</u>	<u>992,343</u>

\$532,785 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30,</u>		
2016	\$	(213,207)
2017		(213,207)
2018		(213,207)
2019		(213,207)
2020		167,347
Thereafter		73,633
Total	<u>\$</u>	<u>(611,849)</u>

**Hamilton Township School District
Notes to Financial Statements
June 30, 2015**

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following assumptions, applied to all period in the measurement:

Inflation rate	3.01%
Salary increases:	
2012-2021	2.15% - 4.40% (based on age)
Thereafter	3.15% - 5.40% (based on age)
Investment rate of return:	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projections Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Borad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

**Hamilton Township School District
Notes to Financial Statements
June 30, 2015**

Discount Rate

The discount rate used to measure the total pension liability was 5.39% and 5.55% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 5.39%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.39%) or 1-percentage point higher (6.39%) than the current rate:

	1% Decrease (4.39%)	Current Discount Rate (5.39%)	1% Increase (6.39%)
District's proportionate share of the net pension liability	\$ 15,222,406	12,100,154	9,478,257

Pension plan fiduciary net position

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

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**Hamilton Township School District
Notes to Financial Statements
June 30, 2015**

NOTE 11 – TEACHERS PENSION AND ANNUITY FUND (TPAF)

At June 30, 2015, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$	-
State's proportionate share of the net position liability associated with the District		<u>96,480,494</u>
Total	<u>\$</u>	<u>96,480,494</u>

The net pension liability was measured as of June 30, 2014 and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2014, the District's proportion was 0.00%, which was a decrease of 0.00% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$5,191,556 and revenue of \$5,191,556 for support provided by the State. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to TPAF from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expensed and actual experience	\$ -	39,388
Changes of assumptions	4,135,505	
Net difference between projected and actual earnings on pension plan investments		3,121,832
Changes in proportion and differences between District contributions and proportionate share of contributions		545,901
District contributions subsequent to the measurement date	<u>\$ 956,806</u>	
Total	<u>\$ 5,092,311</u>	<u>3,707,121</u>

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**Hamilton Township School District
Notes to Financial Statements
June 30, 2015**

\$956,806 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date (June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,		
2016	\$	(103,024)
2017		(103,024)
2018		(103,024)
2019		(103,024)
2020		240,137
Thereafter		600,341
Total	\$	<u>428,384</u>

Actuarial assumptions. The total pension liability in the June 30, 2014 actuarial valuation was determined using the following assumptions, applied to all period included in the measurement:

Inflation Rate	2.50%
Salary increases	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.90%

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate with adjustments for mortality improvements based on Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

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**Hamilton Township School District
Notes to Financial Statements
June 30, 2015**

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return.
Cash	6.00%	0.50%
Core fixed Income	0.00%	2.19%
Core bonds	1.00%	1.38%
Short-term bonds	0.00%	1.00%
Intermediate-term bonds	11.20%	2.60%
Long-term bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High yield bonds	5.50%	4.15%
Non-US fixed income	0.00%	1.41%
Inflation-indexed bonds	2.50%	1.30%
Broad US equities	25.90%	5.88%
Large cap US equities	0.00%	5.62%
Mid cap US equities	0.00%	6.39%
Small cap US equities	0.00%	7.39%
Developed foreign equities	12.70%	6.05%
Emerging market equities	6.50%	8.90%
Private equity	8.25%	9.15%
Hedge funds/absolute return	12.25%	3.85%
Real estate (property)	3.20%	4.43%
Real estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long credit bonds	0.00%	3.74%

Discount rate. The discount rate used to measure the total pension liability was 4.68% and 4.95% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Hamilton Township School District
Notes to Financial Statements
June 30, 2015**

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 4.68% as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.68%) or 1-percentage point higher (5.68%) than the current rate:

	1% Decrease (3.68%)	Current Discount Rate (4.68%)	1% Increase (5.68%)
District's proportionate share of the net pension liability	\$ -	-	-

Pension plan fiduciary net position

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

NOTE 12 – POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 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, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c. 62. Funding of post-retirement medical 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 employer paid 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 \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

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**Hamilton Township School District
Notes to Financial Statements
June 30, 2015**

NOTE 13: LABOR CONTRACTS

As of June 30, 2015, 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

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 14: 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

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**Hamilton Township School District
Notes to Financial Statements
June 30, 2015**

NOTE 15: 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 16: 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 17: FUND BALANCE APPROPRIATED

General Fund – Of the \$1,995,189 General Fund fund balance at June 30, 2015, \$98,113 is reserved for encumbrances, but not reflected as assigned on the balance sheet since the unassigned balance is negative; \$2,168,534 is reserved as excess surplus in accordance with NJSA 18A:7F-7 (\$771,193 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2015); \$171,193 has been reserved in the Capital Reserve Account; \$800,000 has been reserved in the Maintenance Reserve Account; and a deficit of \$1,144,538 is unreserved and undesignated, after adjusting for the encumbrance amount of \$98,113.

NOTE 18: 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, 2015 is \$2,168,534, of which \$771,403 has been included in the 2015-16 budget. The excess fund balance at June 30, 2015 was \$1,397,131.

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**Hamilton Township School District
Notes to Financial Statements
June 30, 2015**

NOTE 19: DEFICIT FUND BALANCE

The District has a deficit fund balance of \$1,144,538 in the General Fund and \$26,777 in the Special Revenue Fund as of June 30, 2015 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 \$2,163,490 in the General Fund and \$26,777 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 \$1,144,538 is less than the last state aid payments.

NOTE 20: ECONOMIC DEPENDENCY

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

NOTE 21: 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, 2015 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 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>Contributions</u>	<u>Interest on Investments</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014-2015	\$ 76,903	443	97,680	286,076
2013-2014		84,075	69,278	306,410
2012-2013	30,426	84,300	48,691	291,613

**Hamilton Township School District
Notes to Financial Statements
June 30, 2015**

NOTE 22: INTERFUND RECEIVABLES AND PAYABLES

As of June 30, 2015, several interfunds remained on the various balance sheets of the Hamilton Township Board of Education.

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 127,421	
Special Revenue Fund		119,774
Food Service Fund	1,819	296
Kids Corner Program Fund		1,444
Community Education Fund		7,426
Agency Fund		300
Total	<u>\$ 129,240</u>	<u>129,240</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 23 – RESTATEMENT OF PRIOR YEAR BALANCES

Net position has been restated as required by the implementation of GASB 68, as discussed in notes 10 and 11 above.

Beginning net position as previously reported at June 30, 2014	\$ 35,223,236
Prior period adjustment - Implementation GASB 68	
Net pension liability (measurement date)	\$ (12,672,821)
Deferred outflows - District's contributions made during fiscal year 2014	<u>\$ 499,619</u>
Total prior period adjustment	<u>\$ (12,173,202)</u>
Net position as restated, July 1, 2014	<u>\$ 23,050,034</u>

NOTE 24: SUBSEQUENT EVENTS

The District has evaluated subsequent events through December 4, 2015, the date which the financial statements were available to be issued and no items were noted for disclosure or adjustment.

Required Supplemental Information
Part II

BUDGETARY COMPARISON SCHEDULES

HAMILTON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	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	3,500	(16,500)
Interest Earned on Maintenance Reserve Funds	750		750		(750)
Interest Earned on Capital Reserve Funds	2,000		2,000	936	(1,064)
Miscellaneous	15,215		15,215	275,474	260,259
Total - Local Sources	16,659,068	-	16,659,068	16,901,013	241,945
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	-
PARCC Readiness Aid	29,645		29,645	29,645	-
Per Pupil Growth Aid	29,645		29,645	29,645	-
Special Education Extraordinary Aid	50,500		50,500	129,679	79,179
Nonpublic School Transportation Aid				16,937	16,937
On-Behalf TPAF Pension Contributions (non-budgeted)				2,475,734	2,475,734
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,407,481	1,407,481
Total - State Sources	22,805,639	-	22,805,639	26,784,970	3,979,331
Federal Sources:					
ARRA - Medical Assistance Program (SEMI)				52,811	52,811
MAC				20,232	20,232
Medical Assistance Program	60,989		60,989	100,533	39,544
Total - Federal Sources	60,989	-	60,989	173,576	112,587
Total Revenues	39,525,696	-	39,525,696	43,859,559	4,333,863

HAMILTON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	1,690	1,000	2,690	2,485	205
Kindergarten	814,783	(41,000)	773,783	770,906	2,877
Grades 1-5	5,625,138	266,075	5,891,213	5,890,889	324
Grades 6-8	3,893,101	(141,205)	3,751,896	3,745,509	6,387
Regular Programs - Home Instruction:					
Salaries of Teachers	20,000	48	20,048	19,183	865
Purchased Professional - Educational Services		5,452	5,452	5,452	-
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	472,884	(84,260)	388,624	383,771	4,853
Purchased Professional - Educational Services	14,500		14,500	9,214	5,286
Purchased Technical Services	81,210		81,210	36,814	44,396
Other Purchased Services	164,571		164,571	136,199	28,372
General Supplies	725,655	9,660	735,315	652,266	83,049
Textbooks	18,000	(350)	17,650	117	17,533
Other Objects	1,185	2,129	3,314	2,888	426
Total Regular Programs	11,832,717	17,549	11,850,266	11,655,693	194,573
Special Education - Instruction:					
Behavioral Disabilities					
Salaries of Teachers	50,400	(50,400)	-	-	-
Other Salaries for Instruction	26,137	(26,137)	-	-	-
General Supplies	500	(500)	-	-	-
Total Behavioral Disabilities	77,037	(77,037)	-	-	-
Multiple Disabilities					
Salaries of Teachers	649,738	104,052	753,790	750,258	3,532
Other Salaries for Instruction	250,686	16,697	267,383	267,180	203
Purchased Professional-Educational Services	10,000	(10,000)	-	-	-
General Supplies	16,195	(14)	16,181	15,936	245
Total Multiple Disabilities	926,619	110,735	1,037,354	1,033,374	3,980

HAMILTON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Resource Room/Resource Center					
Salaries of Teachers	2,724,310	(12,560)	2,711,750	2,708,975	2,775
General Supplies	35,445	13,460	48,905	48,870	35
Total Resource Room/Resource Center	2,759,755	900	2,760,655	2,757,845	2,810
Autism					
Salaries of Teachers	101,000	10,200	111,200	110,143	1,057
Other Salaries for Instruction	36,137	(18,500)	17,637	17,352	285
General Supplies	5,117	420	5,537	5,508	29
Total Autism	142,254	(7,880)	134,374	133,003	1,371
Preschool Disabilities - Part Time					
Salaries of Teachers	134,837	68,500	203,337	200,066	3,271
Other Salaries for Instruction	108,436	(21,500)	86,936	79,210	7,726
General Supplies	4,150	134	4,284	4,047	237
Total Preschool Disabilities - Part Time	247,423	47,134	294,557	283,323	11,234
Home Instruction					
Salaries of Teachers	28,700	(9,000)	19,700	19,344	356
Purchased Professional-Educational Services	15,000	(8,930)	6,070	1,500	4,570
Total Preschool Disabilities - Full Time	43,700	(17,930)	25,770	20,844	4,926
Total Special Education - Instruction	4,196,788	55,922	4,252,710	4,228,389	24,321
Basic Skills/Remedial - Instruction					
Salaries of Teachers	1,149,541	(20,000)	1,129,541	1,114,725	14,816
Total Basic Skills/Remedial - Instruction	1,149,541	(20,000)	1,129,541	1,114,725	14,816
Bilingual Education - Instruction:					
Salaries of Teachers	446,723	21,100	467,823	467,529	294
Total Bilingual Education - Instruction	446,723	21,100	467,823	467,529	294

HAMILTON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
School Sponsored Curricular Activities - Instruction:					
Salaries	97,186		97,186	76,511	20,675
Supplies and Materials	9,600		9,600	8,625	975
Other Objects	1,150		1,150	785	365
Total School Sponsored Curricular Activities - Instruction	107,936	-	107,936	85,921	22,015
School Sponsored Athletics:					
Salaries	48,714		48,714	48,714	-
Purchased Services	5,570		5,570	4,281	1,289
Supplies and Materials	10,318		10,318	10,290	28
Other Objects	2,750		2,750	1,626	1,124
Total School Sponsored Athletics:	67,352	-	67,352	64,911	2,441
Total Instruction	17,801,057	74,571	17,875,628	17,617,168	258,460
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	45,700	35,626	81,326	81,155	171
Tuition to Other LEAs Within the State - Special	62,300	32,166	94,466	87,502	6,964
Tuition to CSSD & Regional Day Schools	139,960	172,766	312,726	312,452	274
Tuition to Private Schools for the Disabled - Within State	350,130	(20,313)	329,817	329,814	3
Tuition - Other	66,000	(66,000)	-	-	-
Total Undistributed Expenditures - Instruction	664,090	154,245	818,335	810,923	7,412

HAMILTON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Attendance and Social Work:					
Salaries	135,647	1,098	136,745	136,456	289
Other Purchased Services	750	97	847	847	-
Total Undistributed Expenditures - Attendance and Social Work	136,397	1,195	137,592	137,303	289
Undistributed Expenditures - Health Services:					
Salaries	330,244	1,600	331,844	331,489	355
Purchased Professional and Technical Services	20,382	7,503	27,885	22,566	5,319
Other Purchased Services	800	(46)	754	695	59
Supplies and Materials	9,809	2,046	11,855	10,455	1,400
Total Undistributed Expenditures - Health Services	361,235	11,103	372,338	365,205	7,133
Undistributed Expenditures - Other Support Services - Students - Related Services:					
Salaries of Other Professional Staff	632,012	(26,000)	606,012	600,593	5,419
Purchased Professional - Educational Services	21,500	29,500	51,000	48,120	2,880
Supplies and Materials	4,000		4,000	3,942	58
Total Undistributed Expenditures - Other Support Services - Students - Related Services	657,512	3,500	661,012	652,655	8,357
Undistributed Expenditures - Other Support Services - Students - Extra Services:					
Salaries	794,587	27,500	822,087	801,459	20,628
Other Purchased Professional and Technical Services	100,000	(8,500)	91,500	41,410	50,090
Supplies and Materials	3,078	-	3,078	2,486	592
Total Undistributed Expenditures - Other Support Services - Extra Services	897,665	19,000	916,665	845,355	71,310

HAMILTON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	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	449,405	10,000	459,405	458,740	665
Other Purchased Services	175		175	63	112
Supplies and Materials	2,690		2,690	2,331	359
Total Undistributed Expenditures - Other Support Services - Students - Regular	452,270	10,000	462,270	461,134	1,136
Undistributed Expenditures - Other Support Services - Students - Child Study Team:					
Salaries of Other Professional Staff	633,870	(19,300)	614,570	614,514	56
Salaries of Secretarial and Clerical Assistants	99,378	7,500	106,878	106,857	21
Other Salaries	117,000	(44,000)	73,000	67,436	5,564
Other Purchased Professional and Technical Services	120,000	21,850	141,850	136,116	5,734
Miscellaneous Purchased Services	18,263	(1,350)	16,913	15,887	1,026
Supplies and Materials	14,409	5,400	19,809	19,442	367
Other Objects	1,600	(500)	1,100	584	516
Total Undistributed Expenditures - Other Support Services - Students - Special	1,004,520	(30,400)	974,120	960,836	13,284
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	130,940		130,940	130,940	-
Salaries of Other Professional Staff	180,772	(750)	180,022	179,366	656
Salaries of Secretarial and Clerical Assistants	35,826	(13,029)	22,797	22,662	135
Other Purchased Services	9,250	(2,500)	6,750	283	6,467
Supplies and Materials	1,250		1,250	1,250	
Other Objects	500		500	270	230
Total Undistributed Expenditures - Improv. of Instr. Services	358,538	(16,279)	342,259	333,521	8,738

HAMILTON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Educational Media Services - School Library					
Salaries	310,247	5,110	315,357	315,356	1
Salaries of Technology Coordinators	114,922	2,170	117,092	117,089	3
Purchased Professional and Technical Services	1,418	(427)	991	937	54
Other Purchased Services	275		275	270	5
Supplies and Materials	14,496	427	14,923	13,202	1,721
Other Objects	100		100	50	50
Total Undistributed Expenditures - Educational Media Services - School Library	441,458	7,280	448,738	446,904	1,834
Undistributed Expenditures - Instructional Staff Training Services					
Salaries of Other Professional Staff	20,000	(7,125)	12,875	9,168	3,707
Purchased Professional - Educational Services	30,000	(4,400)	25,600	25,220	380
Other Purchased Services	35,100	(11,487)	23,613	14,065	9,548
Supplies and Materials	1,000	2,412	3,412	3,412	-
Total Undistributed Expenditures - Instructional Staff Training Srvc	86,100	(20,600)	65,500	51,865	13,635
Undistributed Expenditures - Support Services - Gen. Admin.:					
Salaries	305,447	1,000	306,447	302,470	3,977
Legal Services	75,000	20,000	95,000	91,190	3,810
Audit Fees	24,000		24,000	24,000	-
Architectural/Engineering Services	38,465	(14,325)	24,140	16,265	7,875
Other Purchased Professional Services	22,000	46,120	68,120	68,120	-
Communications/Telephone	117,000	(350)	116,650	107,118	9,532
Other Purchased Services	1,000	299	1,299	-	1,299
Miscellaneous Purchased Services	129,795	(455)	129,340	126,993	2,347
General Supplies	10,000	1,200	11,200	9,813	1,387
BOE In-House Training/Meeting Supplies	1,000	(309)	691	691	691
Miscellaneous Expenditures	4,000	(220)	3,780	3,779	1
BOE Membership Dues and Fees	17,000	(565)	16,435	16,435	-
Total Undistributed Expenditures - Support Services - Gen. Admin.	744,707	52,395	797,102	767,482	29,620

HAMILTON TOWNSHIP SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Support Serv. - School Admin.:					
Salaries of Principals/Assistant Principals	810,692		810,692	810,692	-
Salaries of Other Professional Staff	107,930		107,930	107,930	-
Salaries of Secretarial and Clerical Assistants	388,332	29,464	417,796	416,162	1,634
Purchased Professional and Technical Services	500		500	190	310
Other Purchased Services	26,457	10,006	36,463	36,094	369
Supplies and Materials	56,462	12,194	68,656	66,482	2,174
Other Objects	4,599	(2,514)	2,085	2,055	30
Total Undistributed Expenditures - Support Serv. - School Admin.	1,394,972	49,150	1,444,122	1,439,605	4,517
Undistributed Expenditures - Central Services					
Salaries	322,211	(10,000)	312,211	308,167	4,044
Purchased Professional Services	17,600	(2,796)	14,804	12,818	1,986
Miscellaneous Purchased Services (400-500 series)	1,900	470	2,370	2,307	63
Supplies and Materials	4,000	2,931	6,931	6,930	1
Miscellaneous Expenditures	2,000	(400)	1,600	1,465	135
Total Undistributed Expenditures - Central Services	347,711	(9,795)	337,916	331,687	6,229
Undistributed Expenditures - Administrative Information Technology					
Salaries	292,868	7,936	300,804	298,573	2,231
Purchased Professional Services	5,100		5,100	4,955	145
Other Purchased Services	5,500	(2,885)	2,615	1,471	1,144
Supplies and Materials	20,000		20,000	19,643	357
Total Undistributed Expenditures - Admin. Information Technology	323,468	5,051	328,519	324,642	3,877
Undistributed Expenditures - Required Maint for School Facilities					
Salaries	306,567	(3,622)	302,945	299,762	3,183
Cleaning, Repair, and Maintenance Services	245,901	(68,650)	177,251	161,263	15,988
General Supplies	161,343	(38,000)	123,343	102,823	20,520
Total Undistributed Expenditures - Required Maint for School Facilities	713,811	(110,272)	603,539	563,848	39,691

HAMILTON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Custodial Services					
Salaries	1,198,951	32,000	1,230,951	1,216,266	14,685
Cleaning, Repair and Maintenance Services	69,600	(29,536)	40,064	35,649	4,415
Purchased Professional and Technical Services	2,795	(2,795)	-	-	-
Other Purchased Property Services	90,500	(1,765)	88,735	87,876	859
Insurance	193,000	(1,411)	191,589	191,589	-
Miscellaneous Purchased Services	15,504	(324)	15,180	13,785	1,395
General Supplies	165,000	(13,500)	151,500	141,247	10,253
Energy (Electricity)	899,500	20,365	919,865	860,243	59,622
Energy (Natural Gas)	250,000	7,000	257,000	256,309	691
Energy (Oil)	2,000	(2,000)	-	-	-
Other Objects	750	(365)	385	385	-
Total Undistributed Expenditures - Custodial Services	2,887,600	7,669	2,895,269	2,803,349	91,920
Undistributed Expenditures - Care & Upkeep of Grounds					
Salaries	77,020	(11,378)	65,642	62,214	3,428
Cleaning, Repair and Maintenance Services	7,000	(4,500)	2,500	1,715	785
General Supplies	21,000	8,000	29,000	28,547	453
Total Undistributed Expenditures - Care & Upkeep of Grounds	105,020	(7,878)	97,142	92,476	4,666
Total Undistributed Expenditures - Oper & Main of Plant Services	3,706,431	(110,481)	3,595,950	3,459,673	136,277
Undistributed Expenditures - Student Transportation Services:					
Sal for Pupil Transp (Between Home and School)-Reg.	29,141	11,290	40,431	40,423	8
Contracted Services - (Between Home and School) - Vendors	120,000	940	120,940	120,940	-
Contracted Services - (Other than Between Home and School) - Vendors	100,843	(940)	99,903	73,650	26,253
Contracted Services - (Between Home and School) - Joint Agreements	1,881,225	(96,964)	1,784,261	1,746,807	37,454
Contracted Services - (Special Ed Students) - Joint Agree.	775,601	97,150	872,751	852,617	20,134
Contracted Services - Aid in Lieu of Payments-Non Public	42,100	2,100	44,200	44,200	-
Contracted Services - Aid in Lieu of Payments - Charter School	900	884	1,784	1,768	16
Contracted Services - Aid in Lieu of Payments - Choice School	20,000	(2,984)	17,016	11,482	5,534
Miscellaneous Purchased Services - Transportation	21,102	(2,185)	18,917	5,572	13,345
General Supplies	492	2,453	2,945	2,942	3
Other Objects	11,640	(11,594)	46	46	-
Total Undistributed Expenditures - Student Transportation Serv.	3,003,044	150	3,003,194	2,900,401	102,793

HAMILTON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Unallocated Benefits:					
Social Security Contributions	519,967	(50,000)	469,967	439,685	30,282
Other Retirement Contributions - PERS	640,000	(9,600)	630,400	617,041	13,359
Workmen's Compensation	246,953	(9,215)	237,738	237,738	-
Health Benefits	6,971,622	(148,632)	6,822,990	6,639,675	183,315
Tuition Reimbursement	78,300		78,300	56,569	21,731
Other Employee Benefits	111,625		111,625	87,562	24,063
Total Unallocated Benefits	8,568,467	(217,447)	8,351,020	8,078,270	272,750
On-behalf TPAF Pension Contributions (non-budgeted)				2,475,734	(2,475,734)
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,407,481	(1,407,481)
Total On-behalf Contributions	-	-	-	3,883,215	(3,883,215)
Total Undistributed Expenditures	23,148,585	(91,933)	23,056,652	26,250,676	(3,194,024)
Total Current Expense	40,949,642	(17,362)	40,932,280	43,867,844	(2,935,564)
Capital Outlay:					
Interest earned on Maintenance Reserve	750		750		750
Interest Deposit to Capital Reserve	2,000		2,000		2,000
Total Interest Deposit to Capital Reserve	2,750	-	2,750	-	2,750
Equipment:					
Undistributed Expenditures:					
Support Services - Administration		2,400	2,400		2,400
Support Services - Health Services	2,709	34	2,743	2,742	1
Support Services - Related & Extra Services	10,019	(2,266)	7,753		7,753
Undist. Expend. - Admin Info Tech.	16,000	(500)	15,500	15,115	385
Undist. Expend. - Required Maintenance		2,232	2,232	2,232	-
Undist. Expend. - Central Services	4,500	500	5,000	4,995	5
Total Equipment	33,228	2,400	35,628	25,084	10,544

HAMILTON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Facilities Acquisition and Construction Services:					
Construction Services	350,000	689,800	1,039,800	991,085	48,715
Debt service assessment on SDA funding	110,602		110,602	110,602	-
Total Facilities Acquisition and Construction Services	460,602	689,800	1,150,402	1,101,687	48,715
Total Capital Outlay	496,580	692,200	1,188,780	1,126,771	62,009
Transfer to Charter Schools	8,458	14,962	23,420	23,420	-
Total Expenditures	41,454,680	689,800	42,144,480	45,018,035	(2,873,555)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,928,984)	(689,800)	(2,618,784)	(1,158,476)	1,460,308
Other Financing Sources (Uses):					
Operating Transfers Out:					
Local Contribution-Transfer to Special Revenue - Regular	(101,311)	-	(101,311)	(101,311)	-

HAMILTON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	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	(2,030,295)	(689,800)	(2,720,095)	(1,259,787)	1,460,308
Fund Balances, July 1	5,418,466		5,418,466	5,418,466	-
Fund Balances, June 30	<u>3,388,171</u>	<u>(689,800)</u>	<u>2,698,371</u>	<u>4,158,679</u>	<u>1,460,308</u>

Recapitulation of Fund Balance:

Restricted Fund Balance:

Reserve for Excess Surplus	1,397,131
Excess Surplus-Designated for Subsequent Year's Expenditures	771,403

Committed Fund Balance:

Reserve for Capital Reserve	171,193
Reserve for Maintenance Reserve	800,000

Assigned Fund Balance:

Year-end Encumbrances	98,113
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Unassigned Fund Balance

	<u>920,839</u>
--	----------------

4,158,679

Reconciliation to Governmental Funds Statements (GAAP)

Last State Aid Payment Not Recognized on GAAP Basis	<u>(2,163,490)</u>
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\$ 1,995,189

HAMILTON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
State Sources:					
Preschool Education Aid	267,768	-	267,768	267,768	-
Nonpublic aid	114,248	35,292	149,540	125,104	(24,436)
Total - State Sources	382,016	35,292	417,308	392,872	(24,436)
Federal Sources:					
Title I	301,348	113,219	414,567	413,005	(1,562)
Title II	59,434	12,121	71,555	68,879	(2,676)
Title III	15,544	309	15,853	15,340	(513)
I.D.E.A., Part B	661,863	168,204	830,067	830,067	-
Total - Federal Sources	1,038,189	293,853	1,332,042	1,327,291	(4,751)
Total Revenues	1,420,205	329,145	1,749,350	1,720,163	(29,187)
EXPENDITURES:					
Instruction					
Salaries of Teachers	246,567	178,411	424,978	424,772	206
Other Salaries for Instruction	98,157	-	98,157	98,157	-
Other Professional Services	103,814	31,440	135,254	110,818	24,436
Other Purchased Services (400-500 series)	661,863	140,090	801,953	801,953	-
General Supplies	387,374	(197,746)	189,628	185,964	3,664
Textbooks	7,646	1,648	9,294	9,294	-
Total instruction	1,505,421	153,843	1,659,264	1,630,958	28,306

HAMILTON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
EXPENDITURES (CONT'D):					
Support Services					
Salaries of Program Directors		14,553	14,553	14,553	-
Salaries of Secretarial and Clerical Assistants	16,095	-	16,095	16,095	-
Personal Services - Employee Benefits		106,253	106,253	106,237	16
Purchased Technical Services		46,894	46,894	46,894	-
Travel		6,755	6,755	6,219	536
Supplies & Materials		500	500	171	329
Miscellaneous Expenses		347	347	347	-
Total support services	<u>16,095</u>	<u>175,302</u>	<u>191,397</u>	<u>190,516</u>	<u>881</u>
Facilities acquisition and construction services:					
Instructional Equipment		-	-	-	-
Total facilities acquisition and construction services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers to Charter Schools		-		-	-
Total expenditures	<u>1,521,516</u>	<u>329,145</u>	<u>1,850,661</u>	<u>1,821,474</u>	<u>29,187</u>
Other financing sources (uses)					
Transfer from other funds	101,311	-	101,311	101,311	-
Total other financing sources (uses)	<u>101,311</u>	<u>-</u>	<u>101,311</u>	<u>101,311</u>	<u>-</u>
Total outflows	<u>1,420,205</u>	<u>329,145</u>	<u>1,749,350</u>	<u>1,720,163</u>	<u>29,187</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

HAMILTON TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2015

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	\$ 43,859,559	1,720,163
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		17,502
Current year		(40,726)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	2,141,262	23,802
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(2,163,490)	(26,777)
Total revenues reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	43,837,331	1,693,964
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	45,018,035	1,821,474
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		17,502
Current year		(40,726)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 45,018,035	1,798,250

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Required Supplemental Information
Part III

HAMILTON TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employee Retirement System
Last Two Fiscal Years

	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.0646281321%	0.0663082340%
District's proportionate of the net pension liability (asset)	\$ 12,100,154	\$ 12,672,821
District's covered payroll	\$ 4,502,895	\$ 4,376,252
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	268.72%	289.58%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	48.72%

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

Note: This schedule is required by GASB 68 to show information for a 10 year period. However, information is only currently available for two years. Additional years will be presented as they become available.

HAMILTON TOWNSHIP SCHOOL DISTRICT
Schedule of District Contributions
Public Employee Retirement System
Last Two Fiscal Years

	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 532,785	\$ 499,619
Contributions in relation to the contractually required contribution	<u>\$ 532,785</u>	<u>\$ 499,619</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 4,502,895	\$ 4,376,252
Contributions as a percentage of covered-employee payroll	11.83%	11.42%

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

Note: This schedule is required by GASB 68 to show information for a 10 year period.
However, information is only currently available for two years.
Additional years will be presented as they become available.

HAMILTON TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund
Last Two Fiscal Years

	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.00%	0.00%
District's proportionate of the net pension liability (asset)	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	<u>96,480,494</u>	<u>91,627,370</u>
Total	<u>\$ 96,480,494</u>	<u>\$ 91,627,370</u>
District's covered payroll	\$ 18,191,256	\$ 17,473,103
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	33.76%

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

Note: This schedule is required by GASB 68 to show information for a 10 year period. However, information is only currently available for two years. Additional years will be presented as they become available.

HAMILTON TOWNSHIP SCHOOL DISTRICT
Schedule of District Contributions
Teachers' Pension and Annuity Fund
Last Two Fiscal Years

	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 956,806	\$ 766,816
Contributions in relation to the contractually required contribution	<u>956,806</u>	<u>766,816</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 18,191,256	\$ 17,473,103
Contributions as a percentage of covered-employee payroll	5.26%	4.39%

Source: GASB 68 report on Teachers' Pension and Annuity Fund; District records

Note: This schedule is required by GASB 68 to show information for a 10 year period.
However, information is only currently available for two years.
Additional years will be presented as they become available.

SPECIAL REVENUE FUND

HAMILTON TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenue and Expenditures
Budgetary Basis
For Fiscal Year Ended June 30, 2015

	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	9,294	60,915	2,558	7,927	17,578	7,690	14,150	4,992
Federal Sources								
Total revenues	<u>9,294</u>	<u>60,915</u>	<u>2,558</u>	<u>7,927</u>	<u>17,578</u>	<u>7,690</u>	<u>14,150</u>	<u>4,992</u>
EXPENDITURES:								
Instruction:								
Salaries of teachers								
Other salaries for instruction								
Purchased prof. and technical services								
Other professional services		60,915	2,558	7,927	17,578	7,690	14,150	4,992
Other purchased services								
General supplies								
Textbooks	9,294							
Total instruction	<u>9,294</u>	<u>60,915</u>	<u>2,558</u>	<u>7,927</u>	<u>17,578</u>	<u>7,690</u>	<u>14,150</u>	<u>4,992</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								194
Total support services								<u>194</u>
Facilities acquisition and const. serv.:								
Instructional equipment								
Total facilities acquisition and construction services								
Transfer to charter schools								
Total expenditures	<u>9,294</u>	<u>60,915</u>	<u>2,558</u>	<u>7,927</u>	<u>17,578</u>	<u>7,690</u>	<u>14,150</u>	<u>4,992</u>
Other financing sources (uses)								
Transfer from other funds								
Total outflows	<u>9,294</u>	<u>60,915</u>	<u>2,558</u>	<u>7,927</u>	<u>17,578</u>	<u>7,690</u>	<u>14,150</u>	<u>4,992</u>
Excess (deficiency) of revenues over (under) expenditures								

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenue and Expenditures
Budgetary Basis
FOR THE FISCAL YEAR ENDED June 30, 2015

	Preschool Education Aid	Total State Funds	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
REVENUES:							
State Sources	267,768	392,872	796,433	30,827	397,568	15,437	68,879
Federal Sources	-	-	-	-	-	-	-
Total revenues	<u>267,768</u>	<u>392,872</u>	<u>796,433</u>	<u>30,827</u>	<u>397,568</u>	<u>15,437</u>	<u>68,879</u>
EXPENDITURES:							
Instruction:							
Salaries of teachers	186,076	186,076	-	-	185,107	3,137	39,240
Other salaries for instruction	98,157	98,157	-	-	-	-	-
Purchased prof. and technical services	-	-	-	-	-	-	-
Other professional services	-	110,818	-	-	-	-	-
Other purchased services	19,316	24,114	771,126	30,827	144,196	12,060	3,552
General supplies	-	9,294	-	-	-	-	-
Textbooks	-	-	-	-	-	-	-
Total instruction	<u>303,549</u>	<u>428,459</u>	<u>771,126</u>	<u>30,827</u>	<u>329,303</u>	<u>15,197</u>	<u>42,792</u>
Support services:							
Salaries of program directors	-	-	-	-	14,553	-	-
Salaries of secretarial and clerical assistants	16,095	16,095	-	-	45,601	240	8,875
Personal services- employee benefits	49,435	49,435	25,307	-	1,739	-	17,041
Purchased technical services	-	-	-	-	6,219	-	-
Travel	-	-	-	-	-	-	-
Supplies and materials	-	194	-	-	153	-	171
Miscellaneous expenses	-	-	-	-	-	-	-
Total support services	<u>65,530</u>	<u>65,724</u>	<u>25,307</u>	<u>-</u>	<u>68,265</u>	<u>240</u>	<u>26,087</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>
Transfer to charter schools	-	-	-	-	-	-	-
Total expenditures	<u>369,079</u>	<u>494,183</u>	<u>796,433</u>	<u>30,827</u>	<u>397,568</u>	<u>15,437</u>	<u>68,879</u>
Other financing sources (uses)	101,311	101,311	-	-	-	-	-
Transfer from other funds	267,768	392,872	796,433	30,827	397,568	15,437	68,879
Total outflows	<u>369,079</u>	<u>494,183</u>	<u>796,433</u>	<u>30,827</u>	<u>397,568</u>	<u>15,437</u>	<u>68,879</u>
Excess (deficiency) of revenues over (under) expenditures	<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, 2015

	Title III English Language Enhancement	Total Federal Funds	Totals
REVENUES:			
State Sources	15,340	-	392,872
Federal Sources	-	1,327,291	1,327,291
Total revenues	<u>15,340</u>	<u>1,327,291</u>	<u>1,720,163</u>
EXPENDITURES:			
Instruction:			
Salaries of teachers		238,696	424,772
Other salaries for instructor	11,212	-	98,157
Purchased prof. and technical service		-	110,818
Other professional services		801,953	801,953
Other purchased service:	2,042	161,850	185,964
General supplies:		-	3,294
Textbooks			
Total instruction	<u>13,254</u>	<u>1,202,499</u>	<u>1,630,958</u>
Support services:			
Salaries of program directors		14,553	14,553
Salaries of secretarial and clerical assistant:			
Personal services- employee benefit	2,086	56,802	16,059
Purchased technical service:		46,804	109,237
Travel		6,219	48,894
Supplies and material:		171	6,219
Miscellaneous expense:		153	171
Total support services	<u>2,086</u>	<u>124,792</u>	<u>190,516</u>
Facilities acquisition and const. serv.			
Instructional equipment		-	-
Total facilities acquisition and construction service:	<u>-</u>	<u>-</u>	<u>-</u>
Transfer to charter schools			
Total expenditures	<u>15,340</u>	<u>1,327,291</u>	<u>1,821,474</u>
Other financing sources (uses)			
Transfer from other funds		-	101,311
Total outflows	<u>15,340</u>	<u>1,327,291</u>	<u>1,720,163</u>
Excess (deficiency) of revenues over (under) expenditure	<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, 2015

EXPENDITURES:	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Instruction:			
Salaries of Teachers	\$ 186,076	186,076	-
Other Salaries for Instruction	98,157	98,157	-
General Supplies	<u>19,316</u>	<u>19,316</u>	<u>-</u>
Total Instruction	<u>303,549</u>	<u>303,549</u>	<u>-</u>
Support Services:			
Salaries of Secr and Clerical Assistants	16,095	16,095	-
Personnel Services - Employee Benefits	<u>49,435</u>	<u>49,435</u>	<u>-</u>
Total Support Services	<u>65,530</u>	<u>65,530</u>	<u>-</u>
Total Expenditures	<u>\$ 369,079</u>	<u>369,079</u>	<u>-</u>

Total Revised 2014-15 Preschool Education Aid Allocation	267,768
Add: Actual ECPA Carryover (June 30, 2015)	-
Add: Budgeted Transfer from General Fund 2014-15	<u>101,311</u>
Total Preschool Education Aid Funds Available for 2014-15 Budget	369,079
Less: 2014-15 Budgeted Preschool Education Aid (including prior year budgeted carryover)	<u>369,079</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2015	-
Add: June 30, 2015 Unexpended Preschool Education Aid	-
2014-15 Carryover - Preschool Education Aid Programs	<u>-</u>
2014-15 Preschool Education Aid Carryover Budgeted for Preschool Programs 2015-16	<u>-</u>

CAPITAL PROJECTS FUND

**HAMILTON TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Statement of Project Expenditures
Year Ended June 30, 2015**

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		25,000	75,000
#1940-055/060-120-09-2000	Solar Roof Project	9/29/2009	4,824,000	3,894,285		(219,616)	710,099
Totals			\$ 29,058,445	28,078,730	-	(194,616)	785,099

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, 2015

Revenues and other Financing Sources

Local Source	\$ 25,000
Total revenues	<u>25,000</u>

Expenditures and other Financing Uses

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	(219,616)
Cancellation of Receivables	(14,244)
Total other financing sources (uses)	<u>(233,860)</u>

Excess (deficiency) of revenues over (under) expenditures	(208,860)
Fund balance - beginning	993,959
Fund balance - ending	<u>\$ 785,099</u>

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, 2015

	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
Bond proceeds and transfers	15,865,000		15,865,000	15,865,000
Local Source		25,000	25,000	25,000
Transfer from capital reserve	16,579		16,579	16,579
Transfer from capital outlay	23,656		23,656	23,656
Total revenues	24,234,445	25,000	24,259,445	24,259,445
Expenditures and other Financing Uses				
Purchased professional and technical services	2,010,002		2,010,002	2,010,002
Construction services	21,261,476		21,261,476	21,335,616
Furniture & equipment purchases	912,967		912,967	913,827
Total expenditures	24,184,445	-	24,184,445	24,259,445
Other financing sources (uses):				
None			-	
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	\$ 50,000	25,000	75,000	-
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	99.69%			
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, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Costs
Revenues and other Financing Sources				
Bond proceeds and transfers	\$ 4,824,000		4,824,000	4,824,407
Total revenues	<u>4,824,000</u>	<u>-</u>	<u>4,824,000</u>	<u>4,824,407</u>
Expenditures and other Financing Uses				
Purchased professional and technical services	348,458		348,458	454,140
Legal services	17,581		17,581	1,507
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	(390,516)	(219,616)	(610,132)	
Total other financing sources (uses)	<u>(390,516)</u>	<u>(219,616)</u>	<u>(610,132)</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>929,715</u>	<u>(219,616)</u>	<u>710,099</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

HAMILTON TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Net Position
June 30, 2015

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	Non-Major Funds			Total Non-Major Funds
	Food Service	Kids Corner Program	Community Education	
ASSETS:				
Cash and cash equivalents	\$ 82,066	150,285	350,526	582,877
Accounts Receivable:				
State	1,384			1,384
Federal	73,551			73,551
Other	11,462	3,471	1,250	16,183
Interfund Receivable	1,819			1,819
Inventories	14,108			14,108
Total Current Assets	<u>184,390</u>	<u>153,756</u>	<u>351,776</u>	<u>689,922</u>
Fixed Assets:				
Equipment	394,143	2,353	38,708	435,204
Accumulated depreciation	(300,040)	(2,353)	(18,750)	(321,143)
Total fixed assets	<u>94,103</u>	<u>-</u>	<u>19,958</u>	<u>114,061</u>
Total assets	<u>278,493</u>	<u>153,756</u>	<u>371,734</u>	<u>803,983</u>
LIABILITIES				
Current liabilities:				
Interfund payable	296	1,444	7,426	9,166
Accounts payable	13,118			13,118
Unearned revenue	6,904			6,904
Total current liabilities	<u>20,318</u>	<u>1,444</u>	<u>7,426</u>	<u>29,188</u>
Noncurrent liabilities:				
Compensated absences	49,494			49,494
Total noncurrent liabilities	<u>49,494</u>	<u>-</u>	<u>-</u>	<u>49,494</u>
Total liabilities	<u>69,812</u>	<u>1,444</u>	<u>7,426</u>	<u>78,682</u>
NET POSITION				
Net investment in capital assets	94,103	-	19,958	114,061
Unrestricted	114,578	152,312	344,350	611,240
Total net position	<u>208,681</u>	<u>152,312</u>	<u>364,308</u>	<u>725,301</u>
Total liabilities and net position	<u>\$ 278,493</u>	<u>153,756</u>	<u>371,734</u>	<u>803,983</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, 2015

	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	\$ 302,436			302,436
Daily sales non- reimbursable programs	147,924			147,924
Special functions	19,244			19,244
Community/Kids Corner service activities	15,731	268,480	240,084	524,295
Miscellaneous	7,203			7,203
	<hr/>	<hr/>	<hr/>	<hr/>
Total Operating Revenues	492,538	268,480	240,084	1,001,102
OPERATING EXPENSES:				
Salaries	660,353	178,219	156,630	995,202
Employee benefits	205,434	35,825	13,090	254,349
Supplies & Materials	37,608	22,864	26,735	87,207
Depreciation	19,204		3,659	22,863
Cost of sales	673,911			673,911
Other expenses	8,212		24,274	32,486
	<hr/>	<hr/>	<hr/>	<hr/>
Total operating expenses	1,604,722	236,908	224,388	2,066,018
Operating income/(loss)	<u>(1,112,184)</u>	<u>31,572</u>	<u>15,696</u>	<u>(1,064,916)</u>
Nonoperating revenues:				
State sources				
State school lunch program	17,013			17,013
Federal sources				
National school lunch program	744,332			744,332
National school breakfast program	230,847			230,847
Special milk program	1,283			1,283
Federal Equipment Grant	9,890			9,890
Food Distribution Program	81,394			81,394
Interest revenue	164	211	353	728
Total nonoperating revenues	<u>1,084,923</u>	<u>211</u>	<u>353</u>	<u>1,085,487</u>
Net income/(loss)	(27,261)	31,783	16,049	20,571
Other financing sources (uses):				
Loss on disposal of fixed assets	(5,730)		(3,335)	(9,065)
Net position, July 1	241,672	120,529	351,594	713,795
	<hr/>	<hr/>	<hr/>	<hr/>
Net position, June 30	<u>\$ 208,681</u>	<u>152,312</u>	<u>364,308</u>	<u>725,301</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, 2015

	Non-Major Funds			Total
	Food Service	Kids Corner Program	Community Education	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 497,894	266,693	241,334	1,005,921
Payments to employees	(660,353)	(178,219)	(156,630)	(995,202)
Payments for employee benefits	(203,666)	(35,825)	(13,090)	(252,581)
Payments to suppliers	(45,820)	(21,420)	(43,583)	(110,823)
Payments to cost of sales	(584,091)			(584,091)
Net cash provided/(used) for operating activities	<u>(996,036)</u>	<u>31,229</u>	<u>28,031</u>	<u>(936,776)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State Sources	18,170			18,170
Federal Sources	995,157			995,157
Payments from other funds	87			87
Net cash provided by non-capital financing activities	<u>1,013,414</u>	<u>-</u>	<u>-</u>	<u>1,013,414</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES				
Acquisition of capital assets	(13,921)		(6,495)	(20,416)
Net cash (used) by capital financing activities	<u>(13,921)</u>	<u>-</u>	<u>(6,495)</u>	<u>(20,416)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	164	211	353	728
Net cash provided by investing activities	<u>164</u>	<u>211</u>	<u>353</u>	<u>728</u>
Net increase/(decrease) in cash and cash equivalents	3,621	31,440	21,889	56,950
Balances—beginning of year	78,445	118,845	328,637	525,927
Balances—end of year	<u>82,066</u>	<u>150,285</u>	<u>350,526</u>	<u>582,877</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income/(loss)	(1,112,184)	31,572	15,696	(1,064,916)
Adjustments to reconcile operating (loss) to net cash provided by/(used for) operating activities				
Depreciation and net amortization	19,204		3,659	22,863
Federal commodities	81,394			81,394
(Increase) in inventories	4,786			4,786
(Increase)/decrease in other receivables	5,356	(1,787)	1,250	4,819
Increase in accounts payable	(383)	1,444	7,426	8,487
Increase in deferred revenue	4,023			4,023
Increase in compensated absences	1,768			1,768
Total adjustments	<u>116,148</u>	<u>(343)</u>	<u>12,335</u>	<u>128,140</u>
Net cash provided/(used) for operating activities	<u>\$ (996,036)</u>	<u>31,229</u>	<u>28,031</u>	<u>(936,776)</u>

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FIDUCIARY FUNDS

HAMILTON TOWNSHIP SCHOOL DISTRICT
Fiduciary Fund
Combining Statement of Fiduciary Net Position
June 30, 2015

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	Unemployment Compensation	Private Purpose Scholarship Fund	Student Activity	Agency Fund	Total
ASSETS:					
Cash and cash equivalents	\$ 309,185	1,284	161,423	3,286	475,178
Total Assets	309,185	1,284	161,423	3,286	475,178
LIABILITIES AND NET POSITION:					
Liabilities:					
Payroll deductions and withholdings				2,986	2,986
Accounts payable	23,109		1,309		24,418
Due to student groups			160,114		160,114
Interfunds payable				300	300
Total Liabilities	23,109	-	161,423	3,286	187,818
Net Position:					
Reserved - Expendable Trust					286,076
Unemployment	286,076				1,284
Scholarship		1,284			
Total net position	286,076	1,284	-	-	287,360
Total liabilities and net position	\$ 309,185	1,284	161,423	3,286	475,178

HAMILTON TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year ended June 30, 2015

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	<u>Unemployment Compensation</u>	<u>Private Purpose Scholarship Fund</u>	<u>Totals</u>
OPERATING REVENUES:			
Contributions:			
Plan Member	\$ 76,902		76,902
Total operating revenues	<u>76,902</u>	<u>-</u>	<u>76,902</u>
Investment Earnings:			
Interest	443	3	446
Total Revenue	<u>77,345</u>	<u>3</u>	<u>77,348</u>
OPERATING EXPENSES:			
State of New Jersey:			
Employee withholdings	32,228		32,228
Unemployment claims	65,451		65,451
Scholarships awarded		300	300
Total operating expenses	<u>97,679</u>	<u>300</u>	<u>97,979</u>
Operating Income	<u>(20,334)</u>	<u>(297)</u>	<u>(20,631)</u>
Change in net position	(20,334)	(297)	(20,631)
Net position, July 1	<u>306,410</u>	<u>1,581</u>	<u>307,991</u>
Net position, June 30	<u>\$ 286,076</u>	<u>1,284</u>	<u>287,360</u>

HAMILTON TOWNSHIP SCHOOL DISTRICT
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2015

	Balance July 1, 2014	Cash Receipts	Cash Disbursements	Accounts Payable June 30, 2015	Balance June 30, 2015
Shaner	\$ 23,803	22,301	21,083		25,021
Hess	45,633	59,193	68,421		36,405
Davies	56,103	117,119	73,225	1,309	98,688
Total all schools	\$ 125,539	198,613	162,729	1,309	160,114

HAMILTON TOWNSHIP SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year ended June 30, 2015

	Balance July 1, 2014	Additions	Deletions	Balance July 1, 2015
ASSETS:				
Cash and cash equivalents	\$ 877	28,757,320	28,754,911	3,286
Total assets	<u>877</u>	<u>28,757,320</u>	<u>28,754,911</u>	<u>3,286</u>
LIABILITIES:				
Payroll deductions and withholdings Interfund payable	877	28,757,020 300	28,754,911	2,986 300
Total liabilities	<u>877</u>	<u>28,757,320</u>	<u>28,754,911</u>	<u>3,286</u>

LONG-TERM DEBT

HAMILTON TOWNSHIP SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
June 30, 2015

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Amount	Interest Rate	Balance July 1, 2014	Issued	Retired	Balance June 30, 2015
Refunding School Bonds	9/17/2002	\$ 8,240,000	12/15/2015	345,000	4.490%	1,005,000		660,000	345,000
Refunding School Bonds	7/15/2003	21,535,000	12/15/2015	935,000	4.250%	2,715,000		1,780,000	935,000
Various School Improvements	7/15/2007	997,000	7/15/2015	115,000	4.375%	462,000		110,000	352,000
			7/15/2016	120,000	4.375%				
			7/15/2017	117,000	4.375%				
Various School Improvements	7/15/2008	998,000	7/15/2015	110,000	5.000%	568,000		105,000	463,000
			7/15/2016	115,000	5.000%				
			7/15/2017	120,000	5.000%				
			7/15/2018	118,000	5.000%				
Solar Roof Project	6/23/2010	4,824,000	2/1/2016	275,000	3.000%	4,109,000		260,000	3,849,000
			2/1/2017	280,000	3.000%				
			2/1/2018	290,000	3.000%				
			2/1/2019	300,000	3.000%				
			2/1/2020	310,000	3.125%				
			2/1/2021	325,000	3.250%				
			2/1/2022	350,000	3.350%				
2/1/2023	400,000	3.500%							
2/1/2024	425,000	3.550%							
2/1/2025	450,000	4.000%							
2/1/2026	444,000	4.000%							
Refunding School Bonds	2/21/2012	10,115,000	7/15/2015	1,650,000	4.000%	10,075,000		965,000	9,110,000
			7/15/2016	2,400,000	4.000%				
			7/15/2017	2,485,000	4.000%				
			7/15/2018	2,575,000	4.000%				
\$						<u>18,934,000</u>	<u>-</u>	<u>3,880,000</u>	<u>15,054,000</u>

HAMILTON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	3,004,249	-	3,004,249	3,004,249	-
	<u>3,004,249</u>	<u>-</u>	<u>3,004,249</u>	<u>3,004,249</u>	<u>-</u>
State Sources:					
Debt Service Aid Type II	1,325,434	-	1,325,434	1,325,434	-
	<u>1,325,434</u>	<u>-</u>	<u>1,325,434</u>	<u>1,325,434</u>	<u>-</u>
Total Revenues	4,329,683	-	4,329,683	4,329,683	-
EXPENDITURES:					
Regular Debt Service:					
Interest	669,299	-	669,299	669,299	-
Redemption of Principal	3,880,000	-	3,880,000	3,880,000	-
	<u>4,549,299</u>	<u>-</u>	<u>4,549,299</u>	<u>4,549,299</u>	<u>-</u>
Total expenditures	4,549,299	-	4,549,299	4,549,299	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(219,616)	-	(219,616)	(219,616)	-
Other Financing Sources (Uses)					
Operating Transfers in:					
Unexpended balances on capital projects	219,616	-	219,616	219,616	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	-	-	-	-
Fund Balance, July 1	159	-	159	159	-
Fund Balance, June 30	<u>159</u>	<u>-</u>	<u>159</u>	<u>159</u>	<u>-</u>

Recapitulation of Fund Balance:

Designated for Subsequent Year's Expenditures -

Unrestricted Fund Balance 159

Statistical Section

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014 *	2015
Governmental activities										
Net investment in capital assets	\$ 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	36,460,816
Restricted	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	785,258
Unrestricted	(1,523,995)	(2,181,333)	(1,577,015)	(2,848,366)	(3,454,118)	(3,673,443)	2,588,721	2,915,284	(11,284,286)	(12,574,728)
Total governmental activities net position	<u>12,300,433</u>	<u>13,702,547</u>	<u>16,680,322</u>	<u>19,191,970</u>	<u>22,724,328</u>	<u>26,985,723</u>	<u>31,706,475</u>	<u>34,378,668</u>	<u>23,050,034</u>	<u>24,671,346</u>
Business-type activities										
Net investment in capital assets	67,445	57,681	50,465	63,429	128,504	157,187	141,535	136,895	125,573	114,061
Unrestricted	403,092	604,365	767,427	949,857	895,019	584,703	491,591	583,524	588,222	611,240
Total business-type activities net position	<u>470,537</u>	<u>662,046</u>	<u>817,892</u>	<u>1,013,286</u>	<u>1,023,523</u>	<u>741,890</u>	<u>633,126</u>	<u>720,419</u>	<u>713,795</u>	<u>725,301</u>
District-wide										
Net investment in capital assets	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	36,574,877
Restricted	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	785,258
Unrestricted	(1,120,903)	(1,576,968)	(809,588)	(1,898,509)	(2,559,099)	(3,088,740)	3,080,312	3,498,808	(10,696,064)	(11,963,488)
Total district net position	<u>12,770,970</u>	<u>14,364,593</u>	<u>17,498,214</u>	<u>20,205,256</u>	<u>23,747,851</u>	<u>27,727,613</u>	<u>32,339,601</u>	<u>35,099,087</u>	<u>23,763,829</u>	<u>25,396,647</u>

* As Restated

Source: CAFR Schedule A-1

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities										
Instruction										
Regular	\$ 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	21,879,556
Special education	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	7,224,479
Other instruction	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	2,963,721
Nonpublic school programs							126,395	123,865	119,302	
Adult/continuing education programs	6,079	5,561	9,032	4,220	2,230	3,181				
Support Services:										
Tuition	715,879	793,495	404,945	617,299	715,666	774,043	1,157,145	1,429,508	915,419	810,923
Student & instruction related services	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	7,383,844
General administrative services							1,899,231	2,059,681	2,151,612	1,945,156
School administrative services	1,779,275	1,890,758	1,978,544	1,775,582	1,900,476	1,892,274	2,133,152	2,261,482	2,194,757	2,165,870
Business administrative services	1,438,646	1,521,197	1,561,247	1,707,381	1,707,498	1,617,512				
Plant operations and maintenance	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	4,534,636
Pupil transportation	3,011,392	3,178,345	3,139,552	3,451,981	3,491,091	2,896,958	4,154,109	3,989,584	4,102,574	2,919,775
Special Schools				31,024			43,649			
Charter Schools	70,368	103,703	53,888	40,670	131,633	141,170				
Interest on long-term debt	1,624,814	1,541,825	1,486,161	1,433,757	1,302,805	1,307,930	1,099,240	908,162	799,469	657,212
Capital Outlay								71,729	110,602	
Unallocated depreciation	1,005,825	956,339	904,174	983,511	1,019,027	1,122,235				
Total governmental activities expenses	<u>37,631,755</u>	<u>39,852,325</u>	<u>40,413,815</u>	<u>43,424,761</u>	<u>45,443,908</u>	<u>43,656,447</u>	<u>44,956,314</u>	<u>46,287,111</u>	<u>48,379,531</u>	<u>52,485,172</u>
Business-type activities:										
Food service	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	1,604,722
Child Care	218,156	218,154	229,936	233,964	249,103	229,209	243,779	222,639	234,745	236,908
Community Education	97,632	160,947	183,775	178,331	230,690	241,891	251,020	234,478	223,807	224,388
Total business-type activities expense	<u>1,439,806</u>	<u>1,541,687</u>	<u>1,684,521</u>	<u>1,732,342</u>	<u>1,899,374</u>	<u>2,132,689</u>	<u>2,129,189</u>	<u>1,994,519</u>	<u>2,131,141</u>	<u>2,066,018</u>
Total district expenses	<u>39,071,561</u>	<u>41,394,012</u>	<u>42,098,336</u>	<u>45,157,103</u>	<u>47,343,282</u>	<u>45,789,136</u>	<u>47,085,503</u>	<u>48,281,630</u>	<u>50,510,672</u>	<u>54,551,190</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Business and other support services	39,020	32,030	83,851	62,311	43,091	89,163	28,596	4,130	9,564	2,495,094
Operating grants and contributions	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	9,811,929
Capital grants and contributions					94,268	77,449				
Total governmental activities program revenues	<u>\$ 10,600,946</u>	<u>11,408,523</u>	<u>11,853,811</u>	<u>8,205,308</u>	<u>9,000,259</u>	<u>7,924,237</u>	<u>5,073,079</u>	<u>5,492,478</u>	<u>5,176,536</u>	<u>12,307,023</u>

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business-type activities:										
Charges for services:										
Food service	\$ 577,060	592,694	652,652	625,523	582,377	533,218	554,272	559,607	536,827	492,538
Child care	232,535	220,730	236,927	230,298	228,298	237,417	233,952	251,490	268,409	268,480
Community Education	158,543	199,885	210,905	227,608	247,947	243,885	296,406	291,292	243,520	240,084
Operating grants and contributions	649,930	708,641	794,791	877,155	848,349	829,714	934,099	982,796	1,075,077	1,084,759
Total business-type activities program revenues	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	2,085,861
Total district program revenues	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	14,392,884
Net (Expense)/Revenue										
Governmental activities	(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)	(40,178,149)
Business-type activities	178,262	187,274	224,557	234,871	7,597	(288,455)	(110,450)	90,666	(7,308)	19,843
Total district-wide net expense	<u>(26,852,547)</u>	<u>(28,256,528)</u>	<u>(28,335,447)</u>	<u>(34,984,582)</u>	<u>(36,436,052)</u>	<u>(36,020,665)</u>	<u>(39,993,695)</u>	<u>(40,703,967)</u>	<u>(43,210,303)</u>	<u>(40,158,306)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	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	16,621,103
Taxes levied for debt service	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	3,004,249
Unrestricted grants and contributions	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	20,561,509
Federal and state aid restricted	101,584	37,551	7,691	56,327	79,849	47,995	1,667,094	1,328,380	1,325,441	1,325,434
Tuition	139,353	174,282	125,615	73,739	50,823	78,167	5,966	3,190	2,167	936
Miscellaneous income	413,815	244,809	250,930	282,371	269,525	354,526	952,802	232,993	116,740	300,474
Special items						(5,666)	(162,152)	(12,896)	(102)	
Loss on disposal of fixed assets										
Transfers	27,909,464	20,000	83,940	50,000	39,976,006	39,993,602	44,401,021	43,466,826	44,047,563	41,799,461
Total governmental activities	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	41,799,461
Business-type activities:										
Investment earnings	16,372	24,234	17,418	10,712	10,301	6,822	1,696	698	684	728
Loss on disposal of fixed assets				(190)	(7,662)			(4,071)		(9,065)
Special items			(2,187)	(50,000)						
Transfers	4,234	(20,000)	(83,940)	(39,478)	2,639	6,822	1,696	(3,373)	684	(8,337)
Total business-type activities	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	41,791,124

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
\$	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	1,621,312
	194,634	191,508	155,848	195,393	10,236	(281,633)	(108,764)	87,293	(6,624)	11,506
\$	<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>	<u>1,632,818</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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Restricted										
Committed										
Unassigned										
Reserved	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	2,168,534
Unreserved	64,988	(69,822)	(19,999)	(1,083,924)	(1,229,258)	(659,443)	3,184,364	2,609,044	1,730,310	971,193
Total general fund	<u>874,362</u>	<u>351,915</u>	<u>1,327,176</u>	<u>1,296,975</u>	<u>2,228,184</u>	<u>4,194,120</u>	<u>5,163,674</u>	<u>5,389,516</u>	<u>3,277,204</u>	<u>1,995,189</u>
All Other Governmental Funds										
Restricted										
Committed										
Assigned										
Unassigned										
Reserved	565,181	367,169	141,052	243,398	2,714,929	(40,194)	1,568,173	1,131,766	942,959	785,099
Unreserved, reported in:										
Special revenue fund	(114,454)	(114,454)	(140,904)	(38,548)	(40,194)					
Capital projects fund	62,223	39,257	17,369	37,115	1,645,797	(40,194)	55,795	51,000	51,000	-
Debt service fund	1	1	90	90	1					
Total all other governmental funds	<u>512,951</u>	<u>291,973</u>	<u>17,607</u>	<u>242,055</u>	<u>4,320,533</u>	<u>1,487,350</u>	<u>1,599,782</u>	<u>1,158,125</u>	<u>970,316</u>	<u>758,481</u>

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Tax levy	\$ 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	19,625,352
Tuition charges	101,584	37,551	7,691	56,327	79,849	47,995	28,596	4,130	9,564	3,500
Interest earnings	16,578	19,539	12,220	5,890	5,972	15,484	5,966	3,190	2,167	936
Miscellaneous	575,610	431,583	448,176	412,531	357,467	506,373	952,802	232,993	116,740	300,474
Local sources							20,000			
State sources	20,271,363	21,354,933	23,117,954	25,165,533	23,387,984	25,432,246	26,578,517	28,072,555	28,010,563	28,469,816
Federal sources	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	1,485,900
Total revenue	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	49,885,978
Expenditures										
Instruction										
Regular instruction	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	13,286,056
Special education instruction	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	4,228,389
Other special instruction							1,312,282	1,468,432	1,759,603	1,582,254
Other instruction	707,868	694,907	753,004	3,041,384	1,667,284	1,660,692	113,804	164,747	138,254	150,832
Adult/continuing education programs	4,310	4,190	6,495	3,805	1,579	2,240				
Nonpublic programs							126,395	123,865	119,302	
Support Services:										
Tuition	715,879	793,495	404,945	617,299	715,666	774,043	813,610	1,006,563	649,955	810,923
Student & instruction related services	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	4,446,085
School administrative services	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	1,439,605
Other administrative services	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	1,423,811
Plant operations and maintenance	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	3,459,673
Pupil transportation	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	2,900,401
Unallocated employee benefits	6,689,298	7,975,809	8,624,167	2,414,733	8,901,451	9,100,911	9,839,180	11,293,206	11,423,292	11,961,485
Special Schools				28,424			43,649			
Charter Schools	70,368	103,703	53,888	40,670	131,633	141,170				
Capital outlay	4,607,152	433,863	1,344,302	1,342,393	1,300,963	3,195,043	739,402	511,718	677,764	1,126,771
Debt service:										
Principal										
Interest and other charges	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	3,880,000
Total expenditures	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	669,299
Excess (Deficiency) of revenues over (under) expenditures	\$ (5,007,441)	(874,965)	(474,164)	(853,756)	185,687	(867,247)	1,146,905	(215,815)	(2,300,121)	(1,479,606)

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Other Financing sources (uses)										
Capital leases (non-budgeted)		111,538	102,986							
Cancellation of prior year receivables/purchase orders			(8,866)				9,347			(14,244)
Debt service assessment			997,000	998,000	4,824,000		(52,266)			
Bond proceeds										
Transfer to capital projects	(23,656)	(30,797)	83,940	50,000			359,677	369,028	359,243	320,927
Transfers in	23,656	50,797					(381,677)	(369,028)	(359,243)	(320,927)
Transfers out	-	131,538	1,175,060	1,048,000	4,824,000	-	(64,919)	-	-	(14,244)
Total other financing sources (uses)										
	\$ (5,007,441)	\$ (743,427)	\$ 700,896	\$ 194,244	\$ 5,009,687	\$ (867,247)	\$ 1,081,986	\$ (215,815)	\$ (2,300,121)	\$ (1,493,850)
Net change in fund balances										
	11.37%	10.73%	10.53%	10.12%	9.96%	9.82%	9.93%	9.52%	9.09%	9.06%
Debt service as a percentage of noncapital expenditures										

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
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
2015	7,766	17,408	39,625		217,358	18,317	300,474

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.	Cfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2006	69,429,200	775,705,200	7,674,400	1,975,600	336,984,800	16,516,000	40,150,600	1,248,435,800	4,129,994	1,252,565,794	1.316	2,142,134,179
2007	69,736,600	836,779,600	7,564,300	1,974,700	286,493,500	15,803,100	44,455,500	1,262,807,300	3,702,152	1,266,509,452	1.422	2,576,300,756
2008	69,523,200	860,675,600	7,318,600	1,964,200	286,822,700	15,077,100	44,823,300	1,286,204,700	3,742,079	1,289,946,779	1.451	2,755,119,134
2009	68,670,500	882,041,900	7,359,500	1,857,200	282,155,300	15,196,700	56,945,500	1,314,226,600	4,028,166	1,318,254,766	1.450	2,745,220,254
2010	64,734,800	895,118,800	7,016,300	1,843,300	269,334,500	15,076,200	56,945,500	1,310,069,200	4,177,676	1,314,246,876	1.450	2,653,286,355
2011	121,238,800	1,618,991,400	12,246,700	1,895,486	505,541,800	25,366,500	106,584,800	2,391,865,486	7,628,595	2,399,494,081	0.817	2,609,111,189
2012	112,511,900	1,628,160,200	11,964,600	1,874,686	494,835,500	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	2,356,622,486	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	0.865	2,286,669,400
2015								2,085,370,686	6,518,081	2,091,888,767	0.938	2,201,524,697

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	
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	0.134	0.863	0.475	0.519	0.770	2.627
2015	0.818	0.144	0.962	0.520	0.559	0.837	2.878

Source: District Records and Municipal Tax Collector

Note: NJSIA 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	2015			2006		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Hamilton Mall, LLC	92,316,000	1	4.41%	80,000,000	1	6.39%
Benderson-Wainberg Associates	76,930,900	2	3.68%	65,942,000	2	5.26%
AC Expressway Authority	76,785,400	3				
BFW/Pike Associates, LLC	39,365,800	4	1.88%	36,368,500	3	2.90%
JSM at Timber Glen, LLC	25,000,000	5	1.20%	16,243,400	5	1.30%
DD Residential, LP			0.00%	14,710,900	6	1.17%
RH Macy and Company, LLC	19,400,000	6	0.93%	16,500,000	4	1.32%
Wal-mart Property Tax Department	19,113,800	7	0.91%			
Sears Roebuck and Company	16,100,000	8	0.77%	13,800,000	7	1.10%
Benderson-Wainberg Associates	14,839,700	9	0.71%			
Hometown Mays Landing MHC, L.L.C.	14,801,600	10	0.71%			
J.C. Penney Properties, Inc.				11,500,000	8	0.92%
Greenwood ACRA, Inc./Racetrack				9,500,000	9	0.76%
Atlantic Southern Properties, Inc.			0.00%	9,200,000	10	0.73%
Total	394,653,200		13.78%	273,764,800		21.86%

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	
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%	-
2015	19,625,352	19,625,352	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		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Capital Leases	Capital Leases	Capital Leases			
2006	39,660,000	22,148			39,682,148	4.63%	1,679
2007	36,670,000	81,068			36,751,068	4.01%	1,519
2008	34,587,000	129,875			34,716,875	3.65%	1,420
2009	32,335,000	78,368			32,413,368	3.34%	1,332
2010	33,704,000	37,408			33,741,408	3.52%	1,387
2011	30,344,000	2,941			30,346,941	2.87%	1,143
2012	26,429,000	-			26,429,000	2.39%	990
2013	22,734,000	-			22,734,000	2.01%	848
2014	18,934,000	-			18,934,000	1.67%	707
2015	15,054,000	-			15,054,000	1.33%	565

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
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%	1,143
2012	26,429,000	-	26,429,000	1.11%	990
2013	22,734,000	-	22,734,000	0.96%	848
2014	18,934,000	-	18,934,000	0.83%	707
2015	15,054,000	-	15,054,000	0.72%	565

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, 2015
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	\$ 13,049,801	100.00%	13,049,801
Other debt			
Greater Egg Harbor Regional High School District	39,355,000	38.00%	14,954,900
Atlantic County	146,874,191	6.02%	8,839,129
Subtotal, overlapping debt			36,843,830
Township of Hamilton School District debt	15,054,000	100.00%	15,054,000
Total direct and overlapping debt	\$		<u><u>51,897,830</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 2015

	Average equalized valuation of taxable property										Equalized valuation basis		
	Fiscal Year Ending June 30,										2014	2013	2012
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2,293,427,778	2,368,702,871	2,433,324,666
Debt limit	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	70,954,553	70,954,553	15,054,000	55,900,553
Total net debt applicable to limit	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	15,054,000	2,365,151,772	7,095,455,315	
Legal debt margin	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	55,900,553			
Total net debt applicable to the limit as a percentage of debt limit	78.85%	59.05%	47.52%	40.85%	42.00%	38.32%	34.45%	30.49%	26.17%	21.22%			

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
2006	24,197	916,582	37,880	4.80%
2007	24,446	951,145	38,908	4.80%
2008	24,340	969,438	39,829	6.00%
2009	24,326	959,199	39,431	10.70%
2010	26,554	1,057,779	39,835	10.90%
2011	26,683	1,104,596	41,397	11.90%
2012	26,797	1,133,192	42,288	12.90%
2013	26,775	1,135,929	42,425	11.50%
2014	26,647	1,130,499	42,425	9.60%
2015	26,647	1,130,499	42,425	9.60%

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 2014

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	2015			2006		
	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%
	<u>3,405</u>		<u>16%</u>			<u>-</u>

GASB requires this table present the principal employers for the current year and nine years ago, however information from 2005 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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Instruction	192.0	190.0	189.0	192.0	194.0	186.0	185.0	194.0	200.0	184.0
Regular	85.0	81.0	80.0	75.0	71.0	62.0	66.0	67.0	72.0	71.0
Special education	16.0	17.0	22.0	28.0	30.0	25.0	28.0	25.0	22.0	26.0
Other instruction		1.0	1.0	2.0	3.0	2.0	3.0	2.0	2.0	-
Nonpublic school programs	1.0	1.0	1.0							
Adult/continuing education programs										
Support Services:										
Student & instruction related services	54.0	60.0	56.0	83.0	93.0	84.0	86.0	81.0	71.0	78.0
General administrative services	4.0	4.0	5.0	5.0	5.0	5.0	4.0	5.0	5.0	4.0
School administrative services	28.0	29.0	28.0	21.0	22.0	20.0	18.0	22.0	21.0	20.0
Business administrative services	10.0	11.0	11.0	11.0	11.0	11.0	10.0	10.0	11.0	10.0
Plant operations and maintenance	38.0	36.0	36.0	48.0	41.0	38.0	40.0	37.0	38.0	34.0
Pupil transportation	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0
Food Service	26.0	26.0	28.0	20.0	29.0	22.0	23.0	25.0	27.0	22.0
Child Care	1.0	1.0	1.0	2.0	2.0	2.0	1.0	1.0	1.0	2.0
Total	457.0	459.0	460.0	489.0	503.0	459.0	466.0	471.0	472.0	452.0

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				
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	6.36%	262	1:12.6	1:10.2	3,151	2,982	-1.81%	94.64%
2013	3,179	44,044,338	13,855	1.38%	255	1:12.9	1:10.7	3,079	2,909	-2.28%	94.48%
2014	3,114	46,222,386	14,843	7.14%	254	1:13.1	1:10.7	3,114	2,942	1.14%	94.48%
2015	3,034	45,689,514	15,059	1.45%	255	1:13.5	1:9.2	3,036	2,919	-2.50%	96.15%

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
District Building										
Elementary										
Joseph Shaner School (1957)	78,921	78,921	78,921	78,921	78,921	78,921	78,921	78,921	78,921	78,921
Square Feet	639	639	639	639	639	639	639	639	639	639
Capacity (students)	666	658	617	624	744	756	619	639	640	632
Enrollment										
George Hess Educational Complex (1992)	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000
Square Feet	1,616	1,616	1,616	1,616	1,616	1,616	1,616	1,616	1,616	1,616
Capacity (students)	1,468	1,492	1,574	1,662	1,524	1,460	1,522	1,472	1,488	1,380
Enrollment										
Middle School										
William Davies Middle School (1989, addition 2006)	202,670	202,670	202,670	202,670	202,670	202,670	202,670	202,670	202,670	202,670
Square Feet	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120
Capacity (students)	1,065	1,067	1,077	1,063	1,027	993	1,006	987	986	1,022
Enrollment										
Other										
J. Harold Duberson School (1927)	36,715	36,715	36,715	36,715	36,715	36,715	36,715	36,715	36,715	36,715
(vacant as of 9/1/06)	485	485	485	485	485	485	485	485	485	485
Square Feet	-	-	-	-	-	-	-	-	-	-
Capacity (students)										
Enrollment										
Number of Schools at June 30, 2015										
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)	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Joseph C. Shaner School	N/A	\$ 112,478	121,863	109,463	364,250	111,630	95,979	92,881	106,825	121,096	96,949
George Hess Educational Complex	N/A	297,453	249,581	200,064	445,251	241,197	210,611	254,684	254,209	289,798	227,154
William Davies Middle School	N/A	109,642	151,864	266,749	451,423	206,833	197,547	234,082	222,625	247,971	214,287
Total School Facilities		519,573	523,308	576,276	1,260,924	559,660	504,137	581,647	583,659	658,865	538,390
Other Facilities		13,111	4,955	12,158	25,210	26,580	25,830	5,564	31,890	31,298	25,458
Grand Total		\$ 532,684	528,263	588,434	1,286,134	586,240	529,967	587,211	615,549	690,163	563,848

HAMILTON TOWNSHIP SCHOOL DISTRICT

Insurance Schedule

June 30, 2015

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	Replacement Cost	
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	175,000	
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
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))

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Single Audit Section



FORD - SCOTT

& ASSOCIATES, L.L.C.

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K-1 INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Hamilton Township School District, as of and for the year ended June 30, 2015, 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 December 4, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Hamilton Township School Districts' 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 Hamilton Township School Districts' 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 Districts basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic 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 prescribed by the Division of Finance, Department of Education, and 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.

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

December 4, 2015



FORD - SCOTT

& ASSOCIATES, L.L.C.

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K-2 INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

We have audited the Hamilton Township School District, County of Atlantic, State of New Jersey compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement*, the New Jersey *OMB State Grant Compliance Supplement* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey 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, 2015. 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 Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey 04-04 and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. 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 major federal and state programs for the year ended June 30, 2015.

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 and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, 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 federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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 OMB Circular A-133 and NJ OMB 04-04. Accordingly, this report is not suitable for any other purpose.

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

December 4, 2015

HAMILTON TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2015

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, 2014	Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2015	
										(Accounts Receivable)	Unearned Revenue
U. S. Department of Agriculture											
Passed-through State Department of Education:											
Enterprises Fund:											
Food Distribution Program	10.555	N/A	85,404	7/1/13 - 6/30/14	\$ 2,881			(2,881)			
Food Distribution Program	10.555	N/A	85,417	7/1/14 - 6/30/15			86,298	(81,394)		6,904	
National School Breakfast Program	10.553	N/A	230,391	7/1/13 - 6/30/14	(17,250)		17,250				
National School Breakfast Program	10.553	N/A	230,847	7/1/14 - 6/30/15	(65,009)		217,796	(230,847)		(13,051)	
National School Lunch Program	10.555	N/A	742,060	7/1/13 - 6/30/14			65,009				
National School Lunch Program	10.555	N/A	744,332	7/1/14 - 6/30/15			683,931	(744,332)		(60,401)	
Special Milk Program	10.556	N/A	1,279	7/1/13 - 6/30/14	(97)		97				
Special Milk Program	10.556	N/A	1,283	7/1/14 - 6/30/15			1,164	(1,283)		(99)	
School Meals Equipment	10.579	N/A	19,781	7/1/14 - 6/30/16			9,890	(9,890)			
Total U.S. Department of Agriculture					(79,475)	-	1,083,455	(1,070,627)	-	(73,551)	6,904
U.S. Department of Education											
Passed-through State Department of Education:											
General Fund:											
Semi - ARRA	93.778	N/A	52,811	10/1/08-12/31/10			52,811	(52,811)			
MAC	93.778	N/A	20,232	7/1/14 - 6/30/15			20,232	(20,232)			
Medical Assistance Program	93.778	N/A	100,533	7/1/14 - 6/30/15			35,944	(100,533)		(64,589)	
Total General Fund					-	-	108,987	(173,576)	-	(64,589)	-
Special Revenue Fund:											
Title I, Part A	84.010A	NCLB-1310-13	380,278	9/1/12 - 8/31/13	(4,187)	4,187					
Title I, Part A	84.010A	NCLB-1310-14	354,527	7/1/13 - 6/30/14	(138,569)	(4,187)	151,415	(15,437)		(6,778)	
Title I, Part A	84.010A	NCLB-1310-15	399,130	7/1/14 - 6/30/15	(142,756)		264,983	(397,568)		(132,585)	
Total Title I, Part A							416,398	(413,005)		(139,363)	
Title II, Part A	84.367A	NCLB-1310-14	69,923	7/1/13 - 6/30/14	(19,692)	(19,692)					
Title II, Part A	84.367A	NCLB-1310-15	71,555	7/1/14 - 6/30/15	(19,692)		29,751	(68,879)		(19,436)	
Total Title II, Part A							29,751	(68,879)		(19,436)	
Title III, English Language Enhancement	84.365A	NCLB-1310-13	14,360	9/1/12 - 8/31/13	(504)	504					
Title III, English Language Enhancement	84.365A	NCLB-1310-14	18,287	7/1/13 - 6/30/14	(12,094)	12,094					
Title III, English Language Enhancement	84.365A	NCLB-1310-15	15,853	7/1/14 - 6/30/15	(12,598)		20,645	(15,340)		(7,293)	
Total Title III							20,645	(15,340)		(7,293)	
I.D.E.A. Part B - Basic	84.027	IDEA2012	790,899	9/1/11 - 8/31/12	(8,809)					(8,809)	
I.D.E.A. Part B - Basic	84.027	IDEA2014	747,964	7/1/13 - 6/30/14	(19,965)	19,965	2,807	(2,807)			
I.D.E.A. Part B - Basic	84.027	IDEA2015	796,433	7/1/14 - 6/30/15	(19,965)	(19,965)	796,443	(796,433)		(19,965)	
I.D.E.A. Part B - Preschool	84.173	IDEA2015	30,827	7/1/14 - 6/30/15	(28,774)		30,827	(30,827)			
Total IDEA, Part B							830,077	(830,067)		(28,764)	
Race to the Top	84.413A	N/A	37,317	9/1/12 - 8/31/13	(1,686)		1,686				
Total Special Revenue Fund					(205,506)	-	1,298,557	(1,327,291)		(194,856)	
Total Federal Financial Awards										6,904	

HAMILTON TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2015

K-4
Schedule B

Federal Grantor/Pass-Through Grantor/ Program Title	Grant or State Project Number	Award Amount	Grant Period	Balance at June 30, 2014		Canover Amount	Cash Received	Budgetary Expenditures	Balances	Adjustments/ of Prior Year's Balances	Balance at June 30, 2015		MEMO
				(Accts. Receivable)	Due to Grantor						Unearned Revenue	Due to Grantor	
State Department of Education													
State Aid Public Cluster													
Equalization Aid	15-485-034-5120-078	19,321,187	7/1/14-6/30/15	-	-	-	19,321,187	(19,321,187)	-	-	-	(1,837,000)	19,321,187
Equalization Aid - Categorical Aid	15-485-034-5120-079	1,784,626	7/1/14-6/30/15	-	-	-	1,784,626	(1,784,626)	-	-	-	(1,784,626)	1,784,626
Conopical Security Aid	15-485-034-5120-084	784,626	7/1/14-6/30/15	-	-	-	784,626	(784,626)	-	-	-	(784,626)	784,626
Under Adequacy Aid	15-485-034-5120-088	135,379	7/1/14-6/30/15	-	-	-	135,379	(135,379)	-	-	-	(12,871)	135,379
PARCC Readiness Aid	15-485-034-5120-098	29,645	7/1/14-6/30/15	-	-	-	29,645	(29,645)	-	-	-	(2,819)	29,645
Total State Aid Public Cluster	15-485-034-5120-097	23,645	7/1/14-6/30/15	-	-	-	23,645	(23,645)	-	-	-	(2,038,238)	23,645
Categorical Transportation Aid	15-485-034-5120-014	728,399	7/1/14-6/30/15	-	-	-	728,399	(728,399)	-	-	-	(89,254)	728,399
Special Education	15-100-034-5120-073	128,514	7/1/14-6/30/15	(111,352)	-	-	112,717	(128,514)	(128,514)	-	-	-	128,514
Nonpublic School Transportation Aid	15-100-034-5120-074	10,480	7/1/14-6/30/15	(10,480)	-	-	10,480	-	-	-	-	-	10,480
Nonpublic School Transportation Aid	15-485-034-5120-014	16,937	7/1/14-6/30/15	-	-	-	16,937	(16,937)	-	-	-	-	16,937
Reimbursed TPA: Social Security Contributions	14-485-034-5094-003	1,469,524	7/1/14-6/30/15	(63,055)	-	-	63,035	(1,407,481)	(62,536)	-	-	(2,183,490)	1,407,481
Reimbursed TPA: Social Security Contributions	15-485-034-5094-003	1,467,451	7/1/14-6/30/15	(185,857)	-	-	24,286,255	(24,309,236)	(208,547)	-	-	(2,183,490)	24,309,236
Total General Fund		267,768	7/1/14-6/30/15	-	-	-	267,768	(267,768)	-	-	-	(26,777)	267,768
Preschool Education Aid	15-485-034-5120-086	9,294	7/1/14-6/30/15	-	-	-	9,294	(9,294)	-	-	-	-	9,294
New Jersey Nonpublic Aid:													
Auxiliary Services:													
Compensatory Education	15-100-034-5120-064	72,560	7/1/14-6/30/15	-	-	-	72,560	(80,915)	(8,406)	-	11,645	-	60,915
Transportation	14-100-034-5120-067	8,406	7/1/14-6/30/15	8,406	-	-	-	-	-	-	-	-	8,406
Transportation	14-100-034-5120-067	6,896	7/1/14-6/30/15	(6,286)	-	-	6,286	-	(6,286)	-	7,565	-	7,565
English As A Second Language	15-100-034-5120-067	2,558	7/1/14-6/30/15	-	-	-	2,558	(2,558)	-	-	-	-	2,558
Handicapped Services:													
Examination and Classification	14-100-034-5120-068	11,949	7/1/14-6/30/15	(1,915)	-	-	1,915	(7,827)	(1,915)	-	3,780	-	13,651
Examination and Classification	15-100-034-5120-068	11,707	7/1/14-6/30/15	(781)	-	-	11,707	(7,827)	(781)	-	-	-	7,927
Corrective Speech	14-100-034-5120-068	15,624	7/1/14-6/30/15	(781)	-	-	18,377	(17,578)	-	-	799	-	12,638
Corrective Speech	15-100-034-5120-068	18,377	7/1/14-6/30/15	(63)	-	-	7,680	(7,680)	(63)	-	-	-	17,578
Supplemental Instruction	15-100-034-5120-070	12,667	7/1/14-6/30/15	(63)	-	-	14,797	(14,150)	-	-	647	-	7,680
Supplemental Instruction	15-100-034-5120-070	14,797	7/1/14-6/30/15	(8,952)	-	-	4,952	(4,952)	-	-	-	-	14,150
Nursing	15-100-034-5120-073	4,952	7/1/14-6/30/15	(8,945)	-	-	4,952	(392,872)	(17,451)	-	24,436	-	3,413
Technology													
Total Special Revenue Fund		8,232,210	7/1/14-6/30/15	(374,655)	-	-	12,170	(41,535)	(374,655)	-	-	-	8,232,021
Capital Projects Fund:													
NJ Economic Development Authority	GS-0800	41,535	7/1/14-6/30/15	(41,535)	-	-	-	-	-	-	-	-	41,535
NJ Economic Development Authority (SDA)													
NJ School Development Authority (SDA)													
NJ School Development Authority (SDA)													
NJ School Development Authority (SDA)													
NJ School Development Authority (SDA)													
NJ School Development Authority (SDA)													
NJ School Development Authority (SDA)													
NJ School Development Authority (SDA)													
NJ School Development Authority (SDA)													
NJ School Development Authority (SDA)													
NJ School Development Authority (SDA)													
Total Capital Projects Fund		41,535	7/1/14-6/30/15	(41,535)	-	-	-	-	-	-	-	-	41,535
Debt Service Fund:													
Debt Service Aid - Type II	15-485-034-5120-017	1,325,434	7/1/14-6/30/15	-	-	-	1,325,434	(1,325,434)	-	-	-	-	1,325,434
Total Debt Service Fund		1,325,434	7/1/14-6/30/15	-	-	-	1,325,434	(1,325,434)	-	-	-	-	1,325,434
State Department of Agriculture													
Enterprise Fund:													
Child Nutrition Cluster													
Nutri School Lunch Program (State Share)	14-100-010-3360-067	18,824	7/1/14-6/30/15	(2,541)	-	-	2,541	(17,013)	-	-	-	(1,384)	17,013
Nutri School Lunch Program (State Share)	15-100-010-3360-067	17,012	7/1/14-6/30/15	(2,541)	-	-	15,629	(17,013)	-	-	-	(1,384)	17,013
Total Child Nutrition Cluster		35,836	7/1/14-6/30/15	(5,082)	-	-	18,170	(34,026)	-	-	-	(2,768)	34,026
Total Enterprise Fund		35,836	7/1/14-6/30/15	(5,082)	-	-	18,170	(34,026)	-	-	-	(2,768)	34,026
Total State Financial Assistance		24,309,236	7/1/14-6/30/15	(1,837,000)	-	-	24,309,236	(24,309,236)	(1,837,000)	-	-	(2,183,490)	24,309,236

**Hamilton Township Board of Education
Notes to the Schedules of Financial Assistance
June 30, 2015**

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 one or more deferred June state aid payments in the current budget year, which is mandated pursuant to NJSA 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the 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 \$(22,228) for the general fund and \$578 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, 2015

	<u>General fund</u>	<u>Special Revenue fund</u>	<u>Debt service fund</u>	<u>Food service fund</u>	<u>Total</u>
State Assistance:					
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of State Financial Assistance	\$ 24,309,236	392,872	1,325,434	17,013	26,044,555
Difference – budget to "GAAP"					
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	2,141,262	23,802			2,165,064
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(2,163,490)	(26,777)			(2,190,267)
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(8,257)			(8,257)
On behalf payments recognized for GAAP purposes but not included on the Schedule of Expenditures of State Financial Assistance	2,475,734				2,475,734
Total State revenue as reported on the statement of revenues, expenditures and changes in fund balances	<u>\$ 26,762,742</u>	<u>381,640</u>	<u>1,325,434</u>	<u>17,013</u>	<u>28,486,829</u>

**Hamilton Township Board of Education
Notes to the Schedules of Financial Assistance
June 30, 2015**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service Fund</u>	<u>Total</u>
Federal Assistance:				
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of Federal Awards	\$ 173,576	1,327,291	1,070,627	2,571,494
Difference - budget to "GAAP" Grant accounting budgetary basis differs from "GAAP" in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(14,967)		(14,967)
Total Federal revenue as reported on the statement of revenue, expenditures, and changes in fund balance	<u>\$ 173,576</u>	<u>1,312,324</u>	<u>1,070,627</u>	<u>2,556,527</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, 2015. 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, 2015.

**HAMILTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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:			
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	Unmodified		
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>
_____	Special Education Cluster:
84.027	IDEA Part B, Basic
84.173	IDEA Part B, Preschool
93.778	Medical Assistance Program
_____	_____

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
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**HAMILTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Part I -- Summary of Auditor's Results

State Awards Section

Internal Control over major programs:

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

2) Significant deficiency(ies) identified _____ yes X no

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

_____ Unmodified _____

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular 04-04?

_____ yes X no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
_____	State Aid Public Cluster: _____
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Categorical Aid
495-034-5120-084	Categorical Security Aid
495-034-5120-096	Under Adequacy Aid
495-034-5120-098	PARCC Readiness Aid
495-034-5120-097	Per Pupil Growth Aid
_____	_____

Dollar threshold used to distinguish between Type A and Type B programs:

_____ \$781,337 _____

Auditee qualified as low-risk auditee?

_____ X yes _____ no _____

**HAMILTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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, 2015**

STATUS OF PRIOR YEAR FINDINGS

None