

Comprehensive Annual Financial Report

of the

Hamilton Township School District

County of Mercer

Hamilton, New Jersey

For the Fiscal Year Ended June 30, 2016

Prepared by

**Hamilton Township, Board of Education
Finance Department**

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INTRODUCTORY SECTION



HAMILTON TOWNSHIP SCHOOL DISTRICT

OFFICE OF THE SUPERINTENDENT OF SCHOOLS

90 Park Avenue
Hamilton, New Jersey 08690

Telephone 609-631-4100 ext. 3058
fax: 609-631-4103

November 30, 2016

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

Dear Board Members:

We are submitting the comprehensive annual financial report of the Hamilton Township School District for the fiscal year ended June 30, 2016. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the district. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The district has implemented Statement No. 34 of the Governmental Accounting Standards Board (GASB) entitled Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. This standard created a new reporting model of financial information and disclosure. This model required a significant departure from the previously used reporting model. The two main basic financial statements created by this standard, the Statement of Net Position and the Statement of Activities, do not contain numerous columns for various funds as was the design of past governmental financial statements. These two statements consolidate much of the information, which was contained in the fund based financial statements of the past, into statements which tend to answer the question: "Is the District better or worse off financially than it was in the previous year?" A comparison of net assets should help the reader in answering that question.

Also required as part of "Required Supplementary Information" by GASB Statement No. 34 is a "Management's Discussion and Analysis" (MD&A) which allows the district to explain in layman's terms its financial position and results of operations of the past fiscal year. The MD&A provides comparative data for the prior year with respect to the Statement of Net Assets and the Statement of Activities. The comparative data allows the reader to assess changes in the financial position of the district.

This Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this letter of transmittal, 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 comparative basis. The single audit section includes the auditor’s report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations. The District is required to undergo an annual single audit in conformity with the provisions of the Division of Finance, Department of Education, State of New Jersey, the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards (Uniform Guidance) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the State of New Jersey *OMB Circular 15-08 “Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.”* Information related to this single audit, including the 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.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A of Hamilton Township School District can be found immediately following the report of the independent auditors.

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 (GASB). 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 appropriate to grade levels pre-K through 12. These include regular and vocational as well as special education for handicapped youngsters. The District completed the 2015-16 fiscal year with an average daily enrollment of 11,673. The following details the changes in the student enrollment of the District over the last ten years.

Average Daily Enrollment

| <u>Fiscal Year</u> | <u>Student Enrollment</u> | <u>Percent Change</u> |
|---------------------------|----------------------------------|------------------------------|
| 2015-16 | 11,673.1 | -1.97% |
| 2014-15 | 11,907.9 | -1.32% |
| 2013-14 | 12,067.1 | -0.15% |
| 2012-13 | 12,085.2 | -1.96% |
| 2011-12 | 12,327.4 | -1.55% |
| 2010-11 | 12,521.6 | -1.49% |
| 2009-10 | 12,711.5 | -1.10% |
| 2008-09 | 12,853.9 | -0.45% |
| 2007-08 | 12,911.7 | 1.51% |
| 2006-07 | 13,110.8 | -1.10% |

2) MAJOR INITIATIVES:

DISTRICT

The District continued its focus on early intervention initiatives by implementing Leveled Literacy Initiative in grades K through 2, and continuing the Reading Recovery initiative and Title I funded preschool program. The District implemented the second year of the PARCC Assessment and continued the significant investment in technology infrastructure and devices.

The District continued implementation of an \$18M Energy Savings Improvement Program to provide needed upgrades to the District's infrastructure and energy management systems. Boilers were replaced at seven schools, uninvents were replaced at three schools, and digital controls and lighting upgrades began districtwide. This project is scheduled to be fully implemented by the fall of 2017. In addition, roof projects were completed at Morgan Elementary School, Mercerville Elementary School and Hamilton High School West, along with a sanitary line replacement at Hamilton High School West, and track resurfacing at two high schools.

Through the efforts of the Department of Student Services and Programs, the district recouped \$1,183,107 in Extraordinary Aid.

Below are additional initiatives underway:

ELA – Elementary

- Implementation of Foundations Phonics program for Kindergarten
- Expansion of Reading Recovery for intervention
- Implementation of K-8 diagnostic assessment (iReady)
- Revision of standards-based report card
- Updated pacing guides
- Revision of curriculum and re-alignment to NJ Student Learning Standards
- Re-allocation of Basic Skills staff for equitable services

ELA – Secondary

- Revised supplemental instructional program for at-risk Juniors and Seniors
- Revised supplemental instructional program to meet targeted needs – Middle School
- Purchased and implemented new textbooks at high school level to align to NJ Student Learning Standards.
- Selection of new novels and purchase of additional copies of existing titles
- Curriculum revision for realignment to NJ Student Learning Standards
- Development of Enriched English/Language Arts Class

ESL

- After school ESL Tutoring Program implemented at elementary and middle school levels.
- Rosetta Stone – English Instructional licenses for newcomer secondary students
- Adopted Core Lexia program for ESL (K-5) for reading and vocabulary development

Math – Elementary

- Revision of instructional schedule - Increased daily minutes for math instruction
- Implementation of Math Workshop model
- Purchase of curricular materials for special education students and corresponding teacher training
- Targeted professional development to increase teacher content knowledge and capacity

Math – Secondary

- Middle School and High School teachers received professional development on PARCC testing (practice tests, test blueprints, evidence tables).
- Implementation of double period for high school Algebra I students
- Pilot – Moving with Math for secondary intervention
- Development of a Math 12 class for struggling students

World Language

- Implementation of American Sign Language (K-5)
- Interactive virtual lessons in ASL (grades 4-5)
- Application for bi-literacy certification for high school students

Science

- Revised instructional schedule – double period for Science in middle schools
- Revision and update of curriculum to align with Next Generation Science standards
- Textbook pilot – Grade 6
- Purchase of Foss Science kits and materials for elementary science
- Professional development targeted to support reading informational text
- Purchase of online textbook licenses

Social Studies

- Revised instructional schedule – double period for Social studies
- Re-structuring of US History courses
- Professional development targeted to support reading informational text

Technology

- iReady technology based instructional licenses for adaptive and differentiated instruction
- Adopted the Frontline Oasys and MyLearning Plan systems for teacher evaluation, professional development plans, and district wide professional development catalog

3) INTERNAL ACCOUNTING CONTROLS: Management of the 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 controls 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.

(4) 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 Board of Education. 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 which are accounted for in the capital projects fund. The original and final budget 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, 2016.

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

6) FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the district continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund, special revenue fund, capital projects fund and debt service fund revenues for the fiscal year ended June 30, 2016 and the amount and percentage of increase in relation to prior year revenues.

| | Revenue | Percentage of Total | (Decrease)/ Increase From 2015 | Percentage Decrease/ Increase |
|-----------------|-----------------------|--------------------------------|---|--|
| Local Sources | \$ 110,024,095 | 51.99% | \$ 3,624,659 | 3.29% |
| State Sources | 95,229,398 | 45.00% | (74,984) | -0.08% |
| Federal Sources | 6,359,294 | 3.01% | 312,445 | 4.91% |
| Total | \$ 211,612,787 | 100.00% | \$ 3,862,120 | |

The following schedule presents a summary of general fund, special revenue fund, capital projects fund and debt service fund expenditures for the fiscal year ended June 30, 2016 and the percentage of increases and decreases in relation to prior year amounts.

| | | | | |
|---|----------------|---------|---------------|----------|
| Current Expenditures: | | | | |
| Instruction | \$ 74,788,702 | 33.42% | \$ 895,212 | 1.20% |
| Support Services & Undistributed Costs | 121,273,146 | 54.20% | 2,599,153 | 2.14% |
| Special Revenue: | | | | |
| Instruction | 6,336,220 | 2.83% | 1,552,680 | 24.50% |
| Support Services & Undistributed Costs | 1,121,885 | 0.50% | (1,188,294) | -105.92% |
| Debt Service: | | | | |
| Principal | 3,950,000 | 1.77% | 800,000 | 20.25% |
| Interest | 899,054 | 0.40% | (192,525) | -21.41% |
| Cost of Bond Issuance | 102,378 | 0.05% | 102,378 | 100.00% |
| Capital Outlay | 15,286,160 | 6.83% | 6,013,404 | 39.34% |
| <hr/> | | | | |
| Total | \$ 223,757,545 | 100.00% | \$ 10,582,008 | |

7) DEBT ADMINISTRATION: On June 30, 2016, the District reported outstanding principal debt of \$39,985,455 of general obligation bonds and lease purchase agreements.

8) CASH MANAGEMENT: The investment policy of the district is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 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) RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision hazard and theft insurance on property, contents and fidelity bonds.

10) OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board of Education selected the accounting firm of Suplee, Clooney & Company. In addition to meeting the requirements set forth in the state statutes, the audit also was

designed to meet the requirements of the Single Audit Act and the related Uniform Guidance and New Jersey OMB's Circular 15-08. The auditor's report of the CAFR is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the 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. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

This letter of transmittal is submitted, with qualification, as outlined in the introductory paragraph and only reflects information that is currently known.

Respectfully submitted,

Handwritten signatures in blue ink. The signature on the left is for Thomas J. Ficarra, and the signature on the right is for Katherine Attwood.

Thomas J. Ficarra
Interim Superintendent of Schools

Katherine Attwood
School Business Administrator

HAMILTON TOWNSHIP SCHOOL DISTRICT

Hamilton, New Jersey

ROSTER OF OFFICIALS

June 30, 2016

| <u>Members of the Board of Education</u> | <u>Term Expires</u> |
|---|----------------------------|
| Anthony Celentano, President | 2016 |
| Dina Thornton, Vice President | 2016 |
| Michelle Episcopo | 2018 |
| Dr. Susan Ferrara | 2018 |
| Richard Kanka | 2018 |
| Pamela Kelly | 2016 |
| Jennifer Kraemer | 2017 |
| Susan Lombardo | 2017 |
| Christopher Scales | 2017 |

Other Officials

Dr. Thomas J. Ficarra, Interim Superintendent of Schools

Katherine Attwood, Business Administrator/Board Secretary

HAMILTON TOWNSHIP SCHOOL DISTRICT

CONSULTANTS AND ADVISORS

AUDIT FIRM

John Swisher, CPA, RMA, PSA
Suplee, Clooney & Company
308 East Broad Street
Westfield, New Jersey 07090

ATTORNEY

Patrick F. Carrigg, Esq.
Lenox, Socey, Formidoni, Giordano, Cooley, Lang & Casey
136 Franklin Corner
Lawrenceville, New Jersey 08648

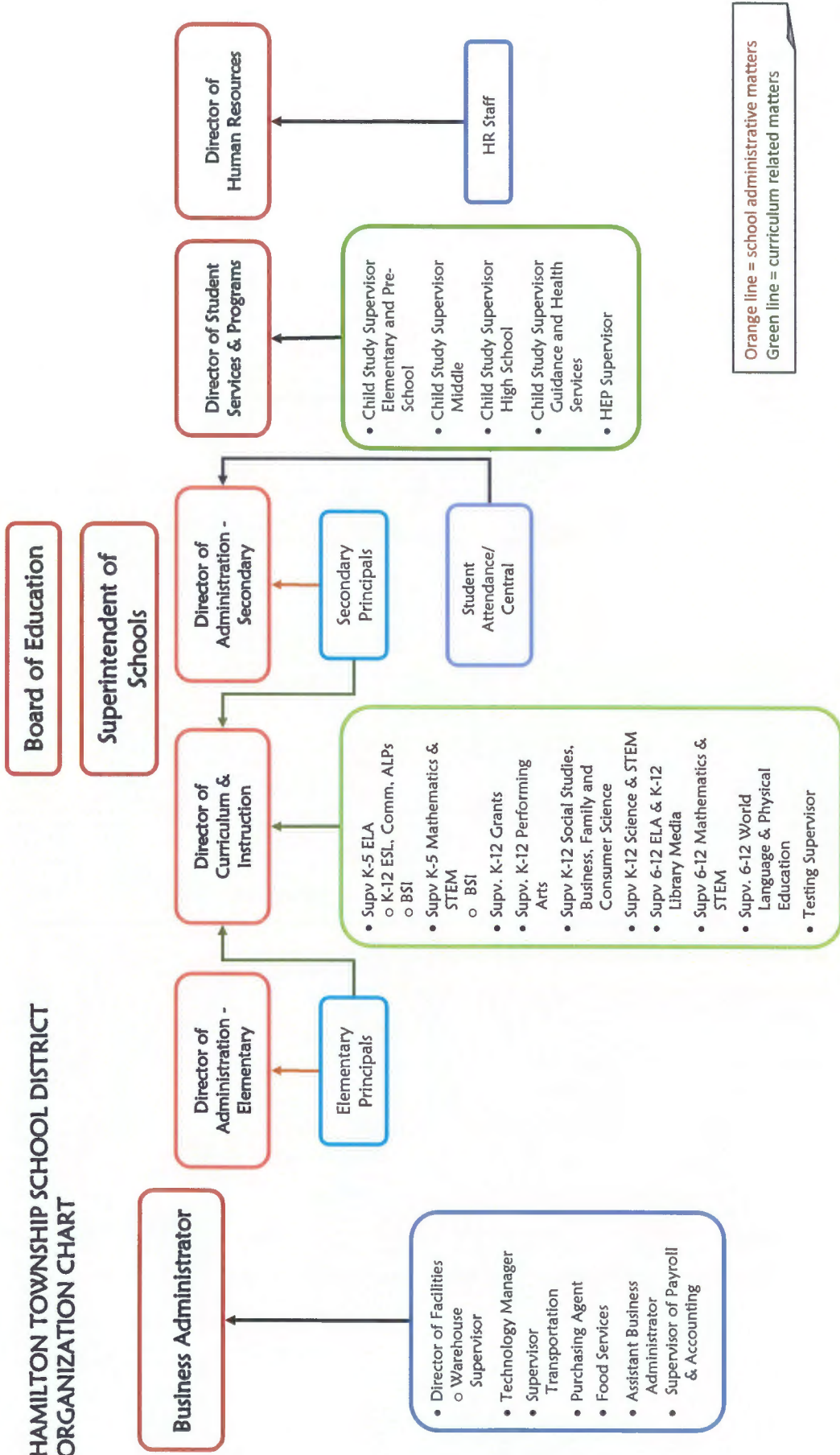
ARCHITECT

Scott Downie, AIA, LEEDap
Spiezle Architectural Group
120 Sanhican Drive
Trenton, New Jersey 08618

OFFICIAL DEPOSITORY

The Bank of Princeton
Princeton, NJ

HAMILTON TOWNSHIP SCHOOL DISTRICT ORGANIZATION CHART



Orange line = school administrative matters
Green line = curriculum related matters

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FINANCIAL SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Hamilton Township School District
County of Mercer
Hamilton, 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 Mercer, New Jersey as of and for the year ended June 30, 2016, 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey, the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the State of New Jersey *OMB Circular 15-08* "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

SUPLEE, CLOONEY & COMPANY

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 District'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 District'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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Hamilton Township School District, County of Mercer, New Jersey as of June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information in Exhibit C-1 through C-3 and the schedules related to accounting and reporting for pensions in Exhibit L-1 through L-4 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.

SUPLEE, CLOONEY & COMPANY

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 accompanying supplementary information schedules such as the combining and individual fund financial statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by the Uniform Guidance, New Jersey's OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information schedules such as the combining and individual fund financial statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by the Uniform Guidance, New Jersey's OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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


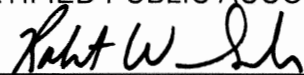
Prior Period Financial Statements

The financial statements of the Hamilton Township School District for the year ended June 30, 2015 were audited by other auditors whose report, dated December 9, 2015, expressed an unmodified opinion on those statements.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 30, 2016 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.

November 30, 2016


CERTIFIED PUBLIC ACCOUNTANTS

PUBLIC SCHOOL ACCOUNTANT NO. 948

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

HAMILTON TOWNSHIP SCHOOL DISTRICT
Hamilton, New Jersey
Mercer County

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
June 30, 2016

UNAUDITED

This section of the district's annual financial report presents a discussion and analysis of the district's financial performance during the fiscal year ending June 30, 2016. It should be read in conjunction with the transmittal letter at the front of this report and the district's financial statements, which immediately follow this section.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statement—and Management's Discussion and Analysis—for State and Local Governments issued June 1999 and amended by GASB Statement No. 37. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

The key financial highlights for the 2015-2016 fiscal year include the following:

Governmental funds reported a total fund balance of \$29,823,245 which is a 25% decrease from last year's total governmental fund balance. The great majority of this decrease was the result of expenditures from Capital Projects Fund. The general or operating fund balance was reported at \$20,357,832 of which \$7,570,793 was appropriated toward the 2016-17 budget. Total expenditures for all governmental funds was \$223,757,565. Total revenues were \$211,612,787, resulting in a deficit of revenues under expenditures of \$12,144,578 for the year. Revenues increased \$3,862,120 over last year and included \$101,588,692 in state and federal aid and \$107,543,062 in local taxes.

In total, net position of governmental activities increased \$1,878,109 which represents a 11% increase from fiscal year 2015. This increase was due primarily to lease proceeds.

The Board realized a change in net position in the District's food service program in the amount of \$191,250, resulting in total net position of \$1,329,017 for the fiscal year ended June 30, 2016.

The district negotiated an interest rate of 0.80% on available cash to maintain stable interest earnings in the next fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the district’s overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the district, reporting the district’s operations in more detail than the district-wide statements.
- The governmental funds statements tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.
- Proprietary funds statements offer short- and long-term financial information about the activities the district operated like businesses, such as food services.
- Fiduciary funds statements provide information about the financial relationship in which the district acts solely as a trustee or agent for the benefits of others.

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

Figure A-1

Organization of the School District Annual Financial Report

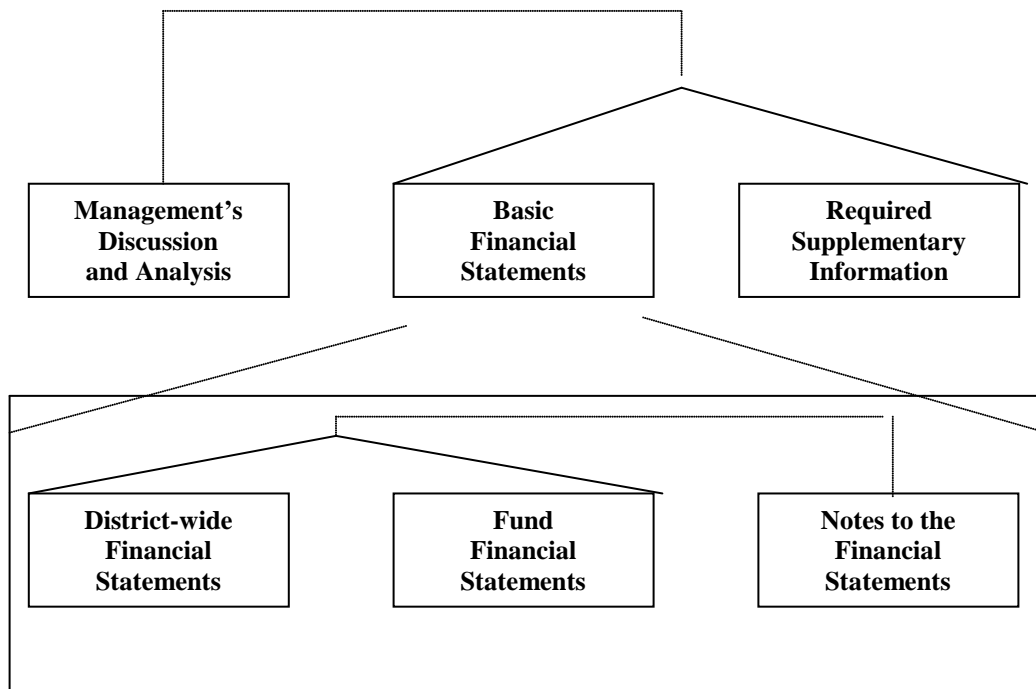


Figure A-2 summarizes the major features of the district’s financial statements, including the portion of the district’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and the contents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

| Figure A-2 Major Features of the District-Wide and Fund Financial Statements | | | | |
|---|--|---|--|---|
| | District-Wide Statements | Fund Financial Statements | | |
| | | Governmental Funds | Proprietary Funds | Fiduciary Funds |
| Scope | Entire district (except fiduciary funds) | The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance | Activities the district operates similar to private businesses: food services and adult education | Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies |
| Required financial Statements | <ul style="list-style-type: none"> •Statement of net assets •Statement of activities | <ul style="list-style-type: none"> •Balance Sheet •Statement of revenues, expenditures, and changes in fund balances | <ul style="list-style-type: none"> •Statement of net assets •Statement of cash flows | <ul style="list-style-type: none"> •Statement of fiduciary net assets •Statement of changes in fiduciary net assets |
| Accounting Basis and measurement focus | Accrual accounting and economic resources focus | Modified accrual accounting and current financial 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, short-term and long-term | Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities 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; funds do not currently contain capital assets, although they can |
| Type of inflow/out-flow information | All revenues and expenses during 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 the related liability is due and payable | All revenues/expenses during the year, regardless of when cash is received or paid | All additions and deductions during the year, regardless of when cash is received or paid |

District-wide Statements

The district-wide statements report information about the district as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the district'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 district-wide statements report the district's net assets 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 position is improving or deteriorating, respectively.
- To assess the district's overall health, you need to consider that the school district's goal is to provide services to students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the quality of the education provided and the safety of the of the schools to assess the overall health of the district.

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

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

Fund Financial Statements

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

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

The district has three kinds of funds:

- **Governmental funds:** Most of the district's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the district's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.
- **Proprietary funds:** Services for which the district charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The district's enterprise funds (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. The district uses internal service funds (the other kind of proprietary fund) to report activities that provide supplies and services for its other programs and activities. The district currently has one internal service fund, the workers' compensation fund.
- **Fiduciary funds:** The district is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund and the student activities funds. The district is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The district excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The school district's Governmental Activities net position was a deficit \$14,807,771 at June 30, 2016 representing a increase of 11% over fiscal year 2015. This amount included an unrestricted deficit amount of \$48,035,273. This large deficit is the result of the accrual of the District's share of the Net Pension Liability required by GASB 68 which reduced the unrestricted portion of Net Position by \$55,101,342. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the school district's ability to use those assets for day-to-day operations. Our analysis below focuses on the net position (Figure A-3) and change in net position (Figure A-4) of the school district's governmental activities.

**Figure A-3
Net Position**

| | 2016 | | | 2015 (as restated) | | |
|--|----------------------------|------------------------|-----------------------|----------------------------|------------------------|-----------------------|
| | Governmental Activities | Business Activities | Total | Governmental Activities | Business Activities | Total |
| ASSETS | | | | | | |
| Current & Other Assets | \$35,128,600 | \$2,285,593 | \$37,414,193 | \$42,822,129 | \$915,080 | \$43,737,209 |
| Capital Assets | 71,980,436 | 300,002 | 72,280,438 | 60,388,328 | 259,126 | 60,647,454 |
| TOTAL ASSETS | 107,109,036 | 2,585,595 | 109,694,631 | 103,210,457 | 1,174,206 | 104,384,663 |
| DEFERRED OUTFLOWS OF RESOURCES: | | | | | | |
| Loss on Refunding of Long Term Debt | 13,765,634 | | 13,765,634 | 2,291,513 | | 2,291,513 |
| Pension Related | 3,053,186 | | 3,053,186 | 5,230,221 | | 5,230,221 |
| TOTAL DEFERRED OUTFLOWS | 16,818,820 | | 16,818,820 | 7,521,734 | | 7,521,734 |
| LIABILITIES | | | | | | |
| Long-Term Liabilities | 121,955,968 | 2,633 | 121,958,601 | 118,979,697 | 2,633 | 118,982,330 |
| Other Liabilities | 14,913,575 | 1,253,945 | 16,167,520 | 5,316,176 | 33,806 | 5,349,982 |
| TOTAL LIABILITIES | 136,869,543 | 1,256,578 | 138,126,121 | 124,295,873 | 36,439 | 124,332,312 |
| DEFERRED INFLOWS OF RESOURCES: | | | | | | |
| Pension Related | 1,047,084 | | 1,047,084 | 3,122,198 | | 3,122,198 |
| Gain on Refunding Bonds | 819,000 | | 819,000 | | | |
| | 1,866,084 | | 1,866,084 | 3,122,198 | | 3,122,198 |
| NET POSITION | | | | | | |
| Net investment in capital assets | 22,531,140 | 300,002 | 22,831,142 | 18,967,749 | 258,074 | 19,225,823 |
| Restricted | 10,696,362 | | 10,696,362 | 11,723,880 | | 11,723,880 |
| Unrestricted: | | | | | | |
| Pension related (deficit) | (55,101,342) | | (55,101,342) | (52,776,832) | | (52,776,832) |
| Other | 7,066,069 | 1,029,015 | 8,095,084 | 5,399,323 | 879,693 | 6,279,016 |
| TOTAL NET POSITION | (\$14,807,771) | \$1,329,017 | (\$13,478,754) | (\$16,685,880) | \$1,137,767 | (\$15,548,113) |

The unrestricted net position of governmental activities is broken into two elements. The deficit of \$55,101,342 represents the effect of the required accrual of the District's share of the Net Pension Liability the remainder of \$7,066,069 represents the accumulated results of all past years' operations.

The results of this year's operations for the school district Governmental Activities as a whole are reported in the Statement of Activities. Figure A-4, below, takes the information from that Statement, rounds off the numbers, and rearranges them slightly so you can see our total revenues and expenses for the year.

**Figure A-4
Changes in Net Position**

| | 2016 | | | 2015 | | |
|---|------------------------------------|--------------------------------|--------------|------------------------------------|--------------------------------|--------------|
| | <u>Governmental Activities</u> | <u>Business Activities</u> | <u>Total</u> | <u>Governmental Activities</u> | <u>Business Activities</u> | <u>Total</u> |
| Revenues: | | | | | | |
| Program Revenues: | | | | | | |
| Operating Grants & Contributions | \$52,512,774 | \$2,339,220 | \$54,851,994 | \$42,752,535 | | \$42,752,535 |
| Charges for Services | | 901,625 | 901,625 | | 966,675 | 966,675 |
| General Revenues | | | | | | |
| Property Taxes | 107,543,062 | | 107,543,062 | 104,405,590 | | 104,405,590 |
| Grants (includes State Aid) and Entitlements | 74,226,078 | | 74,226,078 | 77,092,727 | 2,495,325 | 79,588,052 |
| Other Revenues | 2,451,537 | 8,248 | 2,459,785 | 8,542,391 | | 8,542,391 |
| Transfers | | | | | | |
| Disposal of Capital Assets | | | | | | |
| | 236,733,451 | 3,249,093 | 239,982,544 | 232,793,243 | 3,462,000 | 236,255,243 |
| Expenses: | | | | | | |
| Instruction | 143,642,877 | | 143,642,877 | 78,027,030 | | 78,027,030 |
| Support Services & Undistributed Costs | 86,310,604 | | 86,310,604 | 138,844,500 | | 138,844,500 |
| Interest on Long-Term Debt | 1,200,529 | | 1,200,529 | 1,501,509 | | 1,501,509 |
| Unallocated Depreciation | 3,701,331 | | 3,701,331 | 677,208 | | 677,208 |
| Business-Type | | 3,057,843 | 3,057,843 | | 3,180,243 | 3,180,243 |
| Total Expenses | 234,855,342 | 3,057,843 | 237,913,185 | 219,050,247 | 3,180,243 | 222,230,490 |
| Change in Net Position | 1,878,109 | 191,250 | 2,069,359 | 13,742,996 | 281,757 | 14,024,753 |
| Net Position July 1, | (16,685,880) | 1,137,767 | (15,548,113) | (28,778,424) | 854,958 | (27,923,466) |
| Net Position June 30, | (14,807,771) | 1,329,017 | (13,478,754) | (15,035,428) | 1,136,715 | (13,898,713) |

As reported in the Statement of Activities, expenditures for governmental activities this year totaled \$234,855,342. These costs were financed by \$107,543,062 in local property school taxes, \$126,738,852 in operating grants and federal and state aid, and \$2,451,537 in miscellaneous income. Beginning in FY2016, the District has begun allocating benefits to comply with GASB 34 showing a truer cost by function.

In Figure A-5, below, we have presented the cost of each of the school district's seven largest functions as listed below. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by the function.

Figure A-5

| | Total Cost of Services <u>2016</u> | Total Cost of Services <u>2015</u> | Net Cost of Services <u>2016</u> | Net Cost of Services <u>2015</u> |
|---|--|--|--|--|
| Instruction | 143,642,877 | \$78,027,030 | \$105,031,065 | \$73,095,125 |
| Support Services & Undistributed Costs | 86,310,604 | 70,861,992 | 72,409,643 | 68,528,339 |
| Unallocated Benefits | | 68,434,896 | | 33,002,412 |
| Interest on Long-Term Debt | 1,200,529 | 1,501,509 | 1,200,529 | 1,275,177 |
| Business-Type | 3,057,843 | | (183,002) | |
| Other | 3,701,331 | 224,820 | 3,701,331 | 224,820 |
| Total Expenses | <u>\$237,913,185</u> | <u>\$219,050,247</u> | <u>\$182,159,566</u> | <u>\$176,125,873</u> |

As noted previously, beginning in FY2016, the District has begun allocating benefits to comply with GASB 34 showing a truer cost by function.

Financial Analysis of the District's Funds

As we noted earlier, the school district uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the school district is being accountable for the resources provided to it, and also, gives more insight into the school district's overall financial health.

As the school district completed this year, our governmental funds reported a combined fund balance of \$29,903,329 which represents a decrease of \$9,462,292 from last year.

General Fund Budgetary Highlights

Over the course of the year, the school district revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. Budget changes/transfers are approved by the Board of Education throughout the year. Although the district's projected budget for the general fund anticipated that revenues and expenditures would be roughly equal, the actual results for the year show a surplus.

Actual revenues reflect a positive variance of \$20,611,640. This is due primarily to two factors:

1. The State reimbursement in the amount of \$5.6 million for social security contributions and \$13.2 million on behalf of contributions for TPAF pension and post retirement medical. This is always a non-budgeted item that the State requires be included in the final audit.
2. Miscellaneous revenue in excess of projection.

Actual expenditures reflect a negative variance of \$3.882 million even though several budget lines show a positive variance. This again is primarily due to the State requirement to include social security contributions and on behalf of TPAF pension and post retirement medical benefits contributions in the audit.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2016, the school district had \$71,980,436 invested in a broad range of capital assets, including land, buildings, building improvements, other improvements, construction in progress, vehicles, furniture and equipment. This amount represents a net increase (including additions, deductions and depreciation) of \$11,592,108 or 19.20% from fiscal year 2015.

Figure A-6

| | Net Investment in Capital Assets Governmental Activities | |
|------------------------------------|---|-------------------------------|
| | <u>2016</u> | <u>2015 (as restated)</u> |
| Land | \$1,248,202.00 | \$1,248,202.00 |
| Construction in Progress | 24,585,974.00 | 9,829,593.00 |
| Buildings & Improvements | 41,650,521.00 | 44,495,016.00 |
| Furniture, Equipment & Vehicles | <u>4,495,739.00</u> | <u>4,815,517.24</u> |
| | <u><u>\$71,980,436.00</u></u> | <u><u>\$60,388,328.24</u></u> |

This year's net additions are reported at \$15,139,990. Depreciation totaled \$3,547,882.

Long-Term Debt

At the end of this year, the school district has \$59,007,432 in bonds and capital leases outstanding versus \$62,974,186 last year – a decrease of 6.30%. The long-term debt consisted of the following:

| | Balance June 30, <u>2016</u> | Balance June 30, 2015 <u>(As restated)</u> |
|------------------------|------------------------------------|---|
| Bonds Payable | \$35,515,000 | \$40,375,000 |
| Capital Leases Payable | <u>23,492,432</u> | <u>22,599,186</u> |
| | <u><u>\$59,007,432.00</u></u> | <u><u>\$62,974,186.00</u></u> |

The school district's general obligation bond rating continues to be AA. The state limits the amount of general obligation debt that cities can issue to 4.0% of the average state equalized assessed value of the taxable property within the school district's corporate limits. The school district's outstanding general obligation debt of \$35,515,000 is significantly below the statutorily-imposed limit.

Other obligations include accrued vacation pay and sick leave. We present more detailed information about our long-term liabilities in the notes to the financial statement.

FACTORS AFFECTING THE DISTRICT'S FUTURE

- Although the Hamilton Township School District continues to be highly efficient and financially stable, the overall status of the world and state economy could have an impact on the district's future budgets.
- The Hamilton Township School District will conduct its election in November. There is no vote required on the school budget if the election is held in November and the property tax levy does not increase by more than 2%. This should prove helpful to our district as voters have a track record of voting down school budgets in Hamilton.
- State Aid allocations have been volatile in Hamilton over the past five years. This makes the budgeting process difficult because the information comes late in the budgeting process and cannot be depended upon. We are hopeful this situation will stabilize or aid will increase.
- Health benefit reforms have assisted in containing the health costs for the past four years. However, these costs will continue to increase and be a major expense for this district.
- Salary increases continue to grow incrementally and will be a major expense for the foreseeable future.
- The district has recently committed significant resources in order to improve the district's buildings, infrastructure and education program. We are hopeful this will translate in a measurable increase in student performance.
- The district has engaged in an Energy Savings Improvement Program that will eventually yield a significant amount of upgrades to our energy management system. The hope is to begin to contain and stabilize wildly fluctuating utility costs while providing a better classroom environment for our students and teachers.
- Salaries, benefits, student transportation, energy costs and private tuition continue to comprise nearly 90 percent of the entire budget.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, parents, students, investors and creditors with a general overview of the school district's finances and to show the school district's accountability for the money it received. If you have questions about this report or wish to request additional financial information, contact Ms. Katherine Attwood, Business Administrator, at Hamilton Township Board of Education, 90 Park Avenue, Hamilton, New Jersey 08690.

BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30,2016

DISTRICT-WIDE FINANCIAL STATEMENTS

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2016

| | <u>GOVERNMENTAL</u> <u>ACTIVITIES</u> | <u>BUSINESS-TYPE</u> <u>ACTIVITIES</u> | <u>TOTAL</u> |
|--|--|---|---------------------|
| ASSETS: | | | |
| Cash and cash equivalents | 23,211,447 | 1,835,759 | 25,047,206 |
| Receivables, net | 3,960,774 | 428,638 | 4,389,412 |
| Inventory | 264,171 | 21,196 | 285,367 |
| Restricted assets: | | | |
| Cash and cash equivalents | 7,692,208 | | 7,692,208 |
| Capital assets, Net | 71,980,436 | 300,002 | 72,280,438 |
| Total Assets | <u>107,109,036</u> | <u>2,585,595</u> | <u>109,694,631</u> |
| DEFERRED OUTFLOWS OF RESOURCES: | | | |
| Deferred Outflows Related to Pensions | 13,765,634 | | 13,765,634 |
| Deferred Outflow of Resources | 3,053,186 | | 3,053,186 |
| Total Deferred Outflow of Resources | <u>16,818,820</u> | | <u>16,818,820</u> |
| LIABILITIES: | | | |
| Accounts payable | 7,659,577 | 212,602 | 7,872,179 |
| Interfunds payable | 69,243 | 3,799 | 73,042 |
| Payable to state government | 156,253 | | 156,253 |
| Unearned revenue | 115,194 | 18,088 | 133,282 |
| Accrued Interest Payable | 369,326 | | 369,326 |
| Accrued Liability for Insurance Claims | | 1,019,456 | 1,019,456 |
| Noncurrent liabilities: | | | |
| Due within one year: | | | |
| Bonds and capital leases payable | 6,543,982 | | 6,543,982 |
| Due beyond one year: | | | |
| Net Pension Liability | 65,124,980 | | 65,124,980 |
| Compensated absences payable | 3,136,401 | 2,633 | 3,139,034 |
| Bonds and capital leases payable | 53,694,587 | | 53,694,587 |
| Total liabilities | <u>136,869,543</u> | <u>1,256,578</u> | <u>138,126,121</u> |
| DEFERRED INFLOWS OF RESOURCES: | | | |
| Related to pensions | 1,047,084 | | 1,047,084 |
| Gain on Refunding Bonds | 819,000 | | 819,000 |
| | <u>1,866,084</u> | | <u>1,866,084</u> |
| NET POSITION: | | | |
| Net investment in capital assets | 22,531,140 | 300,002 | 22,831,142 |
| Restricted for: | | | |
| Capital Projects | 812,584 | | 812,584 |
| Debt service fund (deficit) | (271,604) | | (271,604) |
| Other purposes | 10,155,382 | | 10,155,382 |
| Unrestricted (deficit) | <u>(48,035,273)</u> | <u>1,029,015</u> | <u>(47,006,258)</u> |
| Total net position | <u>(14,807,771)</u> | <u>1,329,017</u> | <u>(13,478,754)</u> |

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
JUNE 30, 2016

| Functions/Programs | Expenses | Indirect Cost Allocation | Charges for Services | Programs Revenues Operating Grants and Contributions | Governmental Activities | Business-type Activities | Total |
|--|-----------------------|--------------------------|----------------------|---|-------------------------|--------------------------|-------------------------|
| Governmental Activities: | | | | | | | |
| Instruction: | | | | | | | |
| Regular | \$ 65,837,250 | \$ 26,872,209 | \$ | \$ 23,904,262 | \$ (68,805,198) | \$ | \$ (68,805,198) |
| Special | 25,343,293 | 16,109,755 | | 12,296,889 | (29,156,159) | | (29,156,159) |
| Other Special Instruction | | | | | | | |
| Adult/Continuing Education Programs | 6,854,221 | 2,626,149 | | 2,410,662 | (7,069,709) | | (7,069,709) |
| Support services: | | | | | | | |
| Tuition | 10,399,527 | (10,399,527) | | | | | |
| Student and instruction related services | 25,664,634 | 8,970,650 | | 9,312,856 | (25,322,429) | | (25,322,429) |
| General administrative services | 1,915,422 | 115,338 | | | (2,030,760) | | (2,030,760) |
| School administrative services | 9,864,105 | 4,016,637 | | 3,523,613 | (10,357,129) | | (10,357,129) |
| Central service/Admin information technology | 3,602,574 | 807,305 | | | (4,409,879) | | (4,409,879) |
| Plant operations and maintenance | 18,452,565 | 3,096,430 | | | (21,548,995) | | (21,548,995) |
| Pupil transportation | 9,660,709 | 139,727 | | | (8,735,943) | | (8,735,943) |
| Unallocated benefits | 52,388,675 | (52,384,168) | | 1,064,493 | (4,507) | | (4,507) |
| Special Schools | 123,955 | 29,494 | | | (153,449) | | (153,449) |
| Interest on Long-Term Debt | 1,200,529 | | | | (1,200,529) | | (1,200,529) |
| Unallocated depreciation | 3,547,882 | | | | (3,547,882) | | (3,547,882) |
| Total governmental activities | <u>234,855,342</u> | | | <u>52,512,774</u> | <u>(182,342,568)</u> | | <u>(182,342,568)</u> |
| Business-type activities | | | | | | | |
| Food Service | 3,057,843 | | 901,625 | 2,339,220 | | 183,002 | 183,002 |
| Total business-type activities | <u>3,057,843</u> | | <u>901,625</u> | <u>2,339,220</u> | | <u>183,002</u> | <u>183,002</u> |
| Total primary government | <u>\$ 237,913,185</u> | | <u>\$ 901,625</u> | <u>\$ 54,851,994</u> | <u>\$ (182,342,568)</u> | <u>\$ 183,002</u> | <u>\$ (182,159,566)</u> |
| General Revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Property taxes, levied for general purposes, net | | | | | \$ 102,609,694 | | \$ 102,609,694 |
| Taxes levied for debt service | | | | | 4,933,368 | | 4,933,368 |
| Federal and state aid not restricted | | | | | 74,016,975 | | 74,016,975 |
| Federal and state aid restricted | | | | | 209,103 | | 209,103 |
| Miscellaneous income | | | | | 2,451,537 | 8,248 | 2,459,785 |
| Total general revenues and special items | | | | | <u>184,220,677</u> | <u>8,248</u> | <u>184,228,925</u> |
| Change in Net Position | | | | | 1,878,109 | 191,250 | 2,069,359 |
| Net Position - beginning (as restated) | | | | | (16,685,880) | 1,137,767 | (15,548,113) |
| Net Position ending | | | | | <u>(14,807,771)</u> | <u>1,329,017</u> | <u>(13,478,754)</u> |

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

MAJOR FUND FINANCIAL STATEMENTS

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

| | GENERAL FUND | SPECIAL REVENUE FUND | CAPITAL PROJECTS FUND | DEBT SERVICE FUND | TOTAL GOVERNMENTAL FUNDS |
|--|----------------------|----------------------------|-----------------------------|-------------------------|--------------------------------|
| ASSETS: | | | | | |
| Cash and cash equivalents | \$ 13,588,420 | \$ | \$ 9,549,777 | \$ 97,722 | \$ 23,235,919 |
| Receivables from other governments | 2,279,704 | 636,484 | 577,797 | | 3,493,985 |
| Other receivables | 466,789 | | | | 466,789 |
| Interfund Accounts Receivable | 4,021 | 404,817 | | | 408,838 |
| Inventory | 264,171 | | | | 264,171 |
| Restricted cash and cash equivalents | 7,692,208 | | | | 7,692,208 |
| Total assets | \$ 24,295,313 | \$ 1,041,301 | \$ 10,127,574 | \$ 97,722 | \$ 35,561,910 |
| LIABILITIES AND FUND BALANCES: | | | | | |
| Liabilities: | | | | | |
| Cash deficit | \$ | \$ 24,472 | \$ | \$ | \$ 24,472 |
| Accounts payable | 3,445,402 | 760,442 | 758,821 | | 4,964,665 |
| Intergovernmental accounts payable | | 156,253 | | | 156,253 |
| Interfund payables | 477,859 | | 222 | | 478,081 |
| Unearned revenue | 14,200 | 100,134 | 860 | | 115,194 |
| Total liabilities | 3,937,461 | 1,041,301 | 759,903 | 97,722 | 5,738,665 |
| Fund balances: | | | | | |
| Nonspendable: | | | | | |
| Inventory | 264,171 | | | | 264,171 |
| Restricted: | | | | | |
| Capital reserve account | 4,018,594 | | | | 4,018,594 |
| Maintenance reserve account | 373,614 | | | | 373,614 |
| Reserved Excess Surplus designated for subsequent years expenditures | 2,478,571 | | | | 2,478,571 |
| Reserve for Excess surplus | 3,020,432 | | | | 3,020,432 |
| Capital Projects | | | 3,017,974 | | 3,017,974 |
| Debt Service | | | | 97,722 | 97,722 |
| Committed for: | | | | | |
| For Encumbrances | | | 6,349,697 | | 6,349,697 |
| Assigned: | | | | | |
| Subsequent Year's Expenditures | 5,092,222 | | | | 5,092,222 |
| For Encumbrances | 5,110,248 | | | | 5,110,248 |
| Total fund balances | 20,357,852 | | 9,367,671 | 97,722 | 29,823,245 |
| Total liabilities and fund balances | \$ 24,295,313 | \$ 1,041,301 | \$ 10,127,574 | \$ 97,722 | \$ 35,561,910 |

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

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

| | | |
|--|------------------------|----------------------------|
| Total Fund Balances (Brought Forward) | ,\$ | 29,823,245 |
| <p>Amounts Reported for Governmental Activities in the Statement of Net Position (A-1) are different because:</p> <p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p> | | |
| Cost of Assets | ,\$ 138,411,924 | |
| Accumulated Depreciation | <u>(66,431,488)</u> | 71,980,436 |
| <p>Long term liabilities, including bonds payable, and other related amounts that are not due and payable in the current period and therefore are not reported as liabilities in the funds.</p> | | |
| Net Pension Liability | (65,124,980) | |
| Compensated Absences | (3,136,401) | |
| Bonds Payable | (35,515,000) | |
| Deferred Amount on Gain on Refunding Bonds | (1,231,137) | |
| Capital Leases | <u>(23,492,432.00)</u> | (128,499,950) |
| <p>Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.</p> | | |
| Pensions: | | |
| Deferred Outflows | | |
| Pension related | 13,765,634 | |
| Loss on Refunding Bonds | <u>3,053,186</u> | 16,818,820 |
| Deferred Inflows: | | |
| Pension related | (1,047,084) | |
| Gain on Refunding Bonds | <u>(819,000)</u> | (1,866,084) |
| <p>Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.</p> | | |
| Accounts Payable - Pension Related | (2,694,912) | |
| Accrued Interest Payable | <u>(369,326)</u> | <u>(3,064,238)</u> |
| Net Position of Governmental Activities | | <u><u>(14,807,771)</u></u> |

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

HAMILTON TOWNSHIP BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | GENERAL FUND | SPECIAL REVENUE FUND | CAPITAL PROJECTS FUND | DEBT SERVICE FUND | TOTAL GOVERNMENTAL FUNDS |
|--|-----------------|----------------------------|-----------------------------|-------------------------|--------------------------------|
| REVENUES: | | | | | |
| Local sources: | | | | | |
| Local tax levy | \$ 102,609,694 | | | \$ 4,933,368 | \$ 107,543,062 |
| Tuition from Individuals | 84,020 | | | | 84,020 |
| Adult Education Testing | 5,451 | | | | 5,451 |
| Interest Earned on Capital Reserve | 41,537 | | | | 41,537 |
| Other Restricted Miscellaneous Revenues | 52,630 | | | | 52,630 |
| Unrestricted Miscellaneous Revenue | 2,267,677 | 29,500 | 222 | | 2,297,399 |
| Total - local sources | 105,061,009 | 29,500 | 222 | 4,933,368 | 110,024,099 |
| State sources | 93,657,266 | 1,363,029 | 209,103 | | 95,229,398 |
| Federal sources | 293,718 | 6,065,576 | | | 6,359,294 |
| Total revenues | 199,011,993 | 7,458,105 | 209,325 | 4,933,368 | 211,612,791 |
| EXPENDITURES: | | | | | |
| Current expense: | | | | | |
| Regular instruction | 53,707,870 | | | | 53,707,870 |
| Special instruction | 15,603,223 | 6,336,220 | | | 21,939,443 |
| Other Instruction | 5,477,609 | | | | 5,477,609 |
| Support services: | | | | | |
| Tuition | 10,399,527 | | | | 10,399,527 |
| Student & instruction related services | 19,865,282 | 1,121,885 | | | 20,987,167 |
| General administrative services | 2,307,287 | | | | 2,307,287 |
| School administrative services | 7,399,526 | | | | 7,399,526 |
| Central service/Admin information technology | 3,161,485 | | | | 3,161,485 |
| Plant operations and maintenance | 16,722,482 | | | | 16,722,482 |
| Pupil transportation | 9,670,549 | | | | 9,670,549 |
| Unallocated benefits | 51,640,114 | | | | 51,640,114 |
| Special schools | 106,894 | | | | 106,894 |
| Debt Service: | | | | | |
| Principal | | | | 3,950,000 | 3,950,000 |
| Interest | | | | 899,054 | 899,054 |
| Capital outlay | 2,493,151 | | 12,793,009 | | 15,286,160 |
| Cost of Bond Issuance | | | | 102,378 | 102,378 |
| Total expenditures | 198,554,999 | 7,458,105 | 12,793,009 | 4,951,432 | 223,757,545 |
| Excess (deficiency) of revenues over (under) expenditures | 456,994 | | (12,583,684) | (18,064) | (12,144,754) |
| Other financing sources (uses): | | | | | |
| Transfers In/out | 222 | | (222) | | |
| Payment to Refunding Bond Escrow Agent | | | | (10,118,400) | (10,118,400) |
| Refunding Bonds Issued | | | | 9,010,000 | 9,010,000 |
| Premium on Refunding Bonds | | | | 1,210,778 | 1,210,778 |
| Capital leases (non-budgeted) | | | 2,500,000 | | 2,500,000 |
| Total other financing sources/(uses) | 222 | | 2,499,778 | 102,378 | 2,602,378 |
| Net change in fund balances | 457,216 | | (10,083,906) | 84,314 | (9,542,376) |
| Fund balances, July 1, 2015 (as restated) | \$ 19,900,636 | \$ -0- | \$ 19,451,577 | \$ 13,408 | \$ 39,365,621 |
| Fund balances, June 30, 2016 | \$ 20,357,852 | \$ -0- | \$ 9,367,671 | \$ 97,722 | \$ 29,823,245 |

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

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 FISCAL YEAR ENDED JUNE 30, 2016

| | | |
|--|--------------------|-------------------------|
| Total net change in fund balances - governmental funds (from B-2) | | (9,542,376) |
| <p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>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.</p> | | |
| Depreciation expense | | (3,547,882) |
| Capital outlays | 15,286,160 | |
| Less: Capital Outlays not capitalized | <u>(146,170)</u> | |
| | | 15,139,990 |
| <p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p> | | |
| Bonds Paid by Budget | | 3,950,000 |
| <p>Proceeds from debt issues are a financing source in governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position.</p> | | |
| Capital lease proceeds - Current Year | | (2,500,000) |
| <p>Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p> | | |
| Payment of capital lease payable | | 1,606,754 |
| <p>In the statement of activities, interest on long-term debt is accrued, regardless of when due. In governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.</p> | | |
| | | 33,675 |
| <p>Bond Issue costs are reported in the Governmental Funds as expenditures in the year the bonds are issued. However, on the Statement of Activities the costs are amortized over the life of the Bonds.</p> | | |
| | | (188,980) |
| <p>District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.</p> | | |
| District pension contributions | 2,494,210 | |
| Less: Pension expense | <u>(4,818,720)</u> | |
| | | (2,324,510) |
| <p>In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-). When the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p> | | |
| | | <u>(748,561)</u> |
| Change in net position of governmental activities (A-2) | | <u><u>1,878,110</u></u> |

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

OTHER FUNDS

HAMILTON TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
JUNE 30, 2016

| | <u>BUSINESS-TYPE ACTIVITIES</u> | <u>GOVERNMENTAL ACTIVITIES</u> |
|------------------------------------|---------------------------------|--------------------------------|
| | <u>ENTERPRISE FUND</u> | <u>INTERNAL SERVICE FUND</u> |
| | <u>MAJOR FUND</u> | <u>WORKERS'</u> |
| | <u>FOOD SERVICE FUND</u> | <u>COMPENSATION FUND</u> |
| ASSETS: | | |
| Current assets: | | |
| Cash and cash equivalents | \$816,303 | \$1,019,456 |
| Accounts receivable | | |
| State | 9,343 | |
| Federal | 377,747 | |
| Other | 41,548 | |
| Inventories | 21,196 | |
| | <hr/> | <hr/> |
| Total current assets | 1,266,137 | 1,019,456 |
| | <hr/> | <hr/> |
| Noncurrent assets: | | |
| Furniture, machinery and equipment | 962,276 | |
| Less accumulated depreciation | (662,274) | |
| | <hr/> | <hr/> |
| Total noncurrent assets | 300,002 | |
| | <hr/> | <hr/> |
| Total assets | 1,566,139 | 1,019,456 |
| | <hr/> | <hr/> |
| LIABILITIES: | | |
| Current liabilities: | | |
| Interfund payable | 3,799 | |
| Accounts payable | 212,602 | |
| Unearned revenue | 18,088 | |
| Claims payable | | 1,019,456 |
| Noncurrent liabilities: | | |
| Compensated absences | 2,633 | |
| | <hr/> | <hr/> |
| Total liabilities | 237,122 | 1,019,456 |
| | <hr/> | <hr/> |
| NET POSITION: | | |
| Net investment in capital assets | 300,002 | |
| Unrestricted | 1,029,015 | |
| | <hr/> | <hr/> |
| Total net position | \$1,329,017 | |
| | <hr/> <hr/> | <hr/> <hr/> |

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | <u>BUSINESS-TYPE ACTIVITIES</u> <u>ENTERPRISE FUND</u> <u>MAJOR FUND</u> <u>FOOD SERVICE FUND</u> |
|--|--|
| OPERATING REVENUES: | |
| Charges for services: | |
| Daily sales - reimbursable programs | \$578,398 |
| Daily sales - non-reimbursable programs | 323,227 |
| | 901,625 |
| Total operating revenues | 901,625 |
| OPERATING EXPENSES: | |
| Salaries | 979,345 |
| Employee benefits | 225,857 |
| Management and consultant fees | 35,470 |
| Supplies and materials | 120,983 |
| Administrative Expense | 153,768 |
| Insurance | 45,168 |
| Depreciation | 54,937 |
| Cost of sales - reimbursable | 1,117,402 |
| Cost of sales - non-reimbursable | 90,598 |
| Direct expense | 234,315 |
| | 3,057,843 |
| Total operating expenses | 3,057,843 |
| Operating income (loss) | (2,156,218) |
| NONOPERATING REVENUES (EXPENSES): | |
| State sources | |
| State school lunch program | 39,538 |
| Federal sources: | |
| National school lunch program | 1,662,603 |
| National school breakfast program | 310,170 |
| Healthy Hunger-Free Kids Act | 43,372 |
| Special Milk | 2,019 |
| Fresh Fruit and Vegetable | 18,409 |
| Food Distribution Program | 216,971 |
| NSLP Equipment Assistance | 46,138 |
| Interest & Investment Revenue | 8,248 |
| | 2,347,468 |
| Total Nonoperating Revenues/(Expenses) | 2,347,468 |
| Excess (deficiency) of revenues over (under) expenditures | 191,250 |
| Total net position - beginning | 1,137,767 |
| Total net position - ending | \$1,329,017 |

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | <u>BUSINESS-TYPE ACTIVITIES</u> <u>ENTERPRISE FUND</u> <u>MAJOR FUND</u> <u>FOOD SERVICE FUND</u> | <u>GOVERNMENTAL ACTIVITIES</u> <u>INTERNAL SERVICE FUND</u> <u>WORKERS'</u> <u>COMPENSATION FUND</u> |
|---|--|---|
| Cash flows from operating activities: | | |
| Receipts from customers | \$889,300 | |
| Payments to employees | (1,504,588) | |
| Payments to employee benefits | (209,890) | (\$18,087) |
| Payments to suppliers | (890,919) | |
| | <hr/> | <hr/> |
| Net cash provided by (used for) operating activities | (1,716,097) | (18,087) |
| Cash flows from noncapital financing activities: | | |
| Federal and State sources | 2,262,640 | |
| Transfers to other funds | 20,269 | 1,031,384 |
| | <hr/> | <hr/> |
| Net cash provided by noncapital financing activities | 2,282,909 | 1,031,384 |
| Cash flows from capital and related financing activities: | | |
| Acquisition of Capital Assets | (21,270) | |
| | <hr/> | <hr/> |
| Net cash provided by (used for) capital and related financing activities | (21,270) | |
| Cash Flows From Investing Activities: | | |
| Interest on Deposits | 8,248 | |
| | <hr/> | <hr/> |
| Net Cash Provided/(Used) by Investing Activities | 8,248 | |
| Net increase (decrease) in cash and cash equivalents | 553,790 | 1,013,297 |
| Cash and cash equivalents, July 1, 2015 | 262,513 | 6,159 |
| | <hr/> | <hr/> |
| Cash and cash equivalents, June 30, 2016 | \$816,303 | \$1,019,456 |
| | <hr/> <hr/> | <hr/> <hr/> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities | | |
| Operating income (loss) | (\$2,156,218) | |
| Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities: | | |
| Depreciation | 26,533 | |
| Federal commodities | 216,971 | |
| (Increase) decrease in inventories | 9,860 | |
| (Increase) decrease in other accounts receivable | (15,403) | |
| Increase (decrease) in accounts payable | 193,890 | |
| Increase (decrease) in unearned revenue | 8,270 | |
| Increase (decrease) in claims payable | | (18,087) |
| | <hr/> | <hr/> |
| Total Adjustments | 440,121 | (18,087) |
| | <hr/> | <hr/> |
| Net cash provided by (used for) operating activities | (\$1,716,097) | (\$18,087) |
| | <hr/> <hr/> | <hr/> <hr/> |

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | PRIVATE PURPOSE | | AGENCY FUNDS | | JUNE 30 2016 |
|---|---------------------------------------|-------------|-------------------|---------------------|-----------------|
| | UNEMPLOYMENT COMPENSATION TRUST | SCHOLARSHIP | PAYROLL AGENCY | STUDENT ACTIVITY | |
| ASSETS: | | | | | |
| Cash and cash equivalents | \$ 2,309,806 | \$ 179,134 | \$ 54,777 | \$ 639,910 | \$ 3,183,627 |
| Interfunds Receivable | | 80,554 | | | 80,554 |
| Total assets | 2,309,806 | 259,688 | 54,777 | 639,910 | 3,264,181 |
| LIABILITIES: | | | | | |
| Payroll Deductions and Withholdings | | | 27,165 | | 27,165 |
| Accounts Payable | 46,588 | | | | 46,588 |
| Interfund Payable | | | 7,512 | | 7,512 |
| Due to Employees | | | 20,100 | | 20,100 |
| Due to Student Groups | | | | 639,910 | 639,910 |
| Total liabilities | 46,588 | | 54,777 | 639,910 | 741,275 |
| NET POSITION: | | | | | |
| Held in Reserve for Unemployment Claims | 2,263,218 | | | | 2,263,218 |
| Reserved for Scholarships | | 259,688 | | | 259,688 |
| Total net position | \$ 2,263,218 | \$ 259,688 | \$ | \$ | 2,522,906 |

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | <u>UNEMPLOYMENT COMPENSATION TRUST</u> | <u>PRIVATE PURPOSE SCHOLARSHIP</u> | <u>TOTAL</u> |
|--------------------------------|--|--|---------------------|
| ADDITIONS: | | | |
| Contributions: | | | |
| Plan Members | \$ 293,738 | \$ | 293,738 |
| Investment Earnings: | | | |
| Interest Earned | <u>17,946</u> | <u>1,804</u> | <u>19,750</u> |
| Total Additions | <u>311,684</u> | <u>1,804</u> | <u>313,488</u> |
| DEDUCTIONS: | | | |
| Unemployment Claims | 289,953 | | 289,953 |
| Scholarships Awarded | | <u>13,000</u> | <u>13,000</u> |
| Total deductions | <u>289,953</u> | <u>13,000</u> | <u>302,953</u> |
| Change in net position | 21,731 | (11,196) | 10,535 |
| Net position beginning of year | <u>2,241,487</u> | <u>270,884</u> | <u>2,512,371</u> |
| Net position end of year | <u>\$ 2,263,218</u> | <u>\$ 259,688</u> | <u>\$ 2,522,906</u> |

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The Township of Hamilton School District is a Type II District located in Mercer County, New Jersey. The School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board of Education of the Hamilton School District, comprised of nine elected individuals, is the primary governing authority of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, are set forth in Statement No. 39 of the Governmental Accounting Standards Board entitled "*Determining Whether Certain Organizations are Component Units*" (GASB 39), as codified in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

Organizations that are legally separate, tax-exempt entities and meet *all* of the following criteria should be discretely presented as component units. These criteria are:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government
2. The primary government, or its component unit, is entitled to, or has the ability to otherwise access, a majority of the economic resources of the organization
3. The economic resources received or held by an *individual organization* that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include elementary schools, middle schools and high schools, located in the Township of Hamilton. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

Basis of Presentation

The District's basic financial statements consist of District-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

District-wide Statements: The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish generally between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

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

Governmental Funds

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

As required by the New Jersey Statement Department of Education, the District includes budgeted capital outlay in this fund. U.S. Generally Accepted Accounting Principles as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes, and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to the current expense by Board resolution; in certain instances approval by the County Superintendent of Schools may also be required.

Special Revenue Fund The special revenue fund is used to account for the proceeds of specific revenue sources from State and Federal Government (other than those for major capital projects, debt service or proprietary funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Projects Funds The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

Proprietary Funds

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

Internal Service Fund This internal service fund is used in order to account for any run-off claims related to the District's Workers' Compensation self-insurance program which was discontinued June 30, 2005

Fiduciary Funds

Agency Funds The agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District. The agency funds included are as follows:

Payroll and Student Activities Funds These are agency funds used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

Private Purpose Trust Funds These trust funds are used to account for assets donated by individuals that will provide for the payment of scholarship awards.

Unemployment Insurance Trust Funds An expendable trust fund used to account for unemployment compensation claims as they arise.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting-Measurement Focus

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

District-wide, Proprietary, and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation for expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute 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.

The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transactions can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from the issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. In accordance with P.L. 2011, c. 202, which became effective January 17, 2012, the District elected to move the April 2013 school Board election to the date of the November general election thereby eliminating the vote on the annual base budget. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(f)1. Expenditures may not legally exceed budgeted appropriations at the line item level. All budget amendments and transfers must be approved by School Board resolution. Budget amendments during the year ended June 30, 2016 totaled \$3,849,543.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures. Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles (GAAP) with the exception of the legally mandated (NJSA 18A:22-44.2) revenue recognition of one or more deferred State Aid payments for budgetary purposes only due to the State deferral of such payments into the subsequent budget year and the accounting treatment of encumbrances in the special revenue fund as described 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.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control (Continued)

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 recognized 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 records.

Encumbrance Accounting

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

Open encumbrances in the special revenue and capital project funds for which the District has received advances are reflected in the balance sheet as unearned revenues at fiscal year end.

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

Interfunds

Interfund receivables and payables arise from transactions between particular funds and are considered short term in duration. The interfund transactions are recorded by all funds affected in the period in which the transactions are executed and are part of the district's available spendable resources.

Inventories and Prepaid Expenses

Inventories of materials and supplies held for consumption in the governmental funds are recorded as expenditures at the time of purchase and year end balances are not reported in the financial statements.

Inventories of food and/or supplies in the food service fund are recorded at cost on a first-in, first-out basis or, in the case of Food Distribution Commodities, at stated value which approximates market.

Prepaid expenses which benefit future periods, other than those recorded in the enterprise fund, are recorded as expenditures in the year of purchase.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

The District has an established formal system of accounting for its capital assets. Capital Assets used for governmental purposes, which include land, buildings and improvements and furniture and equipment, are only reported in the district-wide financial statements. The District generally defines capital assets as assets with an initial cost of \$2,000.00 or more and an estimated useful life in excess of one year. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

In fiscal year 2016, the District implemented GASB 72. The objective of this Statement is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurements. These improvements are based in part on the concepts and definitions established in Concepts Statement No. 6, Measurement of Elements of Financial Statements, and other relevant literature.

Capital assets are depreciated in the district-wide statements using the straight-line method over the following estimated useful lives:

| | <u>Estimated Life</u> |
|-------------------------------|-----------------------|
| School Buildings | 50 |
| Building Improvements | 20 |
| Electrical/Plumbing | 30 |
| Vehicles | 8 |
| Office and Computer Equipment | 10 |
| Instructional Equipment | 10 |
| Grounds Equipment | 15 |

Compensated Absences

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy and/or collective bargaining unit contracts. Upon termination, employees are paid for accrued vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after four years of service.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences (Continued)

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

For the district-wide statements, the current portion is the amount estimated to be used in the following year. For the governmental funds in the fund financial statements, a liability is reported only for to the extent of the amount actually due at year end as a result of employee resignations/retirements. Compensated absences are a reconciling item between the fund level and district-wide presentations.

Fund Equity

Fund balance restrictions are used to indicate that portion of the fund balance that is not available for expenditures or is legally segregated for a specific future use. Designation of portions of the fund balances are established to indicate tentative plans for financial utilization in a future period. The unassigned fund balances represent the amount available for future budgetary operations.

Unearned Revenue

Unearned revenue in the special revenue and proprietary funds represents funds which have been received but not yet earned. A corresponding accounts receivable has also been established for any open encumbrances at year end which is an allowable practice under generally accepted accounting principles.

Accrued Liabilities and Long-Term Obligations

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

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

Fund Balance Restrictions

GASB Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions" modifies fund balance reporting and clarifies fund type definitions. This Statement aims to enhance the usefulness of fund balance information by providing clearer fund balance clarifications that can be applied more consistently.

Under the standard, in the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. The District reports Inventory as Nonspendable Fund Balance

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation. The District reports the Capital Reserve, Maintenance Reserve and Excess Surplus as Restricted Fund Balance.

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.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Restrictions (Continued)

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. The District reports Year End Encumbrances and Designated for Subsequent Years Expenditures as Assigned Fund Balance.

Unassigned - is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

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.

Revenues Exchange and Non-exchange Transactions

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

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues Exchange and Non-exchange Transactions (Continued)

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

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

Operating Revenues and Expenses

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

Allocation of Indirect Expenses

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

Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent of occurrence. Special items are transactions or events that are within control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

Management Estimates

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting and Financial Reporting for Pensions

In the District-Wide Financial Statements 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 District's proportionate share of the New Jersey Public Employees Retirement System ("PERS") and the Teachers' Pension and Annuity Fund ("TPAF") and the additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they were reported by PERS and TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

In the Governmental Fund Financial Statements the year end Net pension liability is not required to be reflected. Pension related revenues and expenditures are reflected based on amounts that are normally expected to be liquidated with available financial resources for required pension contributions. Expenditures for PERS are recognized based upon billings made by the State of New Jersey due April 1st of each fiscal year. TPAF contributions are paid on the District's behalf by the State of New Jersey. The Governmental Fund Financial Statements reflects both a revenue and expenses for this pension contribution.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has two items that qualify for reporting in this category, deferred amounts from refunding debt and deferred items that are pension related.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the District has two items that qualify for reporting in this category, deferred amounts from refunding debt and deferred amounts that are pension related.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

The Board considers petty cash, change funds, cash in banks, and short term investments with original maturities of three months or less as cash and cash equivalents. Investments are stated at cost, which approximates market.

Deposits

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. Each depository participating in the GUDPA system must pledge collateral equal to 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of 75% of its capital funds. No collateral is required for amounts covered by FDIC insurance. The collateral which may be pledged to support these deposits includes obligations of the State and federal governments, insured securities and other collateral approved by the Department. When the capital position of the depository deteriorates or the depository takes an unusually large amount of public deposits, the Department of Banking and Insurance requires additional collateral to be pledged. Under (GUDPA), 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 the deposits to the governmental unit

The Township of Hamilton School District had the following cash and cash equivalents at June 30, 2016:

| <u>Fund Type</u> | <u>Amount</u> |
|-------------------------|----------------------|
| Cash in Bank: | |
| Governmental Funds | \$ 35,545,539 |
| Proprietary Funds | 1,376,104 |
| Fiduciary Funds | 4,647,478 |
| Total Cash in Bank | \$ 41,569,121 |
| Less: Reconciling Items | <u>(5,646,080)</u> |
| Reconciled Balance | <u>\$ 35,923,041</u> |

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Deposits

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2016, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank of \$41,569,121, \$879,131 was covered by Federal Depository Insurance \$32,076,299 was covered under the provisions of NJGUDPA and \$8,613,691 was held in escrow with fiscal agents

Investments

The types of investments which may be purchased by the District are strictly limited by the express authority of the N.J.S.A. 18A:20-37 Education, Administration of School Districts. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a1 et seq., and operated in accordance with 17 C.F.R. § 270.2a7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:2037. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:2037. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 C. 17:1941); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2016 the District had no investments.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 3: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2016, was as follows:

| | Beginning Balance <u>(As Restated)</u> | <u>Additions</u> | <u>Ending Balance</u> |
|--|--|----------------------------|----------------------------|
| Governmental Activities: | | | |
| Capital assets not being depreciated: | | | |
| Land | \$1,248,202 | | \$1,248,202 |
| Construction in Progress | 9,829,593 | 14,756,381 | 24,585,974 |
| Total Capital Assets not being depreciated | <u>11,077,795</u> | <u>14,756,381</u> | <u>25,834,176</u> |
| Buildings & Building Improvements | 99,305,866 | 17,833 | 99,323,699 |
| Machinery & Equipment | <u>12,888,273</u> | <u>365,776</u> | <u>13,254,049</u> |
| Totals at historical cost | <u>112,194,139</u> | <u>383,609</u> | <u>112,577,748</u> |
| Gross Assets (Memo only) | <u>123,271,934</u> | <u>15,139,990</u> | <u>138,411,924</u> |
| Less: Accumulated Depreciation | | | |
| Buildings & Building Improvements | (54,810,850) | (2,862,328) | (57,673,178) |
| Machinery & Equipment | <u>(8,072,756)</u> | <u>(685,554)</u> | <u>(8,758,310)</u> |
| Total Depreciation | <u>(62,883,606)</u> | <u>(3,547,882)</u> | <u>(66,431,488)</u> |
| Total capital assets being depreciated, net of depreciation | <u>49,310,533</u> | <u>(3,164,273)</u> | <u>46,146,260</u> |
| Total Governmental Fund Activities | <u><u>\$60,388,328</u></u> | <u><u>\$11,592,108</u></u> | <u><u>\$71,980,436</u></u> |

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 3: CAPITAL ASSETS (CONTINUED)

| | Beginning Balance <u>As Restated</u> | <u>Additions</u> | Ending Balance |
|-----------------------------------|--|----------------------|-------------------------|
| Proprietary Activities: | | | |
| Machinery & Equipment | <u>\$894,867</u> | <u>67,409</u> | <u>\$962,276</u> |
| Totals at historical cost | <u>894,867</u> | <u>67,409</u> | <u>962,276</u> |
| Less: Accumulated Depreciation | | | |
| Machinery & Equipment | <u>(635,741)</u> | <u>(26,533)</u> | <u>(662,274)</u> |
| Total Depreciation | <u>(635,741)</u> | <u>(26,533)</u> | <u>(662,274)</u> |
| Total Proprietary Fund Activities | <u><u>\$259,126</u></u> | <u><u>40,876</u></u> | <u><u>\$300,002</u></u> |

Depreciation expense was charged to functional expenses areas of the

District for Governmental Funds as follows:

| | |
|-------------------------------------|-----------------------------|
| Direct Expense of various functions | <u>(\$3,547,882)</u> |
| | <u><u>(\$3,547,882)</u></u> |

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 4: LONG-TERM LIABILITIES

Bonds are issued by the District pursuant to the provisions of Title 18A, Education, of the New Jersey Statutes and are required to be approved by the voters of the municipality through referendum. The proceeds of bonds are recorded in the Capital Projects Fund and are restricted to the use for which they were approved in the bond referendum. All bonds are retired in annual installments within the statutory period of usefulness

School Bonds issued by the District are entitled to and benefit from the provision of the New Jersey School Board Reserve Act P.L. 1980 c.72. Basically, funds are held by the State of New Jersey within its State Fund for the Support of Free Public Schools as a school bond reserve pledged by law to secure payment of principal and interest due on such bonds in the event of the inability of the issuer to make payments.

The following is a summary of transactions that affect long-term liabilities for the year ended June 30, 2016:

Governmental Funds:

| | Balance June 30, 2015 <u>(As restated)</u> | <u>Additions</u> | <u>Reductions</u> | Balance June 30, <u>2016</u> | Amounts due Within <u>one year</u> |
|--------------------------|---|---------------------|-----------------------------|------------------------------------|--|
| Bonds Payable | \$40,375,000 | \$9,010,000 | \$13,870,000 | \$35,515,000 | \$4,000,000 |
| Unamortized Bond Premium | 189,483 | 1,210,778 | 169,124 | 1,231,137 | 216,877 |
| Compensated Absences | 2,387,840 | 748,561 | | 3,136,401 | |
| Capital Leases Payable | 22,599,186 | 2,500,000 | 1,606,754 | 23,492,432 | 2,327,105 |
| Net Pension Liability | <u>52,390,645</u> | <u>3,268,065</u> | <u> </u> | <u>55,658,710</u> | <u> </u> |
| Balance June 30, 2016 | <u>\$117,942,154</u> | <u>\$16,737,404</u> | <u>\$15,645,878</u> | <u>\$119,033,680</u> | <u>\$6,543,982</u> |

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Debt Service Requirements:

The annual requirements to amortize all debt outstanding as of June 30, 2016, including interest payments on issued debt, are as follows:

| Fiscal Year | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------|---------------------|--------------------|---------------------|
| <u>June 30,</u> FY2017 | \$4,000,000 | \$951,045 | \$4,951,045 |
| FY2018 | 4,025,000 | 886,658 | 4,911,658 |
| FY2019 | 4,265,000 | 779,095 | 5,044,095 |
| FY2020 | 4,440,000 | 641,495 | 5,081,495 |
| FY2021 | 4,670,000 | 499,395 | 5,169,395 |
| FY2022 | 4,760,000 | 350,995 | 5,110,995 |
| FY2023 | 3,040,000 | 196,835 | 3,236,835 |
| FY2024 | 3,115,000 | 122,938 | 3,237,938 |
| FY2025 | 3,200,000 | 42,000 | 3,242,000 |
| | <u>\$35,515,000</u> | <u>\$4,470,455</u> | <u>\$39,985,455</u> |

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

General obligation school and refunding bonds payable with their outstanding balances are comprised of the following individual issues:

| <u>Issue</u> | <u>Amount Outstanding June 30, 2016</u> |
|---|---|
| \$6,505,000.00 in Refunding School Bonds dated February 3, 2009, due in one remaining installments of \$,270,000.00 due August 15, 2016 with interest of 4.00% | \$1,270,000 |
| \$28,275,000.00 in Refunding School Bonds dated December 4, 2012, due in remaining annual installments ranging between \$2,320,000.00 and \$3,200,000.00 beginning August 15, 2016 and ending August 15, 2024 with interest from 1.00% to 2.63% | 25,235,000 |
| \$9,910,000.00 in Refunding School Bonds dated November 20, 2015, due in remaining annual installments ranging between \$410,000.00 and \$1,790,000.00 beginning February 15, 2017 and ending February 15, 2022 with interest from 3.00% to 5.00% | <u>9,010,000</u> |
| | <u><u>\$35,515,000</u></u> |

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Refunding School Bonds

2006 Refunding

The district issued \$87,650,000.00 in Refunding School bonds to advance refund \$83,425,000.00 of the districts previously issued and outstanding school bonds. The reacquisition price exceeded the net carrying amount by \$4,225,000.00. This amount is being amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. The current year portion charged to the Statement of Activities was \$201,190.48 leaving a balance of \$2,213,095.24 which is reflected on the Statement of Net Position as a Deferred Outflow. Under the escrow agreement, the escrow is irrevocably pledged to the payment of principal and interest on the refunded bonds. As a result, the \$83,425,000.00 of the refunded obligations are considered to be defeased and the liability for those bonds has been removed from the financial statements.

2015 Refunding

In October 2015, the District issued \$9,010,000 of refunding bonds to provide resources to refund a portion of the District's outstanding debt. As a result, \$9,920,000 of refunded bonds are considered defeased and the liability has been removed from the basic financial statement. This advance refunding was undertaken to reduce the total debt service payments over the next seven years by \$819,372 and resulted in a net present value savings of \$782,057. As of June 30, 2015, \$9,920,000 of the defeased debt remains outstanding. The difference between the re-acquisition price of the defeased debt of \$10,220,778 and the net carrying value amount of the old bonds of \$9,920,000 is being amortized over the remaining life of the defeased debt.

Bonds Authorized But Not Issued

As of June 30, 2016, the District had no Bonds Authorized but not issued.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Capital Leases Payable

The District is leasing technology equipment and energy improvements totaling \$26,530,740.00 under capital leases. This capital leases are for terms of five years, with the exception of the Energy Saving Improvement Program lease which carries a term of 15 years. The following is a schedule of the future minimum lease payments under the capital lease and the present value of the net minimum lease payments at June 30, 2016:

| Fiscal Year Ended <u>June 30,</u> | Governmental <u>Funds</u> |
|--------------------------------------|------------------------------|
| 2017 | \$2,882,676 |
| 2018 | 3,357,731 |
| 2019 | 2,362,157 |
| 2020 | 1,742,151 |
| 2021-2025 | 5,731,932 |
| 2026-2030 | 6,098,306 |
| 2031-2035 | <u>6,816,888</u> |
| Total Minimum Lease Payments | 28,991,841 |
| Less: Amount Representing Interest | <u>5,499,409</u> |
| Present Value of Lease Payments | <u><u>\$23,492,432</u></u> |

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 5: PENSION PLANS

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

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

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

Defined Contribution Retirement Program (DCRP) The Defined Contribution Retirement Program (DCRP) was established under the provision of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 to provide coverage elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one year of membership.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 5: PENSION PLANS (CONTINUED)

Significant Legislation

Effective June 28, 2011, P.L. 2011, c. 78 enacted certain changes in the operations and benefit provisions of the TPAF and the PERS systems.

As a result of these changes new members of TPAF and PERS, hired on or after June 28, 2011, will need 30 years of creditable service and have attained the age of 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for each month that the member is under age 65. New members will be eligible for a service retirement benefit at age 65.

Funding Changes

Under the new legislation, the methodology for calculating the unfunded accrued liability payment portion of the employer's annual pension contribution to the PERS, and TPAF. The unfunded actuarial accrued liability (UAAL) will be amortized for each plan over an open-ended 30 year period and paid in level dollars. Beginning with the July 1, 2019 actuarial valuation (July 1, 2018 for PFRS), the UAAL will be amortized over a closed 30 year period until the remaining period reaches 20, when the amortization period will revert to an open-ended 20 year period.

COLA Suspension

The payment of automatic cost-of-living adjustment to current and future retirees and beneficiaries are suspended until reactivated as permitted by this law.

Vesting and Benefit Provisions The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after ten years of service, except for post-retirement healthcare benefits that vest after 25 years of service.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Contribution Requirements The contribution policy is set by N.J.S.A. 43:15A 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.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 5: PENSION PLANS (CONTINUED)

Contribution Requirements (Continued)

Effective June 28, 2011, P.L. 2011, c. 78 provides for increases in the employee contribution rates: from 5.5% to 6.5% plus an additional 1% phased-in over 7 years beginning in the first year, meaning after 12 months, after the law's effective date for TPAF and PERS.

Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of TPAF (i.e. the State of New Jersey makes the employer contribution on behalf of public school districts).

Three Year Trend Information for PERS

| <u>Year Ended June 30,</u> | <u>Annual Pension Cost (APC)</u> | <u>Percentage of APC Contributed</u> | <u>Net Pension Obligation</u> |
|--------------------------------|--|--|-----------------------------------|
| 2016 | \$2,494,210.00 | 100% | -0- |
| 2015 | \$2,306,826.00 | 100% | -0- |
| 2014 | \$2,057,609.00 | 100% | -0- |

Three Year Trend Information for TPAF (On-behalf Contribution)

| <u>Year Ended June 30,</u> | <u>Annual Pension Cost (APC)</u> | <u>Percentage of APC Contributed</u> | <u>Net Pension Obligation</u> |
|--------------------------------|--|--|-----------------------------------|
| 2016 | \$5,648,113.00 | 100% | -0- |
| 2015 | \$4,310,419.00 | 100% | -0- |
| 2014 | \$3,338,073.00 | 100% | -0- |

In accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District for the years ended June 30, 2016, 2015 and 2014 \$5,642,642, \$5,896,653 and \$5,987,128 respectively for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68

Public Employees Retirement System (PERS)

At June 30, 2016, the District reported a liability of \$65,124,980 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2015, the District's proportion was 0.2901148926 percent, which was an increase of 0.0102912198 percent from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$4,834,262. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

| | <u>Deferred Inflow of Resources</u> | <u>Deferred Outflow of Resources</u> |
|---|---|--|
| Differences between expected and actual experience | | \$1,553,653 |
| Changes of assumptions | | 6,993,903 |
| Net difference between projected and actual earnings on pension plan investments | \$1,047,084 | |
| Changes in proportion and differences between District contributions and proportionate share of contributions | | 2,523,166 |
| District contributions subsequent to the measurement date | | <u>2,694,912</u> |
| | <u>\$1,047,084</u> | <u>\$13,765,634</u> |

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(Continued)

Public Employees Retirement System (PERS) (Continued)

The \$2,694,912.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2016, the plan measurement date is June 30, 2015) will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. 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 <u>June 30</u> | <u>Amount</u> |
|------------------------------|---------------|
| 2016 | \$1,907,942 |
| 2017 | \$1,907,942 |
| 2018 | \$1,907,942 |
| 2019 | \$2,688,491 |
| Thereafter | \$1,611,321 |

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which rolled forward to June 30, 2015. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

| | |
|---------------------------|----------------------------------|
| Inflation | 3.04 Percent |
| Salary Increases | |
| 2012-2021 | 2.15-4.40 Percent (based on age) |
| Thereafter | 3.15-5.40 Percent (based on age) |
| Investment Rate of Return | 7.90 Percent |

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Mortality Rates

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback one year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback one year for females) are used to value disabled retirees

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. . Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Expected Real Rate of Return</u> |
|------------------------------|--------------------------|-------------------------------------|
| Cash | 5.00% | 1.04% |
| Mortgages | 2.10% | 1.62% |
| High Yield Bonds | 2.00% | 4.03% |
| Inflation Indexed Bonds | 1.50% | 3.25% |
| Broad U.S. Equities | 27.25% | 8.52% |
| Developed Foreign Markets | 12.00% | 6.88% |
| Emerging Market Equities | 6.40% | 10.00% |
| Private Equity | 9.25% | 12.41% |
| Hedge Funds/Absolute Returns | 12.00% | 4.72% |
| Real Estate (Property) | 2.00% | 6.83% |
| Commodities | 1.00% | 5.32% |
| U.S. Treasuries | 1.75% | 1.64% |
| Investment Grade Credit | 10.00% | 1.79% |
| Global Debt ex US | 3.50% | -0.40% |
| REIT | 4.25% | 5.12% |
| | <u>100.00%</u> | |

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, 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 3.80% and 4.29% as of June 30, 2015 and 2014, 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 actuarially determined 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. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments 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 collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the participating employers as of June 30, 2015 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

| | June 30, 2015 | | |
|--|----------------|-----------------------------|----------------|
| | 1% Decrease | At Current Discount Rate | 1% Increase |
| | <u>4.39%</u> | <u>5.39%</u> | <u>6.39%</u> |
| District's proportionate share of the pension liability | \$80,942,382 | \$65,124,980 | \$51,863,785 |

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Pension Plan Fiduciary Net Position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

Teachers Pensions and Annuity Fund (TPAF)

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2016 was as follows:

| | |
|---|-----------------------------|
| Net Pension Liability: | |
| Districts proportionate share | -0- |
| State's proportionate share associated with the District | <u>\$503,918,690</u> |
| | <u><u>\$503,918,690</u></u> |

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014. The net pension liability associated with the District 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, 2015, the proportion of the TPAF net pension liability associated with the District was .7972858278% which was an increase of .0082197996 percent from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized on-behalf pension expense and revenue of \$30,768,773 for contributions provided by the State.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2014. This actuarial valuation used the following actuarial assumptions, applied to all periods 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

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. Pre-retirement mortality improvements for active members are projected using 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, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2015 are summarized in the table on the following page:

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions (Continued)

Long-Term Expected Rate of Return (Continued)

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|------------------------------|--------------------------|---|
| US Cash | 5.00% | 0.53% |
| US Government Bonds | 1.75% | 1.39% |
| US Credit Bonds | 13.50% | 2.72% |
| US Mortgages | 2.10% | 2.54% |
| US Inflation-Indexed Bonds | 1.50% | 1.47% |
| High Yield Bonds | 2.00% | 4.57% |
| US Equities Markets | 27.25% | 5.63% |
| Foreign-Developed Equity | 12.00% | 6.22% |
| Emerging Market Equities | 6.40% | 8.46% |
| Private Real Estate Property | 4.25% | 3.97% |
| Timber | 1.00% | 4.09% |
| Farmlands | 1.00% | 4.61% |
| Private Equity | 9.25% | 9.15% |
| Commodities | 1.00% | 3.50% |
| Hedge Funds - Multi Strategy | 4.00% | 4.59% |
| Hedge Funds - Equity Hedge | 4.00% | 5.68% |
| Hedge Funds - Distressed | 4.00% | 4.30% |
| | <u>100.00%</u> | |

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 4.13% and 4.68% as of June 30, 2015 and 2014, 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 3.80% and 4.29% as of June 30, 2015 and 2014, 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,

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Teachers Public and Annuity Fund (TPAF). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 7: GASB 45 – OTHER POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the State contributed \$1.25 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 benefits 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 \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

The State will set the contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School Commission for the years ended June 30, 2016, 2015 and 2014 were \$7,578,761, \$6,842,792 and \$5,473,184 respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School Commission was not determined or made available by the State of New Jersey.

NOTE 8: LITIGATION

The District's counsel advises that there is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the School District and which might materially affect the District's financial position.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 9: CONTINGENCIES

The District receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2015-2016 fiscal year were subject to the the Uniform Guidance and New Jersey OMB Circular 15-08 which mandates that grant revenues and expenditures be audited in conjunction with the District's annual audit if expenditures for federal or state programs exceed \$750,000.00 Findings and questioned costs, if any, relative to federal and state financial assistance programs are discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. The District's management does not believe any such audit would result in material amounts of disallowed costs.

NOTE 10: 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 insurance coverage covering each of those risks of loss. The administration believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded the insurance coverage in any of the past three fiscal years.

Worker's Compensation Insurance

Effective July 1, 2006, the District obtained commercial insurance coverage for its Worker's Compensation Program. The applicable coverage's are set forth in the "Employers Liability Insurance Agreement"

Prior to this period and effective for the periods August 1, 1980 through June 30, 2005, the Board instituted a risk management program which combined risk retention and reinsurance coverage for claims relating to statutory worker's compensation. Expenditures for "run-off" claims from this program are accounted for through the District's Internal Service Fund.

The Board has engaged an outside claims service company to serve as administrator of the program. Loss reserves are established by the administrator for estimated benefits and expenses for reported claims.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 10: RISK MANAGEMENT (CONTINUED)

Worker's Compensation Insurance (continued)

Established reserves are subject to change as facts and circumstances relating to claims dictate, and no provision is made for estimated losses relating to claims incurred but not reported. At June 30, 2016 the District, based upon the plan administrator's estimate, has established a reserve for reported claims in the amount of \$1,019,456.

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 fiduciary trust fund for the current and previous two years:

| <u>Year Ended</u> <u>June 30.</u> | <u>Interest</u> | <u>Employee</u> <u>Contributions</u> | <u>Amount</u> <u>Reimbursed</u> | <u>Ending</u> <u>Balance</u> |
|--------------------------------------|-----------------|---|------------------------------------|---------------------------------|
| 2016 | \$17,946 | \$293,738 | \$289,953 | \$2,263,218 |
| 2015 | 17,137 | 302,261 | 206,321 | 2,241,487 |
| 2014 | 16,866 | 300,811 | 286,696 | 2,128,410 |

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 11: COMPENSATED ABSENCES

The District accounts for compensated absences (e.g. unused vacation and 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 varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the Districts agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types are recorded in the district - wide statement of net position. As of June 30, 2016, a liability existed for compensated absences for governmental fund-types and business fund-types in the district- wide statement of net position of \$3,136,401. And \$2,633 respectively.

For additional descriptive information see Note 1, Summary of Significant Accounting Policies.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 12: FUND BALANCE APPROPRIATED

General Fund The table below reflects the District's Fund Balance at June 30, 2016 on both a GAAP (Exhibit B-1) and Budgetary (Exhibit C-1) basis including the required adjustment related to the last state aid payment which under GAAP is not recognized:

| | <u>Budgetary</u> <u>Basis</u> | <u>Adjustment</u> | <u>GAAP</u> <u>Basis</u> |
|---------------------------|----------------------------------|-----------------------|-----------------------------|
| Non-Spendable | | | |
| Inventory | \$ 264,171 | \$ | \$ 264,171 |
| Restricted: | | | |
| Excess Surplus: | | | |
| Designated for Subsequent | | | |
| Year's Expenditures | 2,178,571 | | 2,178,571 |
| Current Year | 3,020,432 | | 3,020,432 |
| Maintenance Reserve | 373,614 | | 373,614 |
| Capital Reserve | 4,018,594 | | 4,018,594 |
| Assigned: | | | |
| Designated for Subsequent | | | |
| Year's Expenditures | 5,392,222 | | 5,392,222 |
| Encumbrances | 7,574,411 | (2,464,163) | 5,110,248 |
| Unassigned | <u>4,224,313</u> | <u>(4,224,313)</u> | <u> </u> |
| | <u>\$ 27,046,328</u> | <u>\$ (6,688,476)</u> | <u>\$ 20,357,852</u> |

Debt Service Fund Debt Service Fund Balance at June 30, 2016 of \$97,722 is restricted in accordance with N.J.S.A. 18A:7F-41c(2).

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 13: CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS

Calculation of Excess Surplus In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2007, c73 (S1701), the Restricted Fund Balance- Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if the District did not appropriate a required minimum amount as budgeted fund balance in the subsequent year's budget.

| | | |
|---|----------------------|------------------------------|
| General Fund Expenditures: | | |
| Fiscal Year Ended, June 30 2016 | | \$198,554,999.00 |
| Less: | | |
| Reimb. TPAF Social Security Contributions | \$5,642,642.00 | |
| Reimb. TPAF Pension Contributions | <u>13,226,874.00</u> | |
| | | 18,869,516.00 |
| Adjusted General Fund Expenditures | | <u>\$179,685,483.00</u> |
| Excess Surplus Percentage | | 2.00% |
| | | <u>\$3,593,710.00</u> |
| Increased by: | | |
| Extraordinary Aid (unbudgeted) | \$583,107.00 | |
| Non-Public Transportation Aid (unbudgeted) | <u>47,496.00</u> | |
| | | <u>630,603.00</u> |
| Maximum Unreserved/Undesignated General Fund Balance | | \$4,224,313.00 |
| Actual Unassigned General Fund Balance | | <u>7,244,745.00</u> |
| Excess Surplus | | <u><u>\$3,020,432.00</u></u> |
| Recapitulation of Excess Surplus, June 30, 2016: | | |
| Restricted for Excess Surplus - Designated for Subsequent Year's Expenditure | | \$2,178,571.00 |
| Restricted for Excess Surplus | | <u>3,020,432.00</u> |
| | | <u><u>\$5,199,003.00</u></u> |

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 13: CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS (CONTINUED)

Based on the preceding calculation, as of June 30, 2016, \$3,020,232 is reported as Restricted Fund Balance Excess Surplus and is required to be appropriated for property tax relief in the 2017-18 budget. \$2,178,571 is reported as Restricted Fund Balance Excess Surplus Designated for Subsequent Year's Expenditure and is required to be appropriated for property tax relief in the 2016-17 budget.

NOTE 14: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2016:

| <u>Fund</u> | <u>Interfund Balance</u> | |
|-----------------------|--------------------------|----------------|
| | <u>Receivable</u> | <u>Payable</u> |
| General Fund | \$ 4,021.00 | \$ 477,859.00 |
| Special Revenue Fund | 404,817.00 | |
| Capital Projects Fund | | 222.00 |
| Enterprise Fund | | 3,799.00 |
| Fiduciary Fund | 80,554.00 | 7,512.00 |
| | \$ 489,392.00 | \$ 489,392.00 |

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were received.

NOTE 15: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Township of Hamilton Board of Education in the FY2001 school year 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 of Education, 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 appropriations, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special election dates authorized by N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 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.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 15: CAPITAL RESERVE ACCOUNT (CONTINUED)

The activity of the capital reserve for the July 1, 2015 to June 30, 2016 fiscal year is as follows:

| | | | |
|--|---------------|----|--------------|
| Balance, July 1, 2015 (Budgetary Basis) | | \$ | 5,957,952.00 |
| Interest Earnings | | | 41,537.00 |
| Deposits: | | | |
| Board Resolution dated 06/22/16 | 1,400,000.00 | | |
| Unexpended Appropriations | 10,015.00 | | |
| | | | 1,410,015.00 |
| | | | 7,409,504.00 |
| Withdrawals: | | | |
| Board Resolution dated 07/20/15 | \$ 139,000.00 | | |
| Board Resolution dated 10/26/15 | 237,800.00 | | |
| Board Resolution dated 03/21/16 | 2,914,045.00 | | |
| Board Resolution dated 05/25/16 | 100,065.00 | | |
| | | | 3,390,910.00 |
| Balance, June 30, 2016 (Budgetary Basis) | | \$ | 4,018,594.00 |

NOTE 16: MAINTENANCE RESERVE ACCOUNT

In accordance with N.J.S.A. 18A:7G-13, a Maintenance reserve account was established by the District. The Maintenance reserve account is maintained in the general fund.

A district board of education or board of school estimate, as appropriate, may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes.

A district board of education or board of school estimate, as appropriate, may by resolution withdraw such funds from the maintenance reserve account and appropriate into the required maintenance account lines at budget time or any time during the year for use on required maintenance activities for a school facility as reported in the comprehensive maintenance plan pursuant to N.J.A.C. 6A:26A-4.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 16: MAINTENANCE RESERVE ACCOUNT (CONTINUED)

The district board of education shall ensure that the maintenance reserve account balance does not, at any time, exceed four percent of the replacement cost of the school district's school facilities for the current year. If the account exceeds this maximum amount at June 30, the district board of education shall reserve and designate such excess in the subsequent year's budget.

At June 30, 2016, the balance of the Maintenance Reserve Account was \$1,073,614 and is within the statutory limitations.

The activity of the maintenance reserve for the July 1, 2015 to June 30, 2016 fiscal year is as follows:

| | | |
|--|----|----------------------------|
| Balance, July 1, 2015 (Budgetary Basis) | \$ | 711,245.00 |
| Interest Earnings | | 4,675.00 |
| Deposits: | | |
| Board Resolution dated 06/22/16 | | 1,000,000.00 |
| Unexpended Appropriations | | <u>16,327.00</u> |
| | | <u>1,016,327.00</u> |
| | | 1,732,247.00 |
| Withdrawals: | | |
| Budgeted Withdrawal | \$ | 200,000.00 |
| Board Resolution dated 09/28/15 | | 250,000.00 |
| Board Resolution dated 02/24/16 | | <u>208,633.00</u> |
| | | <u>658,633.00</u> |
| Balance, June 30, 2016 (Budgetary Basis) | \$ | <u><u>1,073,614.00</u></u> |

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 17: INVENTORY

Inventory in the General Fund at June 30, 2016 consisted of the following:

| | |
|--|-------------------|
| Paper, Custodial, Maintenance, Computer and General School Supplies | <u>\$264,171.</u> |
|--|-------------------|

Inventory in the Food Service Fund at June 30, 2016 consisted of the following:

| | |
|-------------------|------------------|
| Food and Supplies | <u>\$21,196.</u> |
|-------------------|------------------|

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Act Amendment 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.

NOTE 18: DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, 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:

| | | |
|-----------------------------|------------------------------------|-----------|
| Pacific Life Select | Prudential | Valic |
| IDS Life Insurance Co. | The Copeland Companies | Equitable |
| MFS/Sun Life Fidelity Group | Minnesota Mutual's Multi Option | |
| Great West | Lincoln Benefit Life Insurance Co. | |

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2016

NOTE 19: SUBSEQUENT EVENTS

The Board of Education has evaluated subsequent events occurring after the financial statement date through November 30, 2016 which is the date the financial statements were available to be issued. The District has determined that there are no material subsequent events that need to be disclosed with the exception of the following

On July 1, 2016, the District entered into a lease purchase for technology equipment for \$1,520,000. The lease is for a term of five years and bears interest at a rate of 1.29%

NOTE 20: PRIOR PERIOD ADJUSTMENTS

The adjustments below were reflected against the beginning Net Assets balance on the District Wide Statements as follows:

| | Governmental Activities | Business Type Activities |
|---|----------------------------------|-------------------------------|
| Beginning Net Position 06/30/15 | \$ (15,035,428.00) | \$ 1136715 |
| Adjustments: | | |
| Special Revenue Fund | (421,286.00) | |
| Capital Leases | (1,222,185.00) | |
| Capital Assets | <u>(6,978.00)</u> | <u>1,052.00</u> |
| Beginning Net Position 06/30/15 (As restated) | \$ <u><u>(16,685,877.00)</u></u> | \$ <u><u>1,137,767.00</u></u> |

Net position was restated to properly reflect the District's amounts payable to the State of New Jersey for TPAF reimbursements related to Federal Grants in the Special Revenue Fund and to reflect the correct accounts receivable and unearned revenues for several grants. In addition, restatement was required to properly reflect capital lease entered into by the District entered into prior to June 30, 2015. Finally capital assets were restated to the District's detail analysis.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

HAMILTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | VARIANCE FAVORABLE/ (UNFAVORABLE) |
|--|--------------------|---------------------|--------------------|--------------------|---|
| REVENUES | | | | | |
| Local sources: | | | | | |
| Local tax levy | \$ 102,609,694 | \$ | \$ 102,609,694 | \$ 102,609,694 | \$ |
| Tuition from Individuals | 65,000 | | 65,000 | 84,020 | 19,020 |
| Adult Education Testing | 350 | | 350 | 5,451 | 5,101 |
| Interest Earned on Capital Reserve | 30,000 | | 30,000 | 41,537 | 11,537 |
| Other Restricted Miscellaneous Revenues | 39,650 | | 39,650 | 52,630 | 12,980 |
| Unrestricted Miscellaneous Revenue | 1,350,001 | | 1,350,001 | 2,267,677 | 917,676 |
| Total-local sources | <u>104,094,695</u> | | <u>104,094,695</u> | <u>105,061,009</u> | <u>966,314</u> |
| State sources: | | | | | |
| Equalization Aid | 64,508,297 | | 64,508,297 | 64,508,297 | |
| Categorical Special Education Aid | 7,549,779 | | 7,549,779 | 7,549,779 | |
| Categorical Transportation Aid | 720,415 | | 720,415 | 720,415 | |
| Security Aid | 545,728 | | 545,728 | 545,728 | |
| PARCC Readiness Aid | 120,020 | | 120,020 | 120,020 | |
| Per Pupil Growth Aid | 120,020 | | 120,020 | 120,020 | |
| Under Adequacy Aid | 40,007 | | 40,007 | 40,007 | |
| Extraordinary Aid | 600,000 | | 600,000 | 1,183,107 | 583,107 |
| Other State Aid | | | | 47,496 | 47,496 |
| On-behalf TPAF Non-Contributory Insurance (non-budgeted) | | | | 302,011 | 302,011 |
| On-behalf TPAF Pension (non-budgeted) | | | | 5,346,102 | 5,346,102 |
| On-behalf TPAF Post Retirement Contributions (non-budgeted) | | | | 7,578,761 | 7,578,761 |
| Reimbursed TPAF Social Security Contributions (non-budgeted) | | | | 5,642,642 | 5,642,642 |
| Total - state sources | <u>74,204,266</u> | | <u>74,204,266</u> | <u>93,704,385</u> | <u>19,500,119</u> |
| Federal sources: | | | | | |
| Medicaid reimbursement | 232,394 | | 232,394 | 293,718 | 61,324 |
| Total - federal sources | <u>232,394</u> | | <u>232,394</u> | <u>293,718</u> | <u>61,324</u> |
| Total revenues | <u>178,531,355</u> | | <u>178,531,355</u> | <u>199,059,112</u> | <u>20,527,757</u> |

HAMILTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | <u>ORIGINAL BUDGET</u> | <u>BUDGET TRANSFERS</u> | <u>FINAL BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE FAVORABLE/ (UNFAVORABLE)</u> |
|--|----------------------------|-----------------------------|---------------------|-------------------|--|
| EXPENDITURES | | | | | |
| CURRENT EXPENSE: | | | | | |
| Instruction - regular programs: | | | | | |
| Salaries of teachers: | | | | | |
| Kindergarten | \$ 2,673,818 | \$ (74,431) | \$ 2,599,387 | \$ 2,542,166 | \$ 57,221 |
| Grades 1-5 | 17,583,738 | (539,066) | 17,044,672 | 16,924,662 | 120,010 |
| Grades 6-8 | 11,955,284 | 16,299 | 11,971,583 | 11,857,002 | 114,580 |
| Grades 9-12 | 16,792,691 | 428,891 | 17,221,582 | 17,199,999 | 21,583 |
| Total Salaries of teachers: | <u>49,005,531</u> | <u>(168,307)</u> | <u>48,837,224</u> | <u>48,523,830</u> | <u>313,395</u> |
| Regular Programs - Home Instruction: | | | | | |
| Salaries of teachers | 245,000 | (30,253) | 214,748 | 214,715 | 33 |
| Purchased professional educational services | 176,650 | | 176,650 | 146,532 | 30,118 |
| Other Salaries for Instruction | 692,114 | (72,210) | 619,904 | 544,607 | 75,296 |
| Total Regular Programs - Home Instruction: | <u>1,113,764</u> | <u>(102,463)</u> | <u>1,011,301</u> | <u>905,854</u> | <u>105,447</u> |
| Regular programs - undistributed instruction: | | | | | |
| Purchased professional educational services | 488,477 | 141,825 | 630,303 | 476,367 | 153,936 |
| Purchased technical services | 2,793 | 38,515 | 41,308 | 39,447 | 1,862 |
| Other purchased services(400-500 series) | 2,065,282 | 40,159 | 2,105,441 | 2,053,514 | 51,927 |
| General supplies | 2,247,051 | (269,030) | 1,978,021 | 1,468,238 | 509,784 |
| Textbooks | 626,650 | (128,798) | 497,852 | 226,951 | 270,902 |
| Other Objects | 17,543 | 7,193 | 24,736 | 13,670 | 11,065 |
| Total Regular programs - undistributed instruction | <u>5,447,797</u> | <u>(170,136)</u> | <u>5,277,661</u> | <u>4,278,186</u> | <u>999,475</u> |
| Total Regular Programs - Instruction | <u>55,567,092</u> | <u>(440,905)</u> | <u>55,126,187</u> | <u>53,707,870</u> | <u>1,418,317</u> |

HAMILTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | <u>ORIGINAL BUDGET</u> | <u>BUDGET TRANSFERS</u> | <u>FINAL BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE FAVORABLE/ (UNFAVORABLE)</u> |
|---|----------------------------|-----------------------------|---------------------|------------------|--|
| Special education: | | | | | |
| Learning and / or Language Disabilities: | | | | | |
| Salaries of teachers | \$ 2,224,508 | \$ (37,436) | \$ 2,187,072 | \$ 2,186,978 | \$ 94 |
| Other salaries for instruction | 710,674 | 22,286 | 732,960 | 725,941 | 7,019 |
| Purchased professional educational services | | 182 | 182 | 155 | 27 |
| General supplies | 31,457 | (2,779) | 28,678 | 19,028 | 9,650 |
| Other objects | | 90 | 90 | 90 | |
| Total Learning and / or Language Disabilities | <u>2,966,639</u> | <u>(17,657)</u> | <u>2,948,982</u> | <u>2,932,192</u> | <u>16,791</u> |
| Visual Impairments: | | | | | |
| General Supplies | | 600 | 600 | | 600 |
| Total Visual Impairments | | <u>600</u> | <u>600</u> | | <u>600</u> |
| Auditory Impairments | | | | | |
| Purchased professional educational services | | 910 | 910 | | 910 |
| Purchased technical services | | 3,375 | 3,375 | | 3,375 |
| General Supplies | 4,185 | (1,610) | 2,575 | | 2,575 |
| Total Auditory Impairments | <u>4,185</u> | <u>2,675</u> | <u>6,860</u> | | <u>6,860</u> |
| Behavioral Disabilities: | | | | | |
| Salaries of teachers | 1,371,371 | 21,591 | 1,392,962 | 1,392,319 | 643 |
| Other salaries for instruction | 579,656 | 151,768 | 731,424 | 713,067 | 18,356 |
| Purchased professional educational services | | 2,554 | 2,554 | 2,544 | 10 |
| General Supplies | 20,346 | (924) | 19,422 | 6,135 | 13,288 |
| Textbooks | 1,500 | | 1,500 | 575 | 925 |
| Other objects | | 327 | 327 | 327 | |
| Total Behavioral Disabilities: | <u>1,972,873</u> | <u>175,316</u> | <u>2,148,189</u> | <u>2,114,966</u> | <u>33,222</u> |
| Multiple Disabilities: | | | | | |
| Salaries of teachers | 1,496,390 | (239,588) | 1,256,802 | 1,256,801 | 1 |
| Other salaries for instruction | 457,521 | 156,985 | 614,506 | 611,702 | 2,804 |
| Purchased professional services | | 404 | 404 | 404 | |
| General supplies | 15,500 | 819 | 16,319 | 13,287 | 3,032 |
| Other objects | | 321 | 321 | 313 | 7 |
| Total Multiple Disabilities: | <u>1,969,411</u> | <u>(81,059)</u> | <u>1,888,352</u> | <u>1,882,508</u> | <u>5,844</u> |

HAMILTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | <u>ORIGINAL BUDGET</u> | <u>BUDGET TRANSFERS</u> | <u>FINAL BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE FAVORABLE/ (UNFAVORABLE)</u> |
|---|----------------------------|-----------------------------|---------------------|-------------------|--|
| Resource room/resource center: | | | | | |
| Salaries of teachers | 6,171,771 | 252,328 | 6,424,099 | 6,364,848 | 59,250 |
| Other salaries for instruction | 489,894 | (30,681) | 459,213 | 456,378 | 2,835 |
| Purchased professional educational services | | 11,540 | 11,540 | 11,540 | |
| Purchased technical services | | 9,775 | 9,775 | 9,772 | 3 |
| Travel | 5,000 | (2,500) | 2,500 | | 2,500 |
| General supplies | 58,775 | (9,675) | 49,100 | 34,146 | 14,955 |
| Total Resource room/resource center | <u>6,725,440</u> | <u>230,787</u> | <u>6,956,227</u> | <u>6,876,684</u> | <u>79,543</u> |
| Autism: | | | | | |
| Salaries of teachers | 503,197 | (98,245) | 404,952 | 404,782 | 170 |
| Other salaries for instruction | 224,342 | 55,656 | 279,998 | 279,187 | 811 |
| General supplies | 19,330 | 2,680 | 22,010 | 13,013 | 8,997 |
| Total Autism | <u>746,869</u> | <u>(39,909)</u> | <u>706,960</u> | <u>696,982</u> | <u>9,978</u> |
| Preschool disabilities-part -time: | | | | | |
| Salaries of teachers | 599,492 | (263,284) | 336,208 | 334,532 | 1,676 |
| Other salaries for instruction | 442,392 | (112,588) | 329,804 | 329,804 | |
| General supplies | 10,000 | (2,780) | 7,220 | 7,219 | 1 |
| Total Preschool disabilities-part -time | <u>1,051,884</u> | <u>(378,652)</u> | <u>673,232</u> | <u>671,555</u> | <u>1,677</u> |
| Preschool disabilities-full -time: | | | | | |
| Salaries of teachers | | 214,331 | 214,331 | 214,331 | |
| Other salaries for instruction | | 211,205 | 211,205 | 211,205 | |
| General supplies | | 2,800 | 2,800 | 2,800 | |
| Total Preschool disabilities-full -time | | <u>428,336</u> | <u>428,336</u> | <u>428,336</u> | |
| Total special education | <u>15,437,301</u> | <u>320,437</u> | <u>15,757,738</u> | <u>15,603,223</u> | <u>154,515</u> |

HAMILTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | VARIANCE FAVORABLE/ (UNFAVORABLE) |
|--|--------------------|---------------------|------------------|------------------|---|
| Basic skills/remedial: | | | | | |
| Salaries of teachers | 2,313,664 \$ | (84,885) \$ | 2,228,779 \$ | 2,228,779 \$ | |
| Other Purchased Services (400-500 series) | 2,700 | 420 | 3,120 | 3,119 | 1 |
| Purchased professional - educational services | | 4,050 | 4,050 | 4,050 | |
| General Supplies | 20,000 | (7,997) | 12,003 | 6,485 | 5,519 |
| Other objects | | 3,060 | 3,060 | 2,050 | 1,010 |
| Total basic skills/remedial | <u>2,336,364</u> | <u>(85,353)</u> | <u>2,251,011</u> | <u>2,244,482</u> | <u>6,530</u> |
| Bilingual education: | | | | | |
| Salaries of teachers | 716,122 | 52,726 | 768,848 | 764,427 | 4,421 |
| Other salaries for instruction | 3,000 | 3,000 | 6,000 | 4,500 | 1,500 |
| Purchased technical services | | 50 | 50 | 49 | 1 |
| General supplies | 11,833 | 837 | 12,670 | 9,698 | 2,972 |
| Text books | 2,700 | | 2,700 | 2,700 | |
| Total bilingual education | <u>733,655</u> | <u>56,613</u> | <u>790,268</u> | <u>778,674</u> | <u>11,594</u> |
| School sponsored cocurricular activities: | | | | | |
| Salaries | 523,282 | | 523,282 | 513,981 | 9,301 |
| Supplies and materials | 20,429 | 900 | 21,329 | 9,696 | 11,633 |
| Other objects | 23,146 | (6,081) | 17,065 | 4,707 | 12,358 |
| Total school sponsored cocurricular activities | <u>566,857</u> | <u>(5,181)</u> | <u>561,676</u> | <u>528,384</u> | <u>33,292</u> |
| School sponsored athletics: | | | | | |
| Salaries | 937,954 | 173,573 | 1,111,527 | 1,042,716 | 68,811 |
| Rentals | | 9,120 | 9,120 | 8,788 | 332 |
| Supplies and Materials | 132,215 | 14,841 | 147,056 | 136,073 | 10,983 |
| Other Objects | 366,158 | (52,084) | 314,075 | 229,183 | 84,892 |
| Total school sponsored athletics | <u>1,436,327</u> | <u>145,451</u> | <u>1,581,778</u> | <u>1,416,760</u> | <u>165,018</u> |
| Alternative Education: | | | | | |
| Salaries | 150,000 | | 150,000 | 124,958 | 25,042 |
| Other salaries of instruction | 68,849 | (1,000) | 67,849 | 59,721 | 8,128 |
| General supplies | 4,300 | | 4,300 | 1,069 | 3,231 |
| Textbooks | 1,113 | | 1,113 | 1,113 | |
| Total instructional alt ed programs | <u>224,262</u> | <u>(1,000)</u> | <u>223,262</u> | <u>185,749</u> | <u>37,513</u> |

HAMILTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | VARIANCE FAVORABLE/ (UNFAVORABLE) |
|---|--------------------|---------------------|-------------------|-------------------|---|
| Alternative Education Program Support: | | | | | |
| Salaries | \$ 116,688 | \$ 2,963 | \$ 119,651 | \$ 114,017 | \$ 5,634 |
| Purchased Services (400-500 series) | 22,231 | (8,713) | 13,518 | | 13,518 |
| Supplies and materials | | 3,000 | 3,000 | 2,224 | 776 |
| Total instructional alt ed programs support | <u>138,919</u> | <u>(2,750)</u> | <u>136,169</u> | <u>116,241</u> | <u>19,928</u> |
| Total instructional alternative ed program | <u>363,181</u> | <u>(3,750)</u> | <u>359,431</u> | <u>301,990</u> | <u>57,441</u> |
| Other instructional programs | | | | | |
| Salaries | 7,800 | | 7,800 | 3,525 | 4,275 |
| Purchased Services | 84,300 | (16,863) | 67,437 | 2,013 | 65,424 |
| Supplies and materials | 24,810 | | 24,810 | | 24,810 |
| Other objects | 500 | | 500 | | 500 |
| Total other instructional programs | <u>117,410</u> | <u>(16,863)</u> | <u>100,547</u> | <u>5,538</u> | <u>95,009</u> |
| Community service programs/operations | | | | | |
| Salaries | 128,586 | (2,266) | 126,320 | 126,320 | |
| Unused vacation payment | | 11,640 | 11,640 | 11,640 | |
| Purchased Services (300-500 series) | 67,540 | (11,289) | 56,251 | 54,902 | 1,349 |
| Supplies and materials | 6,070 | | 6,070 | 626 | 5,444 |
| Other objects | 9,750 | | 9,750 | 8,292 | 1,458 |
| Total other instructional programs | <u>211,946</u> | <u>(1,915)</u> | <u>210,031</u> | <u>201,781</u> | <u>8,250</u> |
| Total other instructional programs | <u>2,695,721</u> | <u>117,743</u> | <u>2,813,464</u> | <u>2,454,453</u> | <u>359,011</u> |
| Total - instruction | <u>76,770,133</u> | <u>(31,466)</u> | <u>76,738,668</u> | <u>74,788,702</u> | <u>1,949,966</u> |

HAMILTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | VARIANCE FAVORABLE/ (UNFAVORABLE) |
|---|--------------------|---------------------|-------------------|-------------------|---|
| Undistributed expenditures: | | | | | |
| Instruction: | | | | | |
| Tuition to other LEA's within the state-regular | \$ 471,895 | \$ (110,480) | \$ 361,415 | \$ 329,199 | \$ 32,216 |
| Tuition to other LEA's within the state-special | 14,500 | 19,666 | 34,166 | 13,477 | 20,689 |
| Tuition to county vocational school district-regular | 417,040 | 55,760 | 472,800 | 466,700 | 6,100 |
| Tuition to county vocational school district-special | 147,160 | 147,400 | 294,560 | 290,500 | 4,060 |
| Tuition to CSSD and regional day schools | 7,574,610 | (3,045,175) | 4,529,435 | 2,934,959 | 1,594,476 |
| Tuition to private schools for the disabled w/i state | 1,942,960 | 2,386,319 | 4,329,279 | 4,283,553 | 45,726 |
| Tuition-state facilities | 198,464 | | 198,464 | 198,464 | |
| Tuition-other | 495,410 | 94,145 | 589,555 | 589,555 | |
| Transfer of Funds to Charter Schools | 1,193,866 | 99,254 | 1,293,120 | 1,293,120 | |
| | <u>12,455,905</u> | <u>(353,111)</u> | <u>12,102,794</u> | <u>10,399,527</u> | <u>1,703,267</u> |
| Total undistributed expenditures - instruction | | | | | |
| Attendance and social work services: | | | | | |
| Salaries | 789,059 | 155,890 | 944,949 | 906,202 | 38,746 |
| Purchased professional and technical services | 2,400 | 25 | 2,425 | 2,425 | 0 |
| Other purchased services (400-500) series | 6,620 | | 6,620 | 3,620 | 3,000 |
| Supplies and Materials | 5,000 | (25) | 4,975 | 2,304 | 2,671 |
| | <u>803,079</u> | <u>155,890</u> | <u>958,969</u> | <u>914,551</u> | <u>44,417</u> |
| Total attendance and social work services | | | | | |
| Health services: | | | | | |
| Salaries | 1,991,879 | (51,439) | 1,940,440 | 1,934,603 | 5,837 |
| Purchased professional and technical services | 119,438 | 21,657 | 141,095 | 113,217 | 27,878 |
| Other Purchased Services (400-500 series) | 2,000 | (2,000) | | | |
| Supplies and materials | 41,225 | (9,849) | 31,376 | 27,744 | 3,632 |
| Other objects | | 123 | 123 | 123 | 0 |
| | <u>2,154,542</u> | <u>(41,508)</u> | <u>2,113,034</u> | <u>2,075,687</u> | <u>37,347</u> |
| Total health services | | | | | |

HAMILTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | VARIANCE FAVORABLE/ (UNFAVORABLE) |
|--|--------------------|---------------------|------------------|------------------|---|
| Other support services - student related services: | | | | | |
| Salaries | \$ 1,829,274 | \$ (75,696) | \$ 1,753,578 | \$ 1,717,460 | \$ 36,118 |
| Purchased professional - Education services | 238,000 | 409,419 | 647,419 | 626,886 | 20,533 |
| Supplies and materials | 30,000 | (8,500) | 21,500 | 17,989 | 3,511 |
| Total other support services - students related services | <u>2,097,274</u> | <u>325,223</u> | <u>2,422,497</u> | <u>2,362,336</u> | <u>60,161</u> |
| Other support services- Students- Extra Services | | | | | |
| Salaries | 1,035,533 | (171,427) | 864,106 | 854,785 | 9,322 |
| Other salaries for instruction | 365,000 | 743,500 | 1,108,500 | 1,100,712 | 7,788 |
| Total other support services- Students- Extra Services | <u>1,400,533</u> | <u>572,073</u> | <u>1,972,606</u> | <u>1,955,497</u> | <u>17,110</u> |
| Undist. Expenditures - Guidance: | | | | | |
| Salaries of other professional staff | 3,823,570 | (334,159) | 3,489,411 | 3,416,918 | 72,493 |
| Salaries of secretarial and clerical assistants | 519,882 | 8,796 | 528,678 | 516,527 | 12,151 |
| Unused Vacation Payment | | 5,436 | 5,436 | 5,436 | |
| Purchased Professional - Educational Services | 54,300 | (3,510) | 50,790 | 46,757 | 4,033 |
| Other Purchased Services (400-500 series) | 2,000 | (2,000) | | | |
| Supplies and Materials | 14,803 | 3,978 | 18,781 | 9,726 | 9,055 |
| Other objects | 5,440 | 2,200 | 7,640 | 7,000 | 640 |
| Total Undist. Expenditures - Guidance | <u>4,419,995</u> | <u>(319,260)</u> | <u>4,100,735</u> | <u>4,002,363</u> | <u>98,373</u> |
| Undist. Expenditures - Child Study Team | | | | | |
| Salaries of other professional staff | 4,212,819 | 41,475 | 4,254,294 | 4,254,294 | |
| Salaries of secretarial and clerical assistants | 635,667 | (3,097) | 632,570 | 619,690 | 12,880 |
| Unused Vacation Payment | | 5,270 | 5,270 | 5,270 | |
| Purchased Professional - Educational Services | 1,051,030 | (716,987) | 334,043 | 323,690 | 10,354 |
| Other purchased prof. and tech. services | 15,266 | (7,204) | 8,062 | 4,587 | 3,476 |
| Other Purchased Serv (400-500 series) | 41,940 | (25,000) | 16,940 | 11,254 | 5,686 |
| Supplies and Materials | 80,000 | (54,220) | 25,780 | 24,721 | 1,059 |
| Other objects | 300 | 300 | 300 | 150 | 150 |
| Total Undist. Expenditures - Child Study Team | <u>6,037,022</u> | <u>(759,763)</u> | <u>5,277,259</u> | <u>5,243,655</u> | <u>33,604</u> |

HAMILTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | VARIANCE FAVORABLE/ (UNFAVORABLE) |
|--|--------------------|---------------------|------------------|------------------|---|
| Improvement of instruction services: | | | | | |
| Salaries of Supervisors of Instruction | \$ 1,001,093 | \$ (34,023) | \$ 967,070 | \$ 911,328 | \$ 55,742 |
| Salaries of other professional staff | 163,200 | (4,335) | 158,865 | 124,265 | 34,601 |
| Salaries of secretarial and clerical assistants | 314,765 | (10,269) | 304,496 | 298,160 | 6,336 |
| Salaries of facilitators, math & literacy coaches | 534,721 | (49,196) | 485,526 | 456,242 | 29,284 |
| Unused Vacation Payment | | 39,943 | 39,943 | 39,943 | |
| Purchased Prof- Educational Services | 28,000 | (11,696) | 16,304 | | 16,304 |
| Other purchased prof. and tech. Services | 124,000 | (64,640) | 59,360 | 8,720 | 50,640 |
| Other Purchased Services (400-500) | 35,093 | | 35,093 | 9,477 | 25,616 |
| Supplies and Materials | 86,795 | 265 | 87,060 | 41,260 | 45,800 |
| Total Improvement of instruction services: | <u>2,287,667</u> | <u>(133,950)</u> | <u>2,153,717</u> | <u>1,889,396</u> | <u>264,321</u> |
| Educational media services/school library: | | | | | |
| Salaries | 1,208,036 | (58,941) | 1,149,095 | 1,117,348 | 31,748 |
| Purchased Professional and Technical Services | 177,998 | 3,187 | 181,184 | 154,919 | 26,266 |
| Supplies and Materials | 163,711 | (48,714) | 114,997 | 68,509 | 46,488 |
| Total educational media services/school library | <u>1,549,745</u> | <u>(104,468)</u> | <u>1,445,277</u> | <u>1,340,776</u> | <u>104,502</u> |
| Instructional Staff Training Services: | | | | | |
| Salaries of supervisors of Instruction | 104,124 | (104,124) | | | |
| Salaries of other professional staff | 20,000 | | 20,000 | 3,364 | 16,636 |
| Purchased professional - Education services | 50,000 | 10,114 | 60,114 | 31,550 | 28,564 |
| Other purchased services (400-500 series) | 87,518 | (15,294) | 72,224 | 34,280 | 37,943 |
| Supplies and materials | 6,500 | 6,275 | 12,775 | 8,078 | 4,697 |
| Other objects | | 3,750 | 3,750 | 3,750 | |
| Total instructional staff training services: | <u>268,142</u> | <u>(99,280)</u> | <u>168,862</u> | <u>81,022</u> | <u>87,840</u> |

HAMILTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | VARIANCE FAVORABLE/ (UNFAVORABLE) |
|--|--------------------|---------------------|------------------|------------------|---|
| Support services general administration: | | | | | |
| Salaries | \$ 333,001 | \$ (975) | \$ 332,026 | \$ 332,025 | 1 |
| Legal services | 350,000 | (126,499) | 223,501 | 220,461 | 3,040 |
| Audit Fees | 75,000 | (9,593) | 65,408 | 65,407 | 1 |
| Architectural/Engineering Services | 100,000 | 168,665 | 268,665 | 217,750 | 50,915 |
| Other purchased professional services | 271,300 | 20,448 | 291,748 | 280,359 | 11,389 |
| Telephone Maintenance | | 109 | 109 | | 109 |
| Copier lease | | 4,355 | 4,355 | 4,340 | 15 |
| Communications/telephone | 289,690 | (39,110) | 250,580 | 247,401 | 3,180 |
| Travel | | 1,000 | 1,000 | 420 | 580 |
| BOE Other purchased services(580-585) | 6,500 | (3,000) | 3,500 | 2,411 | 1,089 |
| Other purchased services | 739,547 | (4,348) | 735,199 | 673,102 | 62,096 |
| General supplies | 25,667 | (5,122) | 20,545 | 15,733 | 4,812 |
| BOE in-house training/meeting supplies | 3,000 | | 3,000 | 1,588 | 1,412 |
| Judgements | | 215,866 | 215,866 | 215,163 | 703 |
| Miscellaneous expenditures | 7,500 | (2,000) | 5,500 | 3,164 | 2,336 |
| BOE membership dues and fees | 28,000 | | 28,000 | 27,963 | 37 |
| Total support services general administration | 2,229,205 | 219,797 | 2,449,002 | 2,307,287 | 141,716 |
| Support services school administration: | | | | | |
| Salaries of principals/asst. principals | 5,158,685 | 154,517 | 5,313,202 | 5,263,684 | 49,518 |
| Salaries of secretarial and clerical assistants | 2,131,982 | (108,127) | 2,023,855 | 1,925,499 | 98,356 |
| Unused Vacation Payment | | 63,506 | 63,506 | 63,506 | |
| Purchased Professional and Technical Services | 16,962 | 3,751 | 20,713 | 19,460 | 1,253 |
| Other Purchased Services (400-500 series) | 71,389 | 1,054 | 72,443 | 52,452 | 19,991 |
| Supplies and Materials | 96,901 | 895 | 97,796 | 54,456 | 43,340 |
| Other objects | 21,740 | 5,807 | 27,547 | 20,469 | 7,077 |
| Total support services school administration | 7,497,659 | 121,403 | 7,619,062 | 7,399,526 | 219,536 |

HAMILTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | VARIANCE FAVORABLE/ (UNFAVORABLE) |
|--|--------------------|---------------------|------------------|------------------|---|
| Central Services: | | | | | |
| Salaries | \$ 1,477,652 | \$ 77,613 | \$ 1,555,265 | \$ 1,432,843 | \$ 122,422 |
| Unused Vacation Payment | | 16,024 | 16,024 | 16,024 | |
| Purchased professional services | | 6,548 | 6,548 | 6,248 | 300 |
| Misc. purchased services (400-500 series) | 120,160 | 903 | 121,063 | 100,716 | 20,347 |
| Supplies and materials | 30,700 | (5,029) | 25,671 | 14,957 | 10,714 |
| Miscellaneous expenditures | 69,600 | 1,000 | 70,600 | 60,750 | 9,850 |
| Total central services | <u>1,698,112</u> | <u>97,058</u> | <u>1,795,170</u> | <u>1,631,537</u> | <u>163,633</u> |
| Administrative Information. Technology | | | | | |
| Salaries | 1,126,044 | (25,188) | 1,100,856 | 985,887 | 114,969 |
| Unused Vacation Payment | | 13,240 | 13,240 | 13,240 | |
| Purchased technical services | 32,217 | 333,782 | 365,999 | 279,524 | 86,475 |
| Other Purchased Services (400- 500 series) | 479,923 | (273,132) | 206,791 | 160,254 | 46,537 |
| Supplies and Materials | 38,058 | 139,983 | 178,041 | 90,743 | 87,298 |
| Other Objects | | 350 | 350 | 300 | 50 |
| Total Administrative Information. Technology | <u>1,676,242</u> | <u>189,035</u> | <u>1,865,276</u> | <u>1,529,948</u> | <u>335,329</u> |
| Required Maintenance for School Facilities: | | | | | |
| Salaries | 2,175,481 | (15,671) | 2,159,810 | 2,150,016 | 9,794 |
| Cleaning, Repair and Maintenance Services | 1,070,751 | 426,405 | 1,497,156 | 1,294,248 | 202,909 |
| General supplies | 539,232 | (46,805) | 492,427 | 430,053 | 62,374 |
| Other objects | 1,100 | | 1,100 | 850 | 250 |
| Total Required Maintenance for School Facilities | <u>3,786,564</u> | <u>363,929</u> | <u>4,150,493</u> | <u>3,875,166</u> | <u>275,327</u> |

HAMILTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | VARIANCE FAVORABLE/ (UNFAVORABLE) |
|---|--------------------|---------------------|-------------------|-------------------|---|
| Custodial Services: | | | | | |
| Salaries | \$ 5,712,786 | \$ (43,629) | \$ 5,669,157 | \$ 5,635,939 | \$ 33,217 |
| Salaries of Non-Instructional Aides | 701,006 | (1,018) | 699,988 | 665,142 | 34,846 |
| Unused Vacation Payment | | 15,533 | 15,533 | 15,533 | |
| Purchased professional and technical services | | 37,163 | 37,163 | 21,383 | 15,780 |
| Cleaning, repair and maint. services | 992,074 | (120,776) | 871,298 | 762,763 | 108,535 |
| Rental of Land/Building - Other than Lease purch. Agreement | 117,000 | 21,000 | 138,000 | 133,165 | 4,835 |
| Lease purchase pymnts - Energy Savings Impr. Programs | 599,437 | | 599,437 | 599,437 | |
| Other purchased property services | 364,254 | 108,133 | 472,387 | 457,554 | 14,833 |
| Insurance | 253,779 | 19,372 | 273,151 | 272,836 | 315 |
| Miscellaneous Purchased Services(580-590) | 5,500 | (1,068) | 4,432 | 3,208 | 1,224 |
| General supplies | 611,350 | (23,264) | 588,086 | 467,013 | 121,074 |
| Energy (Natural Gas) | 909,343 | (12,285) | 897,058 | 724,775 | 172,283 |
| Energy (Electricity) | 1,529,025 | 190,794 | 1,719,819 | 1,631,425 | 88,394 |
| Energy (Oil) | 73,250 | 1,000 | 74,250 | 42,522 | 31,728 |
| Other objects | 600 | 18,239 | 18,839 | 17,869 | 970 |
| Total Custodial Services | 11,869,404 | 209,194 | 12,078,598 | 11,450,564 | 628,034 |
| Care & Upkeep of Grounds | | | | | |
| Salaries | 679,744 | | 679,744 | 628,562 | 51,182 |
| Cleaning, Repair and Maintenance Services | 76,340 | 4,300 | 80,640 | 51,504 | 29,136 |
| General supplies | 96,297 | | 96,297 | 61,672 | 34,624 |
| Total Care and Upkeep of Grounds | 852,381 | 4,300 | 856,681 | 741,739 | 114,942 |
| Security | | | | | |
| Salaries | 413,975 | 4,065 | 418,040 | 407,323 | 10,717 |
| Purchased Professional & Technical Services (300-500) | 98,000 | 160,650 | 258,650 | 242,255 | 16,395 |
| General Supplies | 108,000 | (101,000) | 7,000 | 5,435 | 1,565 |
| Total Security | 619,975 | 63,715 | 683,690 | 655,012 | 28,678 |
| Total operation and maintenance of plant services | 17,128,325 | 641,138 | 17,769,463 | 16,722,482 | 1,046,981 |

HAMILTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | VARIANCE FAVORABLE/ (UNFAVORABLE) |
|--|--------------------|---------------------|--------------|------------|---|
| Student transportation services: | | | | | |
| Salaries of Non-Instructional Aides | \$ 181,104 | \$ 27,118 | \$ 208,222 | \$ 208,222 | \$ |
| Salaries for pupil transportation (between home and school)-regular | 209,222 | 592 | 209,814 | 207,031 | 2,783 |
| Salaries for pupil transportation (between home and school)-Special Ed | 7,500 | | 7,500 | 6,254 | 1,246 |
| Other purchased prof. and tech. services | 10,000 | 2,000 | 12,000 | 10,365 | 1,635 |
| Cleaning, Repair and Maint. Services | 205,000 | 85,000 | 290,000 | 274,091 | 15,909 |
| Contract Svcs. - Aid in lieu pymnts - Non pub. Schools | 3,400,000 | (107,304) | 3,292,696 | 3,260,702 | 31,994 |
| Contract Svcs. - Bet. Home & School - Vendors | 487,828 | 196,336 | 684,165 | 621,637 | 62,527 |
| Contract Svcs. - Other than Bet. Home & School - Vendors | 4,517,050 | (111,470) | 4,405,580 | 4,264,427 | 141,152 |
| Contract Svcs. - Special Ed Students - Vendors | 900,000 | (50,000) | 850,000 | 789,749 | 60,251 |
| Contract Svcs. - Special Ed Students - ESCs & CTSAs | 2,800 | 2,800 | 2,800 | 2,800 | 0 |
| Misc. Purchased Services - Transportation | 6,800 | (646) | 6,154 | 1,170 | 4,984 |
| General Supplies | 55,000 | (2,000) | 53,000 | 25,819 | 27,181 |
| Transportation Supplies | 1,410 | | 1,410 | 1,082 | 328 |
| Other Objects | | | | | |
| Total student transportation services | 9,983,714 | 39,626 | 10,023,341 | 9,670,549 | 352,792 |
| Unallocated Benefits - Employee Benefits: | | | | | |
| Group Insurance | 163,250 | | 163,250 | 142,700 | 20,550 |
| Social Security Contributions | 2,415,000 | (20,097) | 2,394,903 | 2,128,943 | 265,959 |
| T.P.A.F. Contributions | | 4,716 | 4,716 | 4,716 | 0 |
| Other retirement contributions - regular | 2,443,900 | 86,339 | 2,530,239 | 2,524,926 | 5,314 |
| Workers Compensation | 928,097 | (201,904) | 726,193 | 684,931 | 41,262 |
| Health Benefits | 31,967,964 | (69,308) | 31,898,656 | 26,843,613 | 5,055,043 |
| Tuition Reimbursements | 255,000 | | 255,000 | 236,392 | 18,608 |
| Other Employee Benefits | 550,000 | | 550,000 | 204,377 | 345,623 |
| Total Unallocated Benefits - Employee Benefits: | 38,723,211 | (200,254) | 38,522,957 | 32,770,598 | 5,752,359 |
| Total personal services | 38,723,211 | (200,254) | 38,522,957 | 32,770,598 | 5,752,359 |

HAMILTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | VARIANCE FAVORABLE/ (UNFAVORABLE) |
|--|-----------------|------------------|--------------|-------------|-----------------------------------|
| On-behalf TPAF Non-Contributory Insurance (non-budgeted) | \$ | \$ | \$ | 302,011 | \$ (302,011) |
| On-behalf TPAF Pension (non-budgeted) | | | | 5,346,102 | (5,346,102) |
| On-behalf TPAF Post Retirement Contributions (non-budgeted) | | | | 7,578,761 | (7,578,761) |
| Reimbursed TPAF Social Security Contributions (non-budgeted) | | | | 5,642,642 | (5,642,642) |
| Total Undistributed Expenditures | 112,410,371 | 349,651 | 112,760,022 | 121,166,252 | (8,406,230) |
| TOTAL EXPENDITURES - CURRENT EXPENSE FUND 11 | 189,180,504 | 318,185 | 189,498,690 | 195,954,954 | (6,456,265) |
| CAPITAL OUTLAY: | | | | | |
| Interest Deposit to Capital Reserve | 30,000 | | 30,000 | | 30,000 |
| Equipment: | | | | | |
| Grades 1 - 5 | 9,406 | (5,892) | 3,514 | 2,514 | 1,000 |
| Grades 6 - 8 | 5,000 | 28,159 | 33,159 | 27,439 | 5,720 |
| Grades 9 - 12 | 18,948 | 16,481 | 35,429 | 24,819 | 10,610 |
| Multiple Disabilities | | 9,500 | 9,500 | 8,136 | 1,364 |
| Undist. Expend. - Support Serv. - Students - Reg. | 25,415 | 10,000 | 35,415 | 19,198 | 16,217 |
| Undist. Expend. - General Admin. | 68,692 | 72,272 | 140,964 | 139,200 | 1,764 |
| Undist. Expend. - Admin Info. Tech. | 160,000 | (581) | 159,419 | 32,672 | 126,747 |
| Undist. Expend. - Care and Upkeep of Grounds | 118,000 | 7,700 | 125,700 | 123,631 | 2,069 |
| Total Equipment | 435,461 | 137,640 | 573,101 | 377,609 | 195,492 |
| Facilities acquisition and construction services: | | | | | |
| Architect/Engineering Services | 21,260 | | 21,260 | 21,260 | |
| Construction services | 1,398,751 | 3,390,910 | 4,789,661 | 1,948,111 | 2,841,550 |
| Assessment for Debt Service on SDA Funding | 146,170 | | 146,170 | 146,170 | |
| Total facilities acquis. and const. services | 1,566,181 | 3,390,910 | 4,957,091 | 2,115,542 | 2,841,550 |
| TOTAL CAPITAL OUTLAY | 2,001,643 | 3,528,550 | 5,530,192 | 2,493,151 | 3,037,042 |

HAMILTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | VARIANCE FAVORABLE/ (UNFAVORABLE) |
|--|---------------------|---------------------|---------------------|--------------------|---|
| Accredited Evening / Adult H.S. / Post-Grad - Instruction | | | | | |
| Salaries of Teachers | 97,444 | \$ | 97,444 | 70,670 | \$ 26,775 |
| General Supplies | 1,820 | | 1,820 | 106 | 1,714 |
| Textbooks | 2,214 | | 2,214 | | 2,214 |
| Total Accredited Evening/Adult H.S./Post-Grad-Instruction | <u>101,478</u> | | <u>101,478</u> | <u>70,776</u> | <u>30,702</u> |
| Accredited Evening / Adult H.S. / Post-Grad - Support Services | | | | | |
| Salaries | 28,506 | | 28,506 | 22,887 | 5,619 |
| Purchased Professional and Technical Services | 12,900 | | 12,900 | 9,980 | 2,920 |
| Other Purchased Services (400-500 series) | 375 | | 375 | 173 | 202 |
| Supplies and Materials | 1,100 | | 1,100 | 270 | 830 |
| Total Accredited Evening/Adult H.S./Post-Grad-Support Services | <u>42,881</u> | | <u>42,881</u> | <u>33,310</u> | <u>9,571</u> |
| Total Accredited Evening/Adult H.S./Post-Grad | <u>144,359</u> | | <u>144,359</u> | <u>104,086</u> | <u>40,273</u> |
| Adult Education Testing Centers | | | | | |
| Supplies and Materials | 200 | 2,808 | 3,008 | 2,808 | 200 |
| Other Objects | 150 | | 150 | | 150 |
| Total Adult Education Testing Centers | <u>350</u> | <u>2,808</u> | <u>3,158</u> | <u>2,808</u> | <u>350</u> |
| TOTAL SPECIAL SCHOOLS | <u>144,709</u> | <u>2,808</u> | <u>147,517</u> | <u>106,894</u> | <u>40,623</u> |
| TOTAL EXPENDITURES | <u>191,326,856</u> | <u>3,849,543</u> | <u>195,176,399</u> | <u>198,554,999</u> | <u>(3,378,600)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(12,795,501)</u> | <u>(3,849,543)</u> | <u>(16,645,044)</u> | <u>504,113</u> | <u>17,149,157</u> |

HAMILTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | <u>ORIGINAL</u> <u>BUDGET</u> | <u>BUDGET</u> <u>TRANSFERS</u> | <u>FINAL BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> <u>FAVORABLE/</u> <u>(UNFAVORABLE)</u> |
|---|----------------------------------|-----------------------------------|---------------------|--------------------|--|
| Other financing sources | | | | | |
| Transfer of funds | \$ | \$ | \$ | 222 | 222 |
| Total other financing sources | | | | <u>222</u> | <u>222</u> |
| Excess of Revenues and other Financing Sources Over Expenditures and Other Expenditures and other Financing Sources | (12,795,501) | (3,849,543) | (16,645,044) | 504,335 | 17,149,379 |
| Fund balances, July 1 (as restated) | <u>26,541,993</u> | | <u>26,541,993</u> | <u>26,541,993</u> | |
| Fund balances, June 30 | <u>13,746,492</u> | <u>(3,849,543)</u> | <u>9,896,949</u> | <u>27,046,328</u> | <u>17,149,379</u> |
| Recapitulation: | | | | | |
| Non-Spendable: | | | | \$ | |
| Inventory | | | | 264,171 | |
| Restricted: | | | | | |
| Excess Surplus - Designated for Subsequent Year's Expenditures | | | | 2,478,571 | |
| Excess Surplus - Current Year | | | | 3,020,432 | |
| Maintenance Reserve | | | | 373,614 | |
| Capital Reserve | | | | 4,018,594 | |
| Assigned: | | | | | |
| Designated for Subsequent Year's Expenditures | | | | 5,092,222 | |
| Encumbrances | | | | 7,574,411 | |
| Unassigned | | | | <u>4,224,313</u> | |
| | | | | <u>27,046,328</u> | |
| Reconciliation to Governmental Funds Statements (GAAP): | | | | | |
| Last State Aid Payment not recognized on GAAP basis | | | | <u>(6,688,476)</u> | |
| Fund Balance per Governmental Funds (GAAP) | | | | <u>20,357,852</u> | |
| | | | | \$ | |

HAMILTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | ORIGINAL BUDGET | BUDGET TRANSFERS/ AMENDMENTS | FINAL BUDGET | ACTUAL | VARIANCE FINAL TO ACTUAL |
|---|-----------------------------|------------------------------------|---------------------|---------------------|-----------------------------|
| REVENUES: | | | | | |
| State sources | \$ 1,491,995.00 | \$ 29,195.00 | \$ 1,521,190.00 | \$ 1,363,029.00 | \$ (158,161.00) |
| Federal sources | 4,706,772.00 | 2,323,028.00 | 7,029,800.00 | 6,070,100.00 | (959,700.00) |
| Other sources | <u> </u> | <u>73,064.00</u> | <u>73,064.00</u> | <u>35,840.00</u> | <u>(37,224.00)</u> |
| Total revenues | <u>6,198,767.00</u> | <u>2,425,287.00</u> | <u>8,624,054.00</u> | <u>7,468,969.00</u> | <u>(1,155,085.00)</u> |
| EXPENDITURES: | | | | | |
| Instruction: | | | | | |
| Salaries of teachers | 692,981.00 | 265,823.00 | 958,804.00 | 838,969.00 | 119,835.00 |
| Other salaries for instruction | 91,878.00 | 1,323.00 | 93,201.00 | 90,249.00 | 2,952.00 |
| Purchased professional - technical services | | 11,800.00 | 11,800.00 | 11,747.00 | 53.00 |
| Purchased professional - educational services | 1,501,708.00 | (81,574.00) | 1,420,134.00 | 1,260,295.00 | 159,839.00 |
| Purchased technical services | | 50.00 | 50.00 | | 50.00 |
| Tuition | 3,000,444.00 | 874,514.00 | 3,874,958.00 | 3,874,958.00 | |
| Supplies and materials | 319,546.00 | 148,886.00 | 468,432.00 | 170,157.00 | 298,275.00 |
| Textbooks | 105,159.00 | (8,489.00) | 96,670.00 | 96,185.00 | 485.00 |
| Miscellaneous Expenditures | | <u>1,462.00</u> | <u>1,462.00</u> | | <u>1,462.00</u> |
| Total instruction | <u>5,711,716.00</u> | <u>1,213,795.00</u> | <u>6,925,511.00</u> | <u>6,342,560.00</u> | <u>582,951.00</u> |
| Support services: | | | | | |
| Salaries of Other professional staff | 313,125.00 | (27,884.00) | 285,241.00 | 259,561.00 | 25,680.00 |
| Other Salaries | 79,850.00 | 22,712.00 | 102,562.00 | 55,122.00 | 47,440.00 |
| Personal services - employee benefits | 75,468.00 | 235,361.00 | 310,829.00 | 261,528.00 | 49,301.00 |
| Purchased professional - technical services | 4,930.00 | 711,662.00 | 716,592.00 | 403,999.00 | 312,593.00 |
| Contracted services(btw home & school) - Vendors | | 20,000.00 | 20,000.00 | 17,430.00 | 2,570.00 |
| Contracted services(other than btw home & school - Vendors | | 800.00 | 800.00 | 247.00 | 553.00 |
| Contracted services(other than btw home & school - Grant Agreements | | 3,500.00 | 3,500.00 | 2,465.00 | 1,035.00 |
| Travel | | 121,809.00 | 121,809.00 | 28,016.00 | 93,793.00 |
| Supplies and materials | 13,218.00 | 123,990.00 | 137,208.00 | 98,041.00 | 39,167.00 |
| Miscellaneous expenditures | <u>460.00</u> | <u>(460.00)</u> | | | |
| Total support services | <u>487,051.00</u> | <u>1,211,490.00</u> | <u>1,698,541.00</u> | <u>1,126,409.00</u> | <u>572,132.00</u> |
| Facilities acquisition and construction services: | | | | | |
| Instructional equipment | | <u>2.00</u> | <u>2.00</u> | | <u>2.00</u> |
| Total facilities acquisition and construction serv. | | <u>2.00</u> | <u>2.00</u> | | <u>2.00</u> |
| Total expenditures | <u>6,198,767.00</u> | <u>2,425,287.00</u> | <u>8,624,054.00</u> | <u>7,468,969.00</u> | <u>1,155,085.00</u> |
| Excess (deficiency) of revenues over (under) expenditures | | | | | |

HAMILTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Note A - Explanation of difference between budgetary inflows and outflows and GAAP Revenues and Expenditures

| | <u>GENERAL FUND</u> | <u>SPECIAL REVENUE FUND</u> |
|---|-------------------------|-------------------------------------|
| Sources/inflows of resources | | |
| Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule | \$199,059,112.00 | \$7,468,969.00 |
| Difference - budget to GAAP: | | |
| Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized. | | |
| Add prior year encumbrances | | 12,952.00 |
| Less current year encumbrances | | (23,816.00) |
| State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year | (6,688,476.00) | |
| State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes. | 6,641,357.00 | |
| Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. | \$199,011,993.00 | \$7,458,105.00 |
| Uses/outflows of resources | | |
| Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule. | \$198,554,998.82 | \$7,468,969.00 |
| 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. | | |
| Add prior year encumbrances | | 12,952.00 |
| Less current year encumbrances | | (23,816.00) |
| Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds | \$198,554,998.82 | \$7,458,105.00 |

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS

| | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|---|---------------|---------------|---------------|
| District's proportion of the net pension liability (asset) | 0.3421040127% | 0.2798236728% | 0.2730809259% |
| District's proportionate share of the net pension liability (asset) | \$65,124,980 | \$52,390,645 | \$52,191,191 |
| District's covered-employee payroll | 18,447,735 | 19,754,726 | 19,395,974 |
| District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 353.02% | 265.21% | 269.08% |
| Plan fiduciary net position as a percentage of the total pension liability | 47.92% | 52.08% | 48.72% |

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
 PUBLIC EMPLOYEES RETIREMENT SYSTEM

Last Ten Years

| | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|--------------|--------------|--------------|
| Contractually required contribution | \$ 2,494,210 | \$ 2,306,826 | \$ 2,057,609 |
| Contributions in relation to the contractually required contribution | 2,494,210 | 2,306,826 | 2,057,609 |
| Contribution deficiency (excess) | \$ | \$ | \$ |
| District's covered-employee payroll | 19,844,925 | 18,447,735 | 19,754,726 |
| Contributions as a percentage of covered-employee payroll | 12.57% | 12.50% | 10.42% |

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS PENSION AND ANNUITY FUND
LAST TEN YEARS

| | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|---|---------------|---------------|---------------|
| District's proportion of the net pension liability (asset) | 0.7972858278% | 0.7890660282% | 0.7844176179% |
| State's proportionate share of the net pension liability (asset) associated with the District | \$503,918,690 | \$421,730,111 | \$396,438,495 |
| District's covered-employee payroll | 79,224,264 | 79,538,226 | 77,482,940 |
| District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 0% | 0% | 0% |
| Plan fiduciary net position as a percentage of the total pension liability | 28.71% | 33.64% | 33.76% |

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Public Employees Retirement System

Change in benefit terms: None

Change in assumptions: The discount rate changed from 5.39% to 4.90% as of June 30, 2015.

Teacher Pension and Annuity Fund

Change in benefit terms: None

Change in assumptions: The discount rate changed from 4.68% to 4.13% as of June 30, 2015.

OTHER SUPPLEMENTARY INFORMATION

**SPECIAL REVENUE FUND
DETAIL STATEMENTS**

HAMILTON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | TITLE I A | TITLE I A | TITLE III | TITLE III IMMIGRANT | IDEA PART B | IDEA PRESCHOOL | CARL D PERKINS |
|--|------------------------|----------------------|---------------------|---------------------|------------------------|----------------------|---------------------|
| REVENUES: | | | | | | | |
| State sources | \$ 1,575,900.00 | \$ 168,600.00 | \$ 66,795.00 | \$ 63,306.00 | \$ 4,019,103.00 | \$ 161,424.00 | \$ 14,972.00 |
| Federal sources | | | | | | | |
| Local sources | | | | | | | |
| Total revenues | \$ 1,575,900.00 | \$ 168,600.00 | \$ 66,795.00 | \$ 63,306.00 | \$ 4,019,103.00 | \$ 161,424.00 | \$ 14,972.00 |
| EXPENDITURES: | | | | | | | |
| Instruction: | | | | | | | |
| Salaries of teachers | \$ 783,072.00 | \$ | \$ 21,186.00 | \$ 34,185.00 | \$ | \$ | \$ 526.00 |
| Other salaries for instruction | 90,249.00 | | | | | | |
| Purchased professional - technical services | 35,676.00 | | | | | | 11,747.00 |
| Purchased professional - educational services | | | | | 3,713,534.00 | 161,424.00 | |
| Tuition | 136,964.00 | | 10,243.00 | 8,861.00 | | | 234.00 |
| Supplies and materials | | | | | | | |
| Textbooks | | | | | | | |
| | 1,045,961.00 | | 31,429.00 | 43,046.00 | 3,713,534.00 | 161,424.00 | 12,507.00 |
| Support services: | | | | | | | |
| Salaries of Other professional staff | 259,561.00 | | | | | | |
| Other Salaries | 2,081.00 | 23,613.00 | 29,167.00 | 261.00 | | | |
| Personal services - employee benefits | 255,539.00 | | 5,989.00 | | | | |
| Purchased professional - technical services | 5,000.00 | 93,430.00 | | | 305,569.00 | | |
| Contracted Services: | | | | | | | |
| (btw home & school) - Vendors | | | | 17,430.00 | | | |
| (other than btw home & school - Vendors | 247.00 | | | | | | |
| (other than btw home & school-Grant Agreements | | | | | | | |
| Travel | | 28,016.00 | | | | | |
| Supplies and materials | 7,511.00 | 23,541.00 | 210.00 | 2,569.00 | | | |
| | 529,939.00 | 168,600.00 | 35,366.00 | 20,260.00 | 305,569.00 | | |
| Total support services | \$ 1,575,900.00 | \$ 168,600.00 | \$ 66,795.00 | \$ 63,306.00 | \$ 4,019,103.00 | \$ 161,424.00 | \$ 14,972.00 |
| Total expenditures | | | | | | | |

HAMILTON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | NONPUBLIC TEXTBOOKS | NON-PUBLIC NJ CH 192 TRANSPORTATION | NON-PUBLIC NJ CH 192 COMPENSATORY EDUCATION | ENGLISH AS SECOND LANGUAGE | CORRECTIVE SPEECH | NON-PUBLIC NJ CH 193 SUPPLEMENTAL INSTRUCTION | EXAMINATION AND CLASSIFICATION |
|--|------------------------|--|---|-------------------------------|----------------------|---|-----------------------------------|
| REVENUES: | | | | | | | |
| State sources | \$ 96,185.00 | \$ 101,893.00 | \$ 462,162.00 | \$ 15,901.00 | \$ 103,321.00 | \$ 135,417.00 | \$ 201,443.00 |
| Federal sources | | | | | | | |
| Local sources | | | | | | | |
| Total revenues | \$ 96,185.00 | \$ 101,893.00 | \$ 462,162.00 | \$ 15,901.00 | \$ 103,321.00 | \$ 135,417.00 | \$ 201,443.00 |
| EXPENDITURES: | | | | | | | |
| Instruction: | | | | | | | |
| Salaries of teachers | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Other salaries for instruction | | | | | | | |
| Purchased professional - technical services | | 101,893.00 | 462,162.00 | 15,901.00 | 103,321.00 | 135,417.00 | 201,443.00 |
| Purchased professional - educational services | | | | | | | |
| Tuition | | | | | | | |
| Supplies and materials | 96,185.00 | | | | | | |
| Textbooks | | | | | | | |
| Total instruction | \$ 96,185.00 | \$ 101,893.00 | \$ 462,162.00 | \$ 15,901.00 | \$ 103,321.00 | \$ 135,417.00 | \$ 201,443.00 |
| Support services: | | | | | | | |
| Salaries of Other professional staff | | | | | | | |
| Other Salaries | | | | | | | |
| Personal services - employee benefits | | | | | | | |
| Purchased professional - technical services | | | | | | | |
| Contracted Services: | | | | | | | |
| (btw home & school) - Vendors | | | | | | | |
| (other than btw home & school - Vendors | | | | | | | |
| (other than btw home & school-Grant Agreements | | | | | | | |
| Travel | | | | | | | |
| Supplies and materials | | | | | | | |
| Total support services | | | | | | | |
| Total expenditures | \$ 96,185.00 | \$ 101,893.00 | \$ 462,162.00 | \$ 15,901.00 | \$ 103,321.00 | \$ 135,417.00 | \$ 201,443.00 |

HAMILTON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | NON-PUBLIC HOME INSTRUCTION | NON-PUBLIC TECHNOLOGY | NON-PUBLIC NURSING | NON-PUBLIC SECURITY AID | SAFETY GRANT | HEF TECHNOLOGY | HEF TEACHERS |
|--|--------------------------------|--------------------------|-----------------------|----------------------------|------------------|-------------------|-----------------|
| REVENUES: | | | | | | | |
| State sources | 8,092.00 | 43,300.00 | 153,090.00 | 42,225.00 | 19,282.00 | 3,678.00 | 4,830.00 |
| Federal sources | | | | | | | |
| Local sources | | | | | | | |
| Total revenues | <u>8,092.00</u> | <u>43,300.00</u> | <u>153,090.00</u> | <u>42,225.00</u> | <u>19,282.00</u> | <u>3,678.00</u> | <u>4,830.00</u> |
| EXPENDITURES: | | | | | | | |
| Instruction: | | | | | | | |
| Salaries of teachers | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Other salaries for instruction | | | | | | | |
| Purchased professional - technical services | 8,092.00 | 43,300.00 | 153,090.00 | | | 3,678.00 | 4,830.00 |
| Tuition | | | | | | | |
| Supplies and materials | | | | | | | |
| Textbooks | | | | | | | |
| Total instruction | <u>8,092.00</u> | <u>43,300.00</u> | <u>153,090.00</u> | | | <u>3,678.00</u> | <u>4,830.00</u> |
| Support services: | | | | | | | |
| Salaries of Other professional staff | | | | | | | |
| Other Salaries | | | | | | | |
| Personal services - employee benefits | | | | | | | |
| Purchased professional - technical services | | | | | | | |
| Contracted Services: | | | | | | | |
| (btw home & school) - Vendors | | | | | | | |
| (other than btw home & school - Vendors | | | | | | | |
| (other than btw home & school-Grant Agreements | | | | | | | |
| Travel | | | | | | | |
| Supplies and materials | | | | 42,225.00 | 19,282.00 | | |
| Total support services | | | | <u>42,225.00</u> | <u>19,282.00</u> | | |
| Total expenditures | <u>8,092.00</u> | <u>43,300.00</u> | <u>153,090.00</u> | <u>42,225.00</u> | <u>19,282.00</u> | <u>3,678.00</u> | <u>4,830.00</u> |

HAMILTON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | JOS. A. BANK | MERCERVILLE BASKETBALL | SUNNYBRAE PTA | WILSON GARDENING | 2016 |
|--|---------------|---------------------------|------------------|---------------------|---------------------|
| REVENUES: | | | | | |
| State sources | \$ | \$ | \$ | \$ | 1,363,029.00 |
| Federal sources | | | | | 6,070,100.00 |
| Local sources | 647.00 | 2,703.00 | 3,810.00 | 890.00 | 35,840.00 |
| Total revenues | <u>647.00</u> | <u>2,703.00</u> | <u>3,810.00</u> | <u>890.00</u> | <u>7,468,969.00</u> |
| EXPENDITURES: | | | | | |
| Instruction: | | | | | |
| Salaries of teachers | \$ | \$ | \$ | \$ | 838,969.00 |
| Other salaries for instruction | | | | | 90,249.00 |
| Purchased professional - technical services | | | | | 11,747.00 |
| Purchased professional - educational services | | | | | 1,260,295.00 |
| Tuition | | | | | 3,874,958.00 |
| Supplies and materials | 647.00 | | 3,810.00 | 890.00 | 170,157.00 |
| Textbooks | | | | | 96,185.00 |
| Total instruction | <u>647.00</u> | | <u>3,810.00</u> | <u>890.00</u> | <u>6,342,560.00</u> |
| Support services: | | | | | |
| Salaries of Other professional staff | | | | | 259,561.00 |
| Other Salaries | | | | | 55,122.00 |
| Personal services - employee benefits | | | | | 261,528.00 |
| Purchased professional - technical services | | | | | 403,999.00 |
| Contracted Services: | | | | | |
| (btw home & school) - Vendors | | | | | 17,430.00 |
| (other than btw home & school - Vendors | | | | | 247.00 |
| (other than btw home & school-Grant Agreements | | | | | 2,465.00 |
| Travel | | | | | 28,016.00 |
| Supplies and materials | | 2,703.00 | | | 98,041.00 |
| Total support services | | <u>2,703.00</u> | | | <u>1,126,409.00</u> |
| Total expenditures | <u>647.00</u> | <u>2,703.00</u> | <u>3,810.00</u> | <u>890.00</u> | <u>7,468,969.00</u> |

**CAPITAL PROJECTS FUND
DETAIL STATEMENTS**

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2016

| | | |
|---|----|--------------------------|
| Revenues and Other Financing Sources: | | |
| Interest | \$ | <u>222</u> |
| Total revenues | | <u>222</u> |
| Expenditures and Other Financing Uses: | | |
| Purchased professional and technical services | | 2,908,371 |
| Materials & Supplies | | 269,998 |
| Equipment | | 1,099,858 |
| Construction services | | <u>14,864,479</u> |
| Total expenditures | | <u>19,142,706</u> |
| Excess (deficiency) of revenues over (under) expenditures | | (19,142,484) |
| Other financing sources (uses): | | |
| Transfers out | | <u>(222)</u> |
| Total other financing sources (uses) | | (222) |
| Net change in fund balance | | (19,142,706) |
| Other financing sources (uses): | | |
| Capital Lease Proceeds | | <u>2,500,000</u> |
| Total other financing sources | | 2,500,000 |
| Net change in fund balances | | (16,642,706) |
| Fund balance - beginning | | <u>20,253,230</u> |
| Fund balance - ending | \$ | <u><u>3,610,524</u></u> |
| Fund Balance - budgetary basis | \$ | 3,610,524 |
| Current Year Encumbrances | | 6,349,697 |
| Less: ROD Grants not recognized under GAAP | | <u>(592,550)</u> |
| Fund Balance - GAAP basis (B-1) | \$ | <u><u>9,367,671</u></u> |
| Expenditures - budgetary basis | \$ | 19,142,706 |
| Less: | | |
| Current year encumbrances | | <u>6,349,697</u> |
| Expenditures - GAAP basis (B-2) | \$ | <u><u>12,793,009</u></u> |

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
SAYEN ELEMENTARY SCHOOL - ROOF REPLACEMENT PROJECT
FOR THE YEAR ENDED JUNE 30, 2016

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|---|----------------------|---------------------|------------------|--|
| Revenues and Other Financing Sources: | | | | |
| State Sources - ROD Grant | \$ 189,972 \$ | \$ | 189,972 \$ | 189,972 |
| Transfer from capital reserve | <u>284,957</u> | | <u>284,957</u> | <u>284,957</u> |
| Total reserve | <u>474,929</u> | | <u>474,929</u> | <u>474,929</u> |
| Expenditures and Other Financing Uses: | | | | |
| Purchased professional and technical services | 25,774 | | 25,774 | 105,929 |
| Construction services | <u>352,996</u> | 10,859 | <u>363,855</u> | <u>369,000</u> |
| Total expenditures and other financing uses | <u>378,770</u> | 10,859 | <u>389,629</u> | <u>474,929</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ 96,159 \$</u> | <u>(10,859) \$</u> | <u>85,300 \$</u> | |

Additional project information:

| | |
|--|------------------|
| Project Number | 1950-240-14-1007 |
| Grant Date | N/A |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | \$474,929 |
| Additional Authorized Cost | -0- |
| Revised Authorized Cost | \$474,929 |
| Percentage of Original Authorized Cost | 100.00% |
| Percentage completion | 100.00% |
| Original target completion date | 2014-2015 |
| Revised target completion date | 2015-2016 |

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
HAMILTON EAST-STEINERT HIGH SCHOOL - PARTIAL ROOF REPLACEMENT
FOR THE YEAR ENDED JUNE 30, 2016

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|---|----------------------|---------------------|---------------|--|
| Revenues and Other Financing Sources: | | | | |
| State Sources - ROD Grant | \$ 340,149 \$ | \$ | 340,149 \$ | 340,149 |
| Transfer from capital reserve | 510,223 | | 510,223 | 510,223 |
| Total reserve | 850,372 | 0 | 850,372 | 850,372 |
| Expenditures and Other Financing Uses: | | | | |
| Purchased professional and technical services | 41,364 | | 41,364 | |
| Construction services | 552,773 | 56,693 | 609,466 | |
| Total expenditures and other financing uses | 594,137 | 56,693 | 650,830 | 0 |
| Excess (deficiency) of revenues over (under) expenditures | \$ 256,235 \$ | (56,693) | 199,542 \$ | 850,372 |

Additional project information:

| | |
|--|------------------|
| Project Number | 1950-050-14-1001 |
| Grant Date | 2014-2015 |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | \$850,372.00 |
| Additional Authorized Cost | -0- |
| Revised Authorized Cost | \$850,372.00 |
| Percentage of Original Authorized Cost | 100.00% |
| Percentage completion | 100.00% |
| Original target completion date | 2014-2015 |
| Revised target completion date | 2015-2016 |

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
RICHARD C. CROCKETT MIDDLE SCHOOL - ROOF REPLACEMENT PROJECT
FOR THE YEAR ENDED JUNE 30, 2016

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|--|----------------------|---------------------|-------------------|--|
| Revenues and Other Financing Sources: | | | | |
| State Sources - ROD Grant | \$ 1,303,140 | \$ | \$ 1,303,140 | 1,303,140 |
| Transfer from capital reserve | 1,954,711 | | 1,954,711 | 1,954,711 |
| Total reserve | 3,257,851 | | 3,257,851 | 3,257,851 |
| Expenditures and Other Financing Uses: | | | | |
| Purchased professional and technical services | 101,592 | | 101,592 | 388,251 |
| Construction services | 2,224,264 | 58,565 | 2,282,829 | 2,869,600 |
| Total expenditures and other financing uses | 2,325,856 | 58,565 | 2,384,421 | 3,257,851 |
| Excess (deficiency) of revenues over (under) expenditures | \$ 931,995 | \$(58,565) | \$ 873,430 | |

Additional project information:

| | |
|--|------------------|
| Project Number | 1950-083-14-1005 |
| Grant Date | 2014-2015 |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | \$ 3,257,851 |
| Additional Authorized Cost | -0- |
| Revised Authorized Cost | 3,257,851 |
| Percentage of Original Authorized Cost | 100.00% |
| Percentage completion | 98.00% |
| Original target completion date | 2014-2015 |
| Revised target completion date | 2016-2017 |

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
ALEXANDER ELEMENTARY SCHOOL - PARTIAL ROOF REPLACEMENT PROJECT
FOR THE YEAR ENDED JUNE 30, 2016

| | Prior Periods | Current Year | Totals | Revised Authorized Cost |
|---|---------------|--------------|-----------|-------------------------------|
| Revenues and Other Financing Sources: | | | | |
| State Sources - ROD Grant | \$ 288,814 | \$ | 288,814 | 288,814 |
| Transfer from capital reserve | 433,221 | | 433,221 | 433,221 |
| Total reserve | 722,035 | | 722,035 | 722,035 |
| Expenditures and Other Financing Uses: | | | | |
| Purchased professional and technical services | 34,274 | | 34,274 | 93,387 |
| Construction services | 576,203 | 14,789 | 590,992 | 628,648 |
| Total expenditures and other financing uses | 610,477 | 14,789 | 625,266 | 722,035 |
| Excess (deficiency) of revenues over (under) expenditures | \$ 111,558 | \$ (14,789) | \$ 96,769 | |

Additional project information:

| | |
|--|------------------|
| Project Number | 1950-085-14-1006 |
| Grant Date | 2014-2015 |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | \$ 722,035 |
| Additional Authorized Cost | -0- |
| Revised Authorized Cost | 722,035 |
| Percentage of Original Authorized Cost | 100.00% |
| Percentage completion | 100.00% |
| Original target completion date | 2014-2015 |
| Revised target completion date | 2015-2016 |

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
H.E.P. AT WILLEY SCHOOL - WINDOW REPLACEMENT PROJECT
FOR THE YEAR ENDED JUNE 30, 2016

| | Prior Periods | Current Year | Totals | Revised Authorized Cost |
|---|---------------|--------------|-----------|-------------------------------|
| Revenues and Other Financing Sources: | | | | |
| State Sources - ROD Grant | \$ 52,422 | \$ | \$ 52,422 | 52,422 |
| Transfer from capital outlay | 146,229 | | 146,229 | 146,230 |
| Total reserve | 198,651 | | 198,651 | 198,652 |
| Expenditures and Other Financing Uses: | | | | |
| Purchased professional and technical services | 14,288 | | 14,288 | 14,289 |
| Construction services | 160,415 | | 160,415 | 173,672 |
| Cancellation of project | 10,691 | | 10,691 | 10,691 |
| Total expenditures and other financing uses | 185,394 | | 185,394 | 198,652 |
| Excess (deficiency) of revenues over (under) expenditures | \$ 13,257 | \$ | \$ 13,257 | |

Additional project information:

| | |
|--|------------------|
| Project Number | 1950-X04-09-1004 |
| Grant Date | 2009-2010 |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | 252,165 |
| Additional Authorized Cost | (53,513) |
| Revised Authorized Cost | 198,652 |
| Percentage of Original Authorized Cost | -21.22% |
| Percentage completion | 100.00% |
| Original target completion date | N/A |
| Revised target completion date | 2014-2015 |

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
MORGAN ELEMENTARY SCHOOL - ROOF REPLACEMENT PROJECT
FOR THE YEAR ENDED JUNE 30, 2016

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|---|----------------------|---------------------|---------------|--|
| Revenues and Other Financing Sources: | | | | |
| State Sources - ROD Grant | \$ 218,236 \$ | \$ | 218,236 \$ | 218,236 |
| Transfer from capital reserve | 388,223 | | 388,223 | 388,223 |
| Total reserve | 606,459 | | 606,459 | 606,459 |
| Expenditures and Other Financing Uses: | | | | |
| Purchased professional and technical services | 42,260 | | 42,260 | 42,260 |
| Construction services | 482,096 | | 482,096 | 564,199 |
| Total expenditures and other financing uses | 524,356 | | 524,356 | 606,459 |
| Excess (deficiency) of revenues over (under) expenditures | \$ 82,103 \$ | | 82,103 | |

Additional project information:

| | |
|--|------------------|
| Project Number | 1950-220-10-1004 |
| Grant Date | 2011-2012 |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | \$ 665,000 |
| Additional Authorized Cost | -0- |
| Revised Authorized Cost | 665,000 |
| Percentage of Original Authorized Cost | 100.00% |
| Percentage completion | 90.00% |
| Original target completion date | 2015-2016 |
| Revised target completion date | 2016-2017 |

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
YARDVILLE HEIGHTS ELEMENTARY SCHOOL - WINDOW REPLACEMENT PROJECT
FOR THE YEAR ENDED JUNE 30, 2016

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|---|----------------------|---------------------|---------------|--|
| Revenues and Other Financing Sources: | | | | |
| State Sources - ROD Grant | \$ 189,374 \$ | \$ | 189,374 \$ | 189,374 |
| Transfer from capital reserve | 265,626 | | 265,626 | 265,626 |
| Total reserve | 455,000 | | 455,000 | 455,000 |
| Expenditures and Other Financing Uses: | | | | |
| Purchased professional and technical services | 30,821 | | 30,821 | 30,821 |
| Construction services | 373,858 | | 373,858 | 424,179 |
| Total expenditures and other financing uses | 404,679 | | 404,679 | 455,000 |
| Excess (deficiency) of revenues over (under) expenditures | \$ 50,321 \$ | \$ | 50,321 \$ | |

Additional project information:

| | |
|--|------------------|
| Project Number | 1950-220-10-1004 |
| Grant Date | 2011-2012 |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | \$ 455,000 |
| Additional Authorized Cost | -0- |
| Revised Authorized Cost | 455,000 |
| Percentage of Original Authorized Cost | 100.00% |
| Percentage completion | 100.00% |
| Original target completion date | 2013-2014 |
| Revised target completion date | 2014-2015 |

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
GRICE MIDDLE SCHOOL - ROOF REPLACEMENT PROJECT
FOR THE YEAR ENDED JUNE 30, 2016

| | Prior Periods | Current Year | Totals | Revised Authorized Cost |
|---|---------------|--------------|------------|-------------------------------|
| Revenues and Other Financing Sources: | | | | |
| State Sources - ROD Grant | \$ 585,950 | \$ | \$ 585,950 | \$ 585,950 |
| Transfer from prior ROD grants | 650,000 | | 650,000 | 650,000 |
| Transfer from capital outlay | 277,019 | | 277,019 | 277,019 |
| Total reserve | 1,512,969 | 0 | 1,512,969 | 1,512,969 |
| Expenditures and Other Financing Uses: | | | | |
| Purchased professional and technical services | 92,797 | | 92,797 | 92,797 |
| Construction services | 1,300,100 | | 1,300,100 | 1,420,172 |
| Total expenditures and other financing uses | 1,392,897 | 0 | 1,392,897 | 1,512,969 |
| Excess (deficiency) of revenues over (under) expenditures | \$ 120,072 | \$ 0 | \$ 120,072 | \$ 0 |

Additional project information:

| | |
|--|------------------|
| Project Number | 1950-070-10-1002 |
| Grant Date | 2011-2012 |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | \$ 1,574,219 |
| Additional Authorized Cost | (61,250) |
| Revised Authorized Cost | 1,512,969 |
| Percentage of Original Authorized Cost | -3.89% |
| Percentage completion | 100.00% |
| Original target completion date | 2013-2014 |
| Revised target completion date | 2014-2015 |

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
ROBINSON ELEMENTARY SCHOOL - ROOF REPLACEMENT PROJECT
FOR THE YEAR ENDED JUNE 30, 2016

| | Prior Periods | Current Year | Totals | Revised Authorized Cost |
|---|---------------|--------------|---------|-------------------------------|
| Revenues and Other Financing Sources: | | | | |
| State Sources - ROD Grant | \$ 235,517 | \$ | 235,517 | 235,517 |
| Transfer from capital reserve | 500,000 | | 500,000 | 500,000 |
| Transfer from capital outlay | 122,981 | | 122,981 | 122,981 |
| Total reserve | 858,498 | | 858,498 | 858,498 |
| Expenditures and Other Financing Uses: | | | | |
| Purchased professional and technical services | 61,166 | | 61,166 | 49,214 |
| Construction services | 484,701 | | 484,701 | 809,284 |
| Total expenditures and other financing uses | 545,867 | | 545,867 | 858,498 |
| Excess (deficiency) of revenues over (under) expenditures | \$ 312,631 | \$ | 312,631 | \$ |

Additional project information:

| | |
|--|------------------|
| Project Number | 1950-225-10-1003 |
| Grant Date | 2011-2012 |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | 1,057,916 |
| Additional Authorized Cost | (199,418) |
| Revised Authorized Cost | 858,498 |
| Percentage of Original Authorized Cost | -18.85% |
| Percentage completion | 100.00% |
| Original target completion date | 2013-2014 |
| Revised target completion date | 2015-2016 |

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
VARIOUS PROJECTS FUNDED BY CAPITAL RESERVE
FOR THE YEAR ENDED JUNE 30, 2016

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|---|----------------------|---------------------|---------------|--|
| Revenues and Other Financing Sources: | | | | |
| Transfer from capital reserve | \$ 1,561,579 | \$ | \$ 1,561,579 | \$ 1,561,579 |
| Total reserve | 1,561,579 | | 1,561,579 | 1,561,579 |
| Expenditures and Other Financing Uses: | | | | |
| Purchased professional and technical services | 5,703 | 520 | 6,223 | 8,625 |
| Construction services | 1,451,022 | | 1,451,022 | 1,552,954 |
| Total expenditures and other financing uses | 1,456,725 | 520 | 1,457,245 | 1,561,579 |
| Excess (deficiency) of revenues over (under) expenditures | \$ 104,854 | \$ (520) | \$ 104,334 | |

Additional Project Information

| <u>Project Description</u> | <u>Original Amount</u> | <u>Amount Expended</u> | <u>Balance Remaining</u> |
|--|------------------------|------------------------|--------------------------|
| High School West - Plumbing Project - 2012/2013 | 213,500 | 191,084 | \$ 22,416 |
| Alex Elementary School - Roof Project - 2012/2013 | 151,250 | 137,500 | 13,750 |
| Kuser Elementary School Paving Project - 2013/2014 | 308,682 | 303,962 | 4,720 |
| Langtree Elementary School - Paving Project - 2013/2014 | 38,585 | 36,199 | 2,386 |
| Hamilton Education Program - Paving Project - 2013/2014 | 71,658 | 66,000 | 5,658 |
| Nottingham High School - PA System Upgrade - 2013/2014 | 217,835 | 200,713 | 17,122 |
| Hamilton High School West - Technology Lab & Classroom Repairs - 2013/2014 | 246,364 | 220,564 | 25,800 |
| George E. Wilson Elementary School Generator - 2014/2015 | 84,300 | 71,818 | 12,482 |
| | | \$ | \$ 104,334 |

Percentage completion 100.00%
 Revised target completion date 2015-2016

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
UNIVERSITY HEIGHTS/H.D. MORRISON ELEMENTARY SCHOOL IMPROVEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|---|----------------------|---------------------|---------------|--|
| Revenues and Other Financing Sources: | | | | |
| SDA Grant | \$ 169,887 | \$ | \$ 169,887 | 169,887 |
| Transfer from capital reserve | 254,830 | | 254,830 | 254,830 |
| Total reserve | 424,717 | | 424,717 | 424,717 |
| Expenditures and Other Financing Uses: | | | | |
| Purchased professional and technical services | 27,129 | 1,895 | 29,024 | 27,550 |
| Construction services | 205,323 | 114,554 | 319,877 | 397,167 |
| Total expenditures and other financing uses | 232,452 | 116,449 | 348,901 | 424,717 |
| Excess (deficiency) of revenues over (under) expenditures | \$ 192,265 | \$ (116,449) | \$ 75,816 | |

Additional project information:

| | |
|--|------------------|
| Project Number | 1950-250-14-1000 |
| Grant Date | 2014-2015 |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | \$ 424,717 |
| Additional Authorized Cost | -0- |
| Revised Authorized Cost | 424,717 |
| Percentage of Original Authorized Cost | 100.00% |
| Percentage completion | 98.00% |
| Original target completion date | 2014-2015 |
| Revised target completion date | 2015-2016 |

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
GEORGE E. WILSON ELEMENTARY SCHOOL IMPROVEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|---|----------------------|---------------------|---------------|--|
| Revenues and Other Financing Sources: | | | | |
| SDA Grant | 169,887 | \$ | 169,887 \$ | 169,887 |
| Transfer from capital reserve | 254,830 | | 254,830 | 254,830 |
| Total reserve | 424,717 | | 424,717 | 424,717 |
| Expenditures and Other Financing Uses: | | | | |
| Purchased professional and technical services | 21,879 | 2,920 | 24,799 | 23,500 |
| Construction services | 150,254 | 139,810 | 290,064 | 401,217 |
| Total expenditures and other financing uses | 172,133 | 142,730 | 314,863 | 424,717 |
| Excess (deficiency) of revenues over (under) expenditures | \$ 252,584 | \$ (142,730) | \$ 109,854 | |

Additional project information:

| | |
|----------------------------|------------------|
| Project Number | 1950-105-14-2000 |
| Grant Date | 2014-2015 |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | \$ 424,717 |
| Additional Authorized Cost | |
| Revised Authorized Cost | 424,717 |

| | |
|--|-----------|
| Percentage of Original Authorized Cost | |
| Percentage completion | 98.00% |
| Original target completion date | 2014-2015 |
| Revised target completion date | 2015-2016 |

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
ENERGY SAVINGS IMPROVEMENT PROGRAM - LEASE PURCHASE
FOR THE YEAR ENDED JUNE 30, 2016

| | Prior Periods | Current Year | Totals | Revised Authorized Cost |
|---|---------------|-----------------|------------|-------------------------------|
| Revenues and Other Financing Sources: | | | | |
| Lease Proceeds | \$ 18,962,000 | \$ | 18,962,000 | 18,962,000 |
| Total reserve | 18,962,000 | 0 | 18,962,000 | 18,962,000 |
| Expenditures and Other Financing Uses: | | | | |
| Purchased professional and technical services | 1,705,444 | 2,769,231 | 4,474,675 | 4,480,713 |
| Construction services | | 14,469,209 | 14,469,209 | 14,481,287 |
| Total expenditures and other financing uses | 1,705,444 | 17,238,440 | 18,943,884 | 18,962,000 |
| Excess (deficiency) of revenues over (under) expenditures | \$ 17,256,556 | \$ (17,238,440) | \$ 18,116 | 0 |

Additional project information:

| | |
|--|---------------|
| Project Number | N/A |
| Grant Date | N/A |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | \$ 18,962,000 |
| Additional Authorized Cost | -0- |
| Revised Authorized Cost | 18,962,000 |
| Percentage of Original Authorized Cost | 100.00% |
| Percentage completion | 30.00% |
| Original target completion date | 2014-2015 |
| Revised target completion date | 2017-2018 |

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
EDUCATIONAL EQUIPMENT - LEASE PURCHASE
FOR THE YEAR ENDED JUNE 30, 2016

| | Prior Periods | Current Year | Totals | Revised Authorized Cost |
|---|-------------------|---------------------|------------------|-------------------------------|
| Expenditures and Other Financing Uses: | | | | |
| Purchased professional and technical services | \$ 180,926 | \$ 124,869 | \$ 305,795 | \$ 305,795 |
| Supplies & Materials | 2,334,361 | 269,998 | 2,604,359 | 2,604,359 |
| Equipment | 77,074 | 77,730 | 154,804 | 154,804 |
| Total expenditures and other financing uses | <u>2,592,361</u> | <u>472,597</u> | <u>3,064,958</u> | <u>3,064,958</u> |
| Other financing sources | | | | |
| Capital lease proceeds | 3,065,000 | | 3,065,000 | 3,065,000 |
| Other financing sources | 3,065,000 | 0 | 3,065,000 | 3,065,000 |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ 472,639</u> | <u>\$ (472,597)</u> | <u>\$ 42</u> | <u>\$ 42</u> |

Additional project information:

| | |
|--|--------------|
| Project Number | N/A |
| Grant Date | N/A |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | \$ 3,065,000 |
| Additional Authorized Cost | |
| Revised Authorized Cost | 3,065,000 |
| Percentage of Original Authorized Cost | 100.00% |
| Percentage completion | 100.00% |
| Original target completion date | 2014-2015 |
| Revised target completion date | 2015-2016 |

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
TECHNOLOGY EQUIPMENT LEASE PURCHASE
FOR THE YEAR ENDED JUNE 30, 2016

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|---|----------------------|---------------------|-----------------------|--|
| Expenditures and Other Financing Uses: | | | | |
| Purchased professional and technical services | \$ | 8,936 \$ | 8,936 \$ | 8,936 |
| Construction services | | 1,022,128 | 1,022,128 | 2,491,064 |
| | | <u>1,031,064</u> | <u>1,031,064</u> | <u>2,500,000</u> |
| Total expenditures and other financing uses | | | | |
| Other financing sources | | | | |
| Capital lease proceeds | | 2,500,000 | 2,500,000 | 2,500,000 |
| Other financing sources | | 2,500,000 | 2,500,000 | 2,500,000 |
| | | <u>1,468,936 \$</u> | <u>(1,031,064) \$</u> | <u>(2,500,000)</u> |
| Excess (deficiency) of revenues over (under) expenditures | | | | |

Additional project information:

| | |
|--|--------------|
| Project Number | N/A |
| Grant Date | N/A |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | \$ 2,500,000 |
| Additional Authorized Cost | -0- |
| Revised Authorized Cost | 2,500,000 |
| Percentage of Original Authorized Cost | 100.00% |
| Percentage completion | 65.00% |
| Original target completion date | 2015-2016 |
| Revised target completion date | 2017-2018 |

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES - BUDGETARY BASIS
AS OF JUNE 30, 2016

| ISSUE/PROJECT TITLE | ORIGINAL DATE | APPROPRIATIONS | EXPENDITURES TO DATE | | (MEMO ONLY) UNEXPENDED PROJECT BALANCE |
|---|---------------|----------------|----------------------|---------------------------------|--|
| | | | PRIOR YEAR | CURRENT YEAR | |
| Various Capital Improvements | N/A | 3,631,578 | 3,053,193 | | 578,385 |
| Sayen Elementary School - Roof Replacement | N/A | 474,929 | 378,770 | 10,859 | 85,300 |
| Hamilton East - Steinart School - Partial Roof Replacement | N/A | 850,372 | 594,137 | 56,693 | 199,542 |
| Richard C. Crockett Middle School Roof Replacement | N/A | 3,257,851 | 2,325,856 | 44,261 | 887,734 |
| Alexander Elementary School Roof Replacement | N/A | 722,035 | 610,477 | 14,789 | 96,769 |
| University Heights/H.D. Morrison Elementary Schools - Various Imp | N/A | 424,717 | 232,452 | 103,040 | 89,225 |
| George E. Wilson Elementary School - Various Improvements | N/A | 424,717 | 172,133 | 130,300 | 122,284 |
| ESIP Lease Purchase - Energy Savings Projects | 7/17/2014 | 18,962,000 | 1,705,444 | 11,628,403 | 5,628,153 |
| Educational Equipment - Lease Purchase | 2/3/2015 | 3,065,000 | 2,592,361 | 133,268 | 339,371 |
| Various Capital Improvements | N/A | 1,561,579 | 1,456,725 | | 104,854 |
| Technology Equipment and Infrastructure | 9/30/2015 | 2,500,000 | | 671,395 | 1,828,605 |
| Totals | | 35,874,778 | 13,121,548 | 12,793,008 | 9,960,222 |
| | | | | | |
| | | | | Fund balance - budgetary basis | 9,960,222 |
| | | | | Less: SDA Grants Not Recognized | (592,550) |
| | | | | Fund balance - GAAP basis | 9,367,672 |

| |
|--|
| FIDUCIARY FUNDS DETAIL STATEMENTS |
|--|

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

- | | |
|--|---|
| Scholarship Fund | This private purpose trust is used to account for donations received for the award of scholarships. |
| Unemployment Compensation Insurance Trust Fund: | This expendable trust fund is used to pay unemployment compensation claims as they arise. |

Agency Funds are used to account for assets held by the district as an agent for another party:

- | | |
|--------------------------------|--|
| Student Activity Fund : | This agency fund is used to account for student funds held at the schools. |
| Payroll Fund: | This agency fund is used to account for the payroll transactions of the school district. |

HAMILTON TOWNSHIP SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2016

| | AGENCY FUNDS | | TOTAL AGENCY FUNDS | UNEMPLOYMENT COMPENSATION TRUST | PRIVATE PURPOSE SCHOLARSHIP | JUNE 30 2016 |
|---|-------------------|---------------------|-----------------------|---------------------------------------|--------------------------------|-----------------|
| | PAYROLL AGENCY | STUDENT ACTIVITY | | | | |
| ASSETS: | | | | | | |
| Cash and cash equivalents | \$ 54,777.00 | \$ 639,910.00 | \$ 694,687.00 | 2,309,806.00 | 179,134.00 | \$ 3,183,627.00 |
| Interfunds Receivable | | | | | 80,554.00 | 80,554.00 |
| Total assets | \$ 54,777.00 | \$ 639,910.00 | \$ 694,687.00 | \$ 2,309,806.00 | \$ 259,688.00 | \$ 3,264,181.00 |
| LIABILITIES: | | | | | | |
| Payroll Deductions and Withholdings | 27,165.00 | | 27,165.00 | | | 27,165.00 |
| Accounts Payable | | | | 46,588.00 | | 46,588.00 |
| Interfund Payable | 7,512.00 | | 7,512.00 | | | 7,512.00 |
| Due to Employees | 20,100.00 | | 20,100.00 | | | 20,100.00 |
| Due to Student Groups | | 639,910.00 | 639,910.00 | | | 639,910.00 |
| Total liabilities | \$ 54,777.00 | \$ 639,910.00 | \$ 694,687.00 | \$ 46,588.00 | | \$ 741,275.00 |
| NET POSITION: | | | | | | |
| Held in Reserve for Unemployment Claims | | | | 2,263,218.00 | | 2,263,218.00 |
| Reserved for Scholarships | | | | | 259,688.00 | 259,688.00 |
| Total net position | \$ | \$ | \$ | \$ 2,263,218.00 | \$ 259,688.00 | \$ 2,522,906.00 |

HAMILTON TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | <u>PRIVATE PURPOSE</u> | | <u>JUNE 30,</u> <u>2016</u> |
|--------------------------------|--|--|--------------------------------|
| | <u>UNEMPLOYMENT</u> <u>COMPENSATION</u> <u>TRUST</u> | <u>PRIVATE PURPOSE</u> <u>SCHOLARSHIP</u> | |
| Contributions: | | | |
| Plan Members | \$ 293,738.00 | \$ | 293,738.00 |
| Interest Earned | <u>17,946.00</u> | <u>1,804.00</u> | <u>19,750.00</u> |
| Total Additions | <u>311,684.00</u> | <u>1,804.00</u> | <u>313,488.00</u> |
| DEDUCTIONS: | | | |
| Unemployment Claims | 289,953.00 | | 289,953.00 |
| Scholarships Awarded | | <u>13,000.00</u> | <u>13,000.00</u> |
| Total deductions | <u>289,953.00</u> | <u>13,000.00</u> | <u>302,953.00</u> |
| Change in net position | 21,731.00 | (11,196.00) | 10,535.00 |
| Net position beginning of year | <u>2,241,487.00</u> | <u>\$270,884.00</u> | <u>2,512,371.00</u> |
| Net position end of year | \$ <u><u>\$2,263,218.00</u></u> \$ | \$ <u><u>\$259,688.00</u></u> \$ | <u><u>\$2,522,906.00</u></u> |

HAMILTON TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | BALANCE JUNE 30, 2015 | ADDITIONS | DELETIONS | BALANCE JUNE 30, 2016 |
|------------------------------|--------------------------------|-------------------------------|-------------------------------|--------------------------|
| Elementary Schools | | | | |
| Alexander | \$ 4,150.00 | \$ 11,706.00 | \$ 11,309.00 | \$ 4,547.00 |
| Greenwood | 3,367.00 | 5,297.00 | 4,317.00 | 4,347.00 |
| Kisthardt | 6,403.00 | 14,112.00 | 16,611.00 | 3,904.00 |
| Klockner | 1,824.00 | 3,158.00 | 2,291.00 | 2,691.00 |
| Kuser | 7,293.00 | 3,855.00 | 4,919.00 | 6,229.00 |
| Lalor | 2,414.00 | 12,691.00 | 12,406.00 | 2,699.00 |
| Langtree | 2,160.00 | 13,273.00 | 9,471.00 | 5,962.00 |
| McGalliard | 2,718.00 | 5,118.00 | 5,642.00 | 2,194.00 |
| Mercerville | 8,466.00 | 10,087.00 | 11,392.00 | 7,161.00 |
| Morgan | 8,328.00 | 13,517.00 | 16,224.00 | 5,621.00 |
| Robinson | 5,764.00 | 37,566.00 | 30,952.00 | 12,378.00 |
| Sayen | 1,557.00 | 19,106.00 | 18,585.00 | 2,078.00 |
| Sunnybrae | 5,744.00 | 2,613.00 | 3,803.00 | 4,554.00 |
| Yardville | 2,477.00 | 6,481.00 | 5,151.00 | 3,807.00 |
| Wilson | 13,931.00 | 18,992.00 | 15,378.00 | 17,545.00 |
| University Heights | 5,790.00 | 10,108.00 | 7,557.00 | 8,341.00 |
| Yardville Heights | 6,145.00 | 14,687.00 | 14,626.00 | 6,206.00 |
| Total Elementary Schools | <u>88,531.00</u> | <u>202,367.00</u> | <u>190,634.00</u> | <u>100,264.00</u> |
| Middle Schools | | | | |
| Albert E. Grice | 70,762.00 | 122,737.00 | 125,736.00 | 67,763.00 |
| Reynolds | 55,792.00 | 161,198.00 | 133,998.00 | 82,992.00 |
| Crockett | 47,802.00 | 121,331.00 | 112,804.00 | 56,329.00 |
| Total Middle Schools | <u>174,356.00</u> | <u>405,266.00</u> | <u>372,538.00</u> | <u>207,084.00</u> |
| High Schools: | | | | |
| Hamilton H.S. - West | 69,822.00 | 175,902.00 | 163,991.00 | 81,733.00 |
| Hamilton H.S. - East | 134,356.00 | 254,817.00 | 249,547.00 | 139,626.00 |
| Hamilton H.S. - North | 122,552.00 | 247,493.00 | 260,108.00 | 109,937.00 |
| Total High Schools | <u>326,730.00</u> | <u>678,212.00</u> | <u>673,646.00</u> | <u>331,296.00</u> |
| Alternative School: | | | | |
| Hamilton Educational Program | 2,019.00 | 1,755.00 | 2,508.00 | 1,266.00 |
| Total Alternative School | <u>2,019.00</u> | <u>1,755.00</u> | <u>2,508.00</u> | <u>1,266.00</u> |
| Total All Schools | \$ <u><u>591,636.00</u></u> \$ | <u><u>1,287,600.00</u></u> \$ | <u><u>1,239,326.00</u></u> \$ | <u><u>639,910.00</u></u> |

HAMILTON TOWNSHIP SCHOOL DISTRICT
PAYROLL AGENCY FUNDS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | <u>BALANCE</u> <u>JUNE 30, 2015</u> | <u>ADDITIONS</u> | <u>DEDUCTIONS</u> | <u>BALANCE</u> <u>JUNE 30, 2016</u> |
|-------------------------------------|--|--------------------------|--------------------------|--|
| ASSETS: | | | | |
| Cash and cash equivalents | \$ 989,553.00 | \$ 124,480,275.00 | \$ 125,415,051.00 | \$ 54,777.00 |
| Total assets | <u>\$ 989,553.00</u> | <u>\$ 124,480,275.00</u> | <u>\$ 125,415,051.00</u> | <u>\$ 54,777.00</u> |
| LIABILITIES: | | | | |
| Payroll deductions and withholdings | \$ 883,273.00 | \$ 65,477,721.00 | \$ 66,333,829.00 | \$ 27,165.00 |
| Due to Employees | \$ 19,589.00 | 46,802.00 | \$ 46,291.00 | 20,100.00 |
| Interfund Payable | 86,691.00 | 58,955,752.00 | 59,034,931.00 | 7,512.00 |
| Total liabilities | <u>\$ 989,553.00</u> | <u>\$ 124,480,275.00</u> | <u>\$ 125,415,051.00</u> | <u>\$ 54,777.00</u> |

LONG-TERM LIABILITIES SCHEDULES

The Long-Term schedules are used to reflect the outstanding principal balances of the long-term liabilities of the District. This includes obligations under Serial Bonds and Capital Leases.

HAMILTON TOWNSHIP SCHOOL DISTRICT
 LONG-TERM DEBT
 SCHEDULE OF SERIAL BONDS
 JUNE 30, 2016

| ISSUE | DATE OF ISSUE | AMOUNT OF ISSUE | ANNUAL PAYMENTS | | RATE OF INTEREST | BALANCE JULY 1, 2015 | ISSUED | RETIRED | BALANCE JUNE 30, 2016 |
|---|---------------|-----------------|-----------------|---------------|------------------|----------------------|-----------------|------------------|-----------------------|
| | | | DATE | AMOUNT | | | | | |
| School District Refunding Bonds Series 2007 | 3/30/2007 | \$ 9,995,000.00 | | | | \$ 9,985,000.00 | \$ | \$ 9,985,000.00 | \$ |
| School District Refunding Bonds Series 2009 | 2/3/2009 | 6,505,000.00 | 08/15/16 | \$ 635,000.00 | 3.00% | 2,950,000.00 | | 1,680,000.00 | 1,270,000.00 |
| | | | 08/15/16 | 635,000.00 | 4.00% | | | | |
| School District Refunding Bonds Series 2012 | 12/4/2012 | 28,275,000.00 | 08/15/16 | 2,320,000.00 | 1.00% | | | | |
| | | | 08/15/17 | 2,435,000.00 | 1.50% | | | | |
| | | | 08/15/18 | 2,570,000.00 | 2.00% | | | | |
| | | | 08/15/19 | 2,715,000.00 | 2.00% | | | | |
| | | | 08/15/20 | 2,870,000.00 | 2.00% | | | | |
| | | | 08/15/21 | 2,970,000.00 | 2.00% | | | | |
| | | | 08/15/22 | 3,040,000.00 | 2.30% | | | | |
| | | | 08/15/23 | 3,115,000.00 | 2.50% | | | | |
| | | | 08/15/24 | 3,200,000.00 | 2.63% | 27,440,000.00 | | 2,205,000.00 | 25,235,000.00 |
| Refunding School Bonds Series 2015 | 11/20/2015 | 9,010,000.00 | 02/15/17 | 410,000.00 | 3.00% | | | | |
| | | | 02/15/18 | 1,590,000.00 | 4.00% | | | | |
| | | | 02/15/19 | 1,695,000.00 | 5.00% | | | | |
| | | | 02/15/20 | 1,725,000.00 | 5.00% | | | | |
| | | | 02/15/21 | 1,800,000.00 | 5.00% | | | | |
| | | | 02/15/22 | 1,790,000.00 | 5.00% | | | | |
| | | | | | | | 9,010,000.00 | | 9,010,000.00 |
| | | | | | | \$ 40,375,000.00 | \$ 9,010,000.00 | \$ 13,870,000.00 | \$ 35,515,000.00 |
| | | | | | | | | \$ 9,920,000.00 | |
| | | | | | | | | \$ 3,950,000.00 | |
| | | | | | | | | \$ | \$ 13,870,000.00 |
| | | | | | | | | | \$ |

HAMILTON TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
 AS OF JUNE 30, 2016

| SERIES | DATE OF ISSUE | AMOUNT OF ISSUE | INTEREST RATE | AMOUNT OUTSTANDING JUNE 30, 2015 (AS RESTATED) | ISSUED | RETIRED | AMOUNT |
|----------------------------|---------------|-----------------|---------------|--|-----------------|--------------|---------------------------|
| | | | | | | | OUTSTANDING JUNE 30, 2016 |
| Technology Equipment | 9/6/2013 | 2,003,740.00 | 1.30% | 1,202,110.29 | \$ | 395,539.15 | \$ 806,571.14 |
| 2015 Educational Equipment | 7/17/2014 | 3,065,000.00 | 1.31% | 2,435,075.75 | | 596,898.02 | 1,838,177.73 |
| 2015 ESIP Lease | 2/3/2015 | 18,962,000.00 | 2.71% | 18,962,000.00 | | 85,566.80 | 18,876,433.20 |
| Technology and Equipment | 9/30/2015 | 2,500,000.00 | 1.49% | | 2,500,000.00 | 528,750.00 | 1,971,250.00 |
| Total | | | | \$ 22,599,186.04 | \$ 2,500,000.00 | 1,606,753.97 | \$ 23,492,432.07 |

HAMILTON TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | <u>BUDGET</u> | <u>BUDGET TRANSFERS</u> | <u>FINAL BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> |
|--|----------------|-----------------------------|---------------------|----------------|-----------------|
| REVENUES: | | | | | |
| Local sources: | | | | | |
| Local tax levy | \$4,933,368.00 | | \$4,933,368.00 | \$4,933,368.00 | |
| Total revenues | 4,933,368.00 | | 4,933,368.00 | 4,933,368.00 | |
| EXPENDITURES: | | | | | |
| Regular debt service: | | | | | |
| Interest Payments Bonds | 3,950,000.00 | | 3,950,000.00 | 3,950,000.00 | |
| Redemption of Bond Principal | 996,776.00 | | 996,776.00 | 899,054.00 | \$97,722.00 |
| Total regular debt service-expenditures | 4,946,776.00 | | 4,946,776.00 | 4,849,054.00 | 97,722.00 |
| Excess (deficiency) of revenues over (under) expenditures | (13,408.00) | | (13,408.00) | 84,314.00 | 97,722.00 |
| Fund balance, July 1 | 13,408.00 | | 13,408.00 | 13,408.00 | |
| Fund balance, June 30 | | | | \$97,722.00 | \$97,722.00 |

STATISTICAL SECTION - UNAUDITED

HAMILTON TOWNSHIP SCHOOL DISTRICT
STATISTICAL SECTION

| <u>Contents</u> | <u>Page</u> |
|--|--------------|
| Financial Trends: | |
| These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time. | J-1 to J-4 |
| Revenue Capacity: | |
| These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax. | J-5 to J-9 |
| Debt Capacity: | |
| These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future. | J-10 to J-13 |
| Demographic and Economic Information: | |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place. | J-14 to J-15 |
| Operating Information: | |
| These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs. | J-16 to J-20 |

Sources

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year.

HAMILTON OF TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
UNAUDITED

| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|---|--------------------------|--------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | \$22,531,139.66 | \$20,196,914.00 | \$1,377,077.00 | \$7,339,460.00 | \$34,978,504.00 | \$35,384,820.00 | \$34,848,436.00 | \$33,573,626.00 | \$32,151,606.00 | \$30,815,078.00 |
| Restricted | 10,696,362.24 | 11,723,880.00 | 18,569,971.00 | 22,997,089.00 | 14,972,059.00 | 17,000,288.00 | 14,992,829.00 | 13,610,139.00 | 14,849,605.00 | 15,509,194.00 |
| Unrestricted (deficit) | (48,036,273.05) | (46,956,222.00) | 3,465,789.00 | 5,583,052.00 | (24,010,970.00) | (28,197,412.00) | (31,684,747.00) | (28,445,749.00) | (30,577,092.00) | (32,133,419.00) |
| Total governmental activities net position | <u>(\$14,807,771.15)</u> | <u>(\$15,035,428.00)</u> | <u>\$23,412,837.00</u> | <u>\$35,919,601.00</u> | <u>\$25,939,593.00</u> | <u>\$24,187,696.00</u> | <u>\$18,156,518.00</u> | <u>\$18,738,016.00</u> | <u>\$16,424,119.00</u> | <u>\$14,190,853.00</u> |
| Business-type activities | | | | | | | | | | |
| Invested in capital assets | \$300,002.23 | \$258,074.00 | \$213,659.00 | \$212,811.00 | \$135,246.00 | \$31,950.00 | \$29,583.00 | \$37,774.00 | \$56,276.00 | \$44,930.00 |
| Net of related debt | 1,029,015.00 | 878,641.00 | 641,299.00 | 657,715.00 | 559,412.00 | 482,821.00 | 411,081.00 | 106,122.00 | 33,332.00 | 34,361.00 |
| Unrestricted | <u>\$1,329,017.23</u> | <u>\$1,136,715.00</u> | <u>\$854,958.00</u> | <u>\$870,526.00</u> | <u>\$694,658.00</u> | <u>\$514,771.00</u> | <u>\$440,664.00</u> | <u>\$143,896.00</u> | <u>\$89,608.00</u> | <u>\$79,291.00</u> |
| Total business-type activities net position | | | | | | | | | | |
| District-wide | | | | | | | | | | |
| Net investment in capital assets | \$22,831,141.89 | \$20,454,888.00 | \$1,590,736.00 | \$7,552,271.00 | \$35,113,750.00 | \$35,416,770.00 | \$34,876,019.00 | \$33,611,400.00 | \$32,207,882.00 | \$30,860,008.00 |
| Restricted | 10,696,362.24 | 11,723,880.00 | 18,569,971.00 | 22,997,089.00 | 14,972,059.00 | 17,000,288.00 | 14,992,829.00 | 13,610,139.00 | 14,849,605.00 | 15,509,194.00 |
| Unrestricted (deficit) | (47,006,258.05) | (46,077,581.00) | 4,107,088.00 | 6,240,767.00 | (23,451,558.00) | (27,714,591.00) | (31,273,666.00) | (28,339,627.00) | (30,543,760.00) | (32,099,058.00) |
| Total district net position | <u>(\$13,478,753.92)</u> | <u>(\$13,898,713.00)</u> | <u>\$24,267,795.00</u> | <u>\$36,790,127.00</u> | <u>\$26,634,251.00</u> | <u>\$24,702,467.00</u> | <u>\$18,597,182.00</u> | <u>\$18,881,912.00</u> | <u>\$16,513,727.00</u> | <u>\$14,270,144.00</u> |

Source: CAFR Schedule A-1
a - In FY2015 the District Implemented GASB 68

HAMILTON TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION

UNAUDITED

| | 2016 (a) | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| EXPENSES | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular | 92,709,469 | 58,632,133 | 60,854,903 | 58,078,633 | 57,542,173 | 56,644,936 | 58,734,661 | 57,509,025 | 56,688,007 | 53,224,161 |
| Special | 41,453,048 | 14,551,457 | 14,321,087 | 13,989,305 | 13,801,887 | 13,518,058 | 13,214,235 | 12,954,873 | 11,282,110 | 10,652,403 |
| Other Special Instruction | | 2,415,155 | 2,267,227 | 2,087,632 | 1,997,707 | 2,656,243 | 2,666,036 | 2,070,034 | 1,737,794 | 1,852,167 |
| Other Instruction | 9,480,370 | 1,912,608 | 1,878,879 | 1,703,016 | 1,603,512 | 1,550,901 | 1,946,457 | 1,866,988 | 1,864,552 | 1,845,270 |
| Adult & Continuing Education | | 515,677 | 546,798 | 472,555 | 418,597 | 380,526 | 395,249 | 182,346 | 116,425 | 124,595 |
| Support services: | | | | | | | | | | |
| Tuition | | 13,067,142 | 11,952,190 | 11,427,609 | 12,325,903 | 11,986,301 | 14,278,138 | 14,434,346 | 15,465,302 | 15,467,314 |
| Student and instruction related services | 34,635,285 | 20,561,119 | 20,294,216 | 19,351,059 | 17,570,726 | 17,720,805 | 18,665,884 | 18,005,643 | 18,200,292 | 16,504,115 |
| School administrative services | 13,880,742 | 7,207,052 | 6,681,153 | 6,825,173 | 6,610,884 | 7,476,233 | 7,838,009 | 6,605,251 | 6,431,418 | 6,097,117 |
| General and business administrative services | 6,440,639 | 5,066,329 | 5,406,001 | 4,568,523 | 3,308,212 | 2,667,510 | 2,878,525 | 3,539,334 | 2,454,945 | 3,507,882 |
| Plant operations and maintenance | 21,548,995 | 15,475,436 | 15,984,777 | 14,020,550 | 14,500,756 | 14,397,901 | 16,257,557 | 15,794,536 | 14,396,886 | 13,600,828 |
| Pupil transportation | 9,800,436 | 9,362,502 | 9,083,391 | 8,963,800 | 8,668,131 | 8,152,631 | 9,406,726 | 9,365,011 | 8,993,008 | 8,071,672 |
| Unallocated Employee Benefits | 4,507 | 68,434,896 | 49,815,775 | 50,015,952 | 46,651,663 | 41,394,402 | 41,377,401 | 36,677,917 | 40,790,886 | 41,006,844 |
| Special Schools | 153,449 | 122,412 | 115,947 | 123,795 | 135,387 | 136,290 | 127,472 | 126,980 | 135,006 | 133,435 |
| Interest on Long-Term Debt | 1,200,529 | 1,501,509 | 1,449,546 | 1,259,791 | 2,117,376 | 2,290,847 | 2,398,863 | 2,899,135 | 2,669,484 | 2,766,469 |
| Unallocated Compensated Absences | | (452,388) | (365,399) | (38,241) | (36,241) | | | | | |
| Amortization of Debt Issuance Costs | | | | 245,027 | | | | | | |
| Unallocated depreciation | 3,547,882 | 677,208 | 2,536,407 | 2,602,431 | 1,069,061 | 1,050,649 | 1,180,987 | 1,236,364 | 1,209,475 | 1,301,129 |
| Total governmental activities expenses | 234,855,342 | 219,050,247 | 202,842,688 | 196,686,610 | 188,321,985 | 182,024,233 | 191,366,209 | 183,069,793 | 182,405,290 | 176,155,401 |
| Business-type activities: | | | | | | | | | | |
| Food Service | 3,057,843 | 3,180,243 | 3,200,594 | 3,178,209 | 3,082,251 | 2,985,544 | 3,299,836 | 3,500,514 | 3,349,290 | 3,216,693 |
| Total business-type activities expense | 3,057,843 | 3,180,243 | 3,200,594 | 3,178,209 | 3,082,251 | 2,985,544 | 3,299,836 | 3,500,514 | 3,349,290 | 3,216,693 |
| Total district expenses | 237,913,185 | 222,230,490 | 206,043,282 | 199,864,819 | 191,404,236 | 185,019,777 | 194,666,045 | 186,570,307 | 185,754,580 | 179,372,094 |
| PROGRAM REVENUES | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Grants and contributions | 52,512,774 | 42,526,203 | 7,821,185 | 8,157,538 | 13,191,193 | 10,949,173 | 10,771,333 | 10,347,742 | 16,328,458 | 16,394,651 |
| Interest on Long-Term Debt | | 226,332 | 225,604 | 225,571 | 226,043 | 225,635 | 419,657 | 444,560 | 442,785 | 967,609 |
| Total governmental activities program revenues | 52,512,774 | 42,752,535 | 8,046,789 | 8,383,109 | 13,417,236 | 11,175,008 | 11,190,990 | 10,792,302 | 16,771,243 | 17,362,460 |

HAMILTON TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
UNAUDITED

| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| PROGRAM REVENUES | | | | | | | | | | |
| Business-type activities: | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Food Service | \$901,625.00 | \$966,675.00 | \$1,010,070.00 | \$1,097,279.00 | \$1,316,446.00 | \$1,280,184.00 | \$1,431,676.00 | \$1,622,650.00 | \$1,552,572.00 | \$1,661,839.00 |
| Operating grants and contributions | 2,339,220.00 | 2,495,325.00 | 2,174,956.00 | 2,256,798.00 | 1,944,034.00 | 1,788,587.00 | 1,805,361.00 | 1,571,294.00 | 1,413,593.00 | 1,260,620.00 |
| Total business-type activities program revenues | 3,240,845.00 | 3,462,000.00 | 3,185,026.00 | 3,354,077.00 | 3,260,480.00 | 3,068,771.00 | 3,237,037.00 | 3,193,944.00 | 2,966,165.00 | 2,922,459.00 |
| Total district program revenues | \$55,753,618.96 | \$46,214,535.00 | \$11,231,815.00 | \$11,737,186.00 | \$16,677,716.00 | \$14,245,779.00 | \$14,428,027.00 | \$13,986,246.00 | \$19,737,408.00 | \$20,284,919.00 |
| NET (EXPENSE)/REVENUE | | | | | | | | | | |
| Governmental activities | (\$182,342,567.65) | (\$176,297,712.00) | (\$194,796,109.00) | (\$187,303,501.00) | (\$174,904,749.00) | (\$170,849,225.00) | (\$180,175,219.00) | (\$172,277,491.00) | (\$165,634,047.00) | (\$158,792,941.00) |
| Business-type activities | 183,002.00 | 281,757.00 | (15,568.00) | 175,868.00 | 178,229.00 | 73,227.00 | (62,788.00) | (306,570.00) | (983,125.00) | (294,234.00) |
| Total district-wide net expense | (\$182,159,565.65) | (\$176,015,955.00) | (\$194,811,677.00) | (\$187,127,633.00) | (\$174,726,520.00) | (\$170,775,998.00) | (\$180,238,018.00) | (\$172,584,061.00) | (\$166,617,172.00) | (\$159,087,175.00) |
| GENERAL REVENUES AND OTHER CHANGES | | | | | | | | | | |
| IN NET POSITION | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Property taxes levied for general purposes, net | \$102,609,694.00 | \$100,597,740.00 | \$98,625,236.00 | \$96,839,447.00 | \$94,940,634.00 | \$94,940,634.00 | \$92,579,869.00 | \$92,579,869.00 | \$92,579,869.00 | \$91,928,223.00 |
| Taxes levied for debt service | 4,933,368.00 | 3,807,850.00 | 1,960,445.00 | 3,764,868.00 | 537,200.00 | 1,840,961.00 | 3,795,070.00 | 3,953,676.00 | 4,360,177.00 | 4,474,401.00 |
| Unrestricted Grants and Contributions | 74,016,975.00 | 77,264,566.00 | 89,645,931.00 | 91,000,537.00 | 74,407,106.00 | 69,307,966.00 | 72,723,010.00 | 69,200,236.00 | 58,464,876.00 | 55,969,158.00 |
| Restricted Grants and Contributions | 209,103.00 | | | 1,070,199.00 | 5,535,459.00 | 9,538,769.00 | 9,660,142.00 | 7,983,778.00 | 10,279,585.00 | 8,334,987.00 |
| Tuition Received | 2,451,537.00 | | | 28,791.00 | | | | 71,806.00 | 53,398.00 | 68,841.00 |
| Investment Earnings | | 1,710,596.00 | 1,675,500.00 | 3,742,424.00 | 395,856.00 | 387,158.00 | 391,121.00 | 908,983.00 | 1,528,948.00 | 1,645,256.00 |
| Miscellaneous Income | | | | | 1,145,364.00 | 1,128,348.00 | 1,057,530.00 | 844,818.00 | 1,069,916.00 | 814,557.00 |
| Special Item(s): | | | | | | | | | | |
| Refund of Overpayment ERI Liability | | | | | | (198,704.00) | | | | |
| Retirement ERI Liability | | | | | | (5,924.00) | | | | |
| Transfer - Charter School/Disposal of Assets | | 6,659,956.00 | (9,076,754.00) | (365,295.00) | (265,474.00) | (198,704.00) | (253,650.00) | (191,195.00) | (119,455.00) | (181,374.00) |
| Transfers - Business - Type Activities | | | | | (69,487.00) | (58,803.00) | (359,371.00) | (360,585.00) | (350,000.00) | (350,000.00) |
| Total governmental activities | 184,220,677.00 | 190,040,708.00 | 182,830,358.00 | 196,080,971.00 | 176,656,648.00 | 176,880,405.00 | 179,593,721.00 | 174,591,386.00 | 167,867,314.00 | 162,704,049.00 |
| Business-type activities: | | | | | | | | | | |
| Investment Earnings | | | | | 1,249.00 | 1,290.00 | 195.00 | 274.00 | 267.00 | 407.00 |
| Miscellaneous Income | 8,248.00 | | | | | | | | 43,176.00 | |
| Transfers | | | | | 1,249.00 | 1,290.00 | 359,371.00 | 360,585.00 | 350,000.00 | 350,000.00 |
| Total business-type activities | 8,248.00 | | | | 1,249.00 | 1,290.00 | 359,371.00 | 360,859.00 | 393,443.00 | 350,407.00 |
| Total district-wide | \$184,228,925.00 | \$190,040,708.00 | \$182,830,358.00 | \$196,080,971.00 | \$176,657,897.00 | \$176,881,695.00 | \$179,953,287.00 | \$174,952,245.00 | \$168,260,757.00 | \$163,054,456.00 |
| CHANGE IN NET POSITION | | | | | | | | | | |
| Governmental activities | \$1,878,109.35 | \$13,742,996.00 | (\$11,965,751.00) | \$8,777,470.00 | \$1,751,899.00 | \$6,031,180.00 | (\$581,498.00) | \$2,313,895.00 | \$2,233,287.00 | \$3,911,108.00 |
| Business-type activities | 191,250.00 | 281,757.00 | (15,568.00) | 175,868.00 | 179,478.00 | 74,517.00 | 296,767.00 | 54,289.00 | 10,318.00 | 56,173.00 |
| Total district | \$2,069,359.35 | \$14,024,753.00 | (\$11,981,319.00) | \$8,953,338.00 | \$1,931,377.00 | \$6,105,697.00 | (\$284,731.00) | \$2,368,184.00 | \$2,243,585.00 | \$3,967,281.00 |

Source: CAFR Schedule A-2

HAMILTON TOWNSHIP SCHOOL DISTRICT
 FUND BALANCES - GOVERNMENTAL FUNDS
 UNAUDITED

| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| General Fund | | | | | | | | | | |
| Nonspendable | \$264,171.00 | \$348,053.00 | \$391,296.00 | \$383,920.00 | \$424,961.00 | \$475,122.00 | \$10,712,690.00 | \$9,448,647.00 | \$10,517,383.00 | \$6,601,549.00 |
| Restricted | 9,891,211.00 | 11,765,420.00 | 13,098,902.00 | 19,902,682.00 | 14,018,292.00 | 10,923,504.00 | 532,731.00 | 4,203,946.00 | 1,991,395.00 | 3,940,629.00 |
| Assigned | 10,202,470.00 | 5,151,055.00 | 4,496,311.00 | 5,084,417.00 | 534,457.00 | 1,236,737.00 | | | | |
| Unassigned | | 3,057,395.00 | 621,815.00 | | 2,643,886.00 | 4,018,710.00 | | | | |
| Reserved | | | | | | | | | | |
| Unreserved | \$20,357,852.00 | \$20,321,923.00 | \$18,608,324.00 | \$25,371,019.00 | \$17,621,296.00 | \$16,654,073.00 | \$11,245,421.00 | \$13,662,593.00 | \$12,508,778.00 | \$10,542,176.00 |
| Total general fund | | | | | | | | | | |
| All Other Governmental Funds | | | | | | | | | | |
| Restricted | \$3,115,696.00 | | | | 2,638,621.00 | 3,245,967.00 | | | | |
| Committed | 6,349,697.00 | 19,451,577.00 | 5,278,189.00 | 933,778.00 | 2,845,991.00 | 610,403.00 | | | | |
| Assigned | | 13,408.00 | 679,635.24 | 2,221,018.00 | 14,941.00 | 7,562.00 | | | | |
| Unassigned | | | 220,805.00 | | (816,325.00) | | | | | |
| Reserved - Debt Service Fund | | | | | | | \$3,222,575.00 | \$3,859,823.00 | \$4,095,687.00 | \$4,610,691.00 |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue fund (deficit) | | | | | | | | | (128,671.00) | (53,496.00) |
| Capital projects fund (deficit) | | | | | | | 407,564.00 | 1,668.00 | 261,112.00 | 261,112.00 |
| Debt service fund | | | | | | | 650,000.00 | 300,000.00 | 845,024.00 | 845,024.00 |
| Total all other governmental funds | \$9,465,393.00 | \$19,464,985.00 | \$6,178,629.24 | \$3,154,796.00 | \$4,663,228.00 | \$3,863,932.00 | \$4,280,139.00 | \$4,161,491.00 | \$5,073,152.00 | \$5,663,331.00 |

Source: CAFR Schedule B-1

HAMILTON TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
UNAUDITED

| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|---|-------------------------|------------------------|-------------------------|-----------------------|-----------------------|-----------------------|-------------------------|-----------------------|-----------------------|-----------------------|
| Revenues | | | | | | | | | | |
| Tax/levy | \$107,543,062.00 | \$104,405,590.00 | \$100,565,681.00 | \$100,565,681.00 | \$95,477,834.00 | \$96,781,595.00 | \$96,374,939.00 | \$96,133,545.00 | \$96,940,046.00 | \$96,402,624.00 |
| Tuition charges | 84,020.00 | 148,365.00 | 81,018.00 | 81,018.00 | | | | 71,806.00 | 53,398.00 | 68,841.00 |
| Interest earnings | 41,537.00 | | | | 395,856.00 | 387,158.00 | 391,121.00 | 908,983.00 | 1,645,256.00 | |
| Transportation Fees | | 23,474.00 | | | | | | | | |
| Miscellaneous | 2,355,480.00 | 1,822,007.00 | 1,680,874.00 | 1,680,874.00 | 1,145,364.00 | 1,129,348.00 | 1,057,530.00 | 844,818.00 | 1,069,916.00 | 814,557.00 |
| State sources | 95,229,398.00 | 95,304,382.00 | 90,889,352.00 | 90,889,352.00 | 86,344,375.00 | 81,703,061.00 | 74,648,655.00 | 81,870,588.00 | 79,927,562.00 | 76,217,756.00 |
| Federal sources | 6,359,294.00 | 6,046,849.00 | 6,797,994.00 | 6,797,994.00 | 7,015,426.00 | 8,318,682.00 | 18,925,487.00 | 6,105,729.00 | 6,054,141.00 | 5,448,849.00 |
| Total revenue | <u>211,812,791.00</u> | <u>207,750,667.00</u> | <u>200,034,919.00</u> | <u>200,034,919.00</u> | <u>190,378,855.00</u> | <u>188,319,844.00</u> | <u>191,397,732.00</u> | <u>185,935,469.00</u> | <u>185,574,011.00</u> | <u>180,597,883.00</u> |
| Expenditures | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular Instruction | 53,707,869.96 | 59,282,133.00 | 60,854,903.00 | 58,078,633.00 | 55,730,240.00 | 55,069,044.00 | 57,013,683.00 | 55,727,630.00 | 54,745,182.00 | 51,356,884.00 |
| Special education instruction | 21,939,443.42 | 14,651,457.00 | 14,321,087.00 | 13,989,305.00 | 13,857,310.00 | 13,424,959.00 | 13,214,235.00 | 12,949,948.00 | 11,318,875.00 | 10,553,612.00 |
| Other Special Instruction | 3,023,155.74 | 2,415,155.00 | 2,267,227.00 | 2,087,632.00 | 1,997,707.00 | 2,656,243.00 | 2,666,035.00 | 2,070,034.00 | 1,737,794.00 | 1,852,167.00 |
| Other instruction | 1,945,144.56 | 1,912,608.00 | 1,878,879.00 | 1,703,016.00 | 1,603,512.00 | 1,550,901.00 | 1,946,457.00 | 1,866,998.00 | 1,864,552.00 | 1,845,270.00 |
| Adult/Continuing Education | 509,308.57 | 515,677.00 | 546,798.00 | 472,555.00 | 418,597.00 | 380,526.00 | 395,249.00 | 182,346.00 | 116,425.00 | 124,595.00 |
| Support Services: | | | | | | | | | | |
| Tuition | 10,999,527.45 | 13,067,142.00 | 11,952,190.00 | 11,427,609.00 | 12,325,903.00 | 11,986,301.00 | 14,278,138.00 | 14,434,346.00 | 15,465,302.00 | 15,467,314.00 |
| Student and instruction related services | 20,987,167.26 | 20,561,119.00 | 20,294,216.00 | 19,351,059.00 | 17,570,726.00 | 17,720,805.00 | 18,665,884.00 | 18,005,643.00 | 18,200,292.00 | 16,504,115.00 |
| General administrative services | 2,307,286.59 | 5,066,325.00 | 5,406,001.00 | 4,466,825.00 | 3,204,399.00 | 2,447,729.00 | 2,472,249.00 | 3,968,313.00 | 2,215,974.00 | 3,507,882.00 |
| School administrative services | 7,399,526.34 | 7,207,052.00 | 6,681,153.00 | 6,825,173.00 | 6,610,894.00 | 7,476,233.00 | 7,838,009.00 | 6,605,251.00 | 6,431,418.00 | 6,097,117.00 |
| Central Services/Adm Technology | 3,161,484.94 | | | | | | | | | |
| Plant operations and maintenance | 16,722,481.64 | 15,517,465.00 | 15,073,490.00 | 14,020,550.00 | 14,288,583.00 | 14,397,901.00 | 16,257,557.00 | 15,794,536.00 | 14,396,586.00 | 13,600,828.00 |
| Pupil transportation | 9,670,548.56 | 9,362,502.00 | 9,093,391.00 | 8,963,800.00 | 8,668,131.00 | 8,152,631.00 | 9,406,726.00 | 9,965,011.00 | 8,993,008.00 | 8,071,672.00 |
| Unallocated benefits | 51,640,114.29 | 50,080,151.00 | 48,792,088.00 | 50,028,843.00 | 46,561,482.00 | 42,431,071.00 | 39,998,011.00 | 36,564,207.00 | 40,943,900.00 | 40,790,058.00 |
| Special schools | 106,893.74 | 122,412.00 | 115,947.00 | 123,795.00 | 135,387.00 | 136,290.00 | 127,472.00 | 128,980.00 | 135,006.00 | 133,435.00 |
| Capital Outlay | 15,286,159.76 | 9,272,756.00 | 2,269,505.00 | 3,498,503.00 | 816,823.00 | 571,925.00 | 3,456,438.00 | 2,870,555.00 | 1,773,824.00 | 1,833,302.00 |
| Cost of issuance | 102,378.00 | | | | | | | | | |
| Debt service: | | | | | | | | | | |
| Principal | 3,950,000.00 | 3,150,000.00 | 3,005,000.00 | 2,910,000.00 | 2,315,000.00 | 2,345,000.00 | 2,095,000.00 | 1,980,000.00 | 2,935,000.00 | 2,835,000.00 |
| Interest and other charges | 899,054.00 | 1,091,579.00 | 1,194,654.00 | 1,522,228.00 | 2,222,166.00 | 2,321,333.00 | 2,419,726.00 | 2,612,964.00 | 2,708,096.00 | 2,796,915.00 |
| Total expenditures | <u>223,757,544.82</u> | <u>213,175,537.00</u> | <u>203,746,329.00</u> | <u>199,469,626.00</u> | <u>188,326,860.00</u> | <u>183,068,892.00</u> | <u>192,250,869.00</u> | <u>184,526,762.00</u> | <u>183,981,234.00</u> | <u>177,370,166.00</u> |
| Excess (Deficiency) of revenues over (under) expenditures | (12,144,753.82) | (6,424,870.00) | (3,711,410.00) | 565,293.00 | 2,051,995.00 | 5,250,952.00 | (853,137.00) | 1,408,707.00 | 1,592,777.00 | 3,227,717.00 |
| Other Financing sources (uses) | | | | | | | | | | |
| Capital leases (non-budgeted) | 2,500,000.00 | | | | | | | | | |
| Proceeds from Refunding | 10,220,778.05 | | | | | | | 6,743,457.00 | | |
| Payment to escrow Agent | (10,118,400.00) | | | | | | (747.00) | (6,969,681.00) | | |
| Payment/Receipt ERI Liability Escrow | | | | | | | | | | |
| Transfers In | | | | | 4,703,849.00 | 1,949,538.00 | 2,316,681.00 | | 12,873.00 | 199,690.00 |
| Transfers Out | | (922,540.00) | (707,087.00) | (340,995.00) | (4,969,323.00) | (2,208,045.00) | (3,751,322.00) | (675,728.00) | (494,829.00) | (699,534.00) |
| Total other financing sources (uses) | <u>2,602,378.05</u> | <u>21,104,460.00</u> | <u>(707,087.00)</u> | <u>(340,995.00)</u> | <u>(285,474.00)</u> | <u>(258,507.00)</u> | <u>(1,435,388.00)</u> | <u>(901,952.00)</u> | <u>(481,956.00)</u> | <u>(499,844.00)</u> |
| Net change in fund balances | <u>(\$9,542,375.77)</u> | <u>\$15,679,590.00</u> | <u>(\$4,418,497.00)</u> | <u>\$224,298.00</u> | <u>\$1,786,521.00</u> | <u>\$4,992,445.00</u> | <u>(\$2,288,525.00)</u> | <u>\$506,755.00</u> | <u>\$1,110,821.00</u> | <u>\$2,727,873.00</u> |
| Debt service as a percentage of noncapital expenditures | 2.33% | 2.08% | 2.06% | 2.26% | 2.42% | 2.56% | 2.39% | 2.53% | 3.10% | 3.21% |

Source: CAFR Schedule B-2

HAMILTON TOWNSHIP SCHOOL DISTRICT
 GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
 UNAUDITED

| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Interest on Investments & Deposits \$ | 237,017.75 | \$ 262,404.00 | \$ 302,161.00 | \$ 230,428.00 | \$ 395,856.00 | \$ 387,158.00 | \$ 391,121.00 | \$ 853,762.00 | \$ 1,528,948.00 | \$ 1,524,052.00 |
| Athletic Receipts | 45,468.00 | 46,388.00 | 44,636.00 | 39,506.00 | 38,261.00 | 36,053.00 | 33,077.00 | 32,951.00 | 35,818.00 | 30,401.00 |
| Facility Rental Fees | 193,458.00 | 158,803.00 | 172,720.00 | 208,852.00 | 58,893.00 | 64,528.00 | 56,691.00 | 45,976.00 | 54,181.00 | 49,464.00 |
| Transportation Fees | 792.00 | 24,074.00 | 53,977.00 | 43,388.00 | 103,406.00 | 30,125.00 | 47,785.00 | 29,116.00 | 87,938.00 | 15,737.00 |
| Other Miscellaneous Revenues | 588,854.68 | 271,727.00 | 353,323.00 | 2,387,000.00 | 447,634.00 | 419,261.00 | 286,179.00 | 219,021.00 | 324,284.00 | 322,760.00 |
| Refund of Prior Year Expenditures | 820,425.18 | 384,655.00 | 604,659.00 | 392,795.00 | 64,275.00 | 10,762.00 | 114,716.00 | 103,545.00 | 136,849.00 | 134,780.00 |
| Tuition - Individuals & State | 145,544.39 | 148,365.00 | | 320,000.00 | 320,000.00 | 71,999.00 | 68,768.00 | 318,000.00 | 212,800.00 | 107,600.00 |
| Payments in Lieu of Taxes | 320,000.00 | 320,000.00 | 40,532.00 | 52,027.00 | 61,329.00 | 320,000.00 | 320,000.00 | 51,860.00 | 64,167.00 | 72,270.00 |
| Community Education | | 57,657.00 | | | 5,915.00 | 4,750.00 | 11,380.00 | 15,087.00 | 21,952.00 | 28,640.00 |
| Travel Program | | | | | | | | | | |
| | <u>2,351,560.00</u> | <u>1,674,073.00</u> | <u>1,572,008.00</u> | <u>3,673,996.00</u> | <u>1,495,569.00</u> | <u>1,405,279.00</u> | <u>1,372,708.00</u> | <u>1,669,318.00</u> | <u>2,466,937.00</u> | <u>2,285,704.00</u> |

Source: District Records

HAMILTON TOWNSHIP SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 UNAUDITED

| Fiscal Year Ended June 30, | Vacant Land | Residential | Farm Req. | OFARM | Commercial | Industrial | Apartment | Total Assessed Value | Public Utilities (a) | Net Valuation Taxable | Tax Exempt Property | Est. Actual (County Equalized Value) | Total Direct School Tax Rate (b) | Ratio to True Value |
|----------------------------|--------------|-----------------|--------------|-------------|---------------|--------------|---------------|----------------------|----------------------|-----------------------|---------------------|--------------------------------------|----------------------------------|---------------------|
| 2015 | \$50,937,969 | \$3,874,408,400 | \$13,271,850 | \$1,543,765 | \$935,126,700 | \$93,188,700 | \$181,058,100 | \$5,149,535,474 | \$16,005,511 | \$5,165,540,985 | \$477,993,411 | \$8,713,857,913 | 2.052 | 59.28% |
| 2014 | 48,863,059 | 3,866,022,600 | 13,307,150 | 1,710,726 | 955,339,980 | 98,057,000 | 167,141,200 | 5,149,941,715 | 16,360,925 | 5,166,302,640 | 477,640,881 | 8,476,394,360 | 1,980 | 60.95% |
| 2013 | 48,771,459 | 3,869,025,150 | 13,327,250 | 1,999,226 | 958,866,350 | 98,337,900 | 159,106,700 | 5,139,254,035 | 18,516,361 | 5,157,770,396 | 475,285,481 | 8,312,838,274 | 1,950 | 62.05% |
| 2012 | 50,915,209 | 3,856,632,500 | 14,226,550 | 1,772,042 | 960,241,400 | 99,139,400 | 156,687,750 | 5,139,614,851 | 18,695,945 | 5,158,310,796 | 480,244,473 | 9,160,155,030 | 1,860 | 56.31% |
| 2011 | 52,441,009 | 3,856,470,550 | 14,348,350 | 1,745,202 | 972,705,800 | 91,370,800 | 150,129,200 | 5,139,210,911 | 17,779,026 | 5,156,989,937 | 481,345,473 | 9,825,524,148 | 1,860 | 52.49% |
| 2010 | 53,010,909 | 3,849,953,450 | 13,765,450 | 1,762,711 | 996,733,500 | 94,652,000 | 152,721,100 | 5,162,599,120 | 18,661,711 | 5,181,260,831 | 487,099,013 | 10,455,312,066 | 1,860 | 49.56% |
| 2009 | 67,175,459 | 3,848,536,560 | 14,173,550 | 3,013,176 | 981,648,650 | 96,414,400 | 156,514,000 | 5,167,475,795 | 15,953,486 | 5,183,429,281 | 487,394,013 | 10,444,604,711 | 1,860 | 49.63% |
| 2008 | 75,950,509 | 3,838,193,850 | 13,756,500 | 1,909,085 | 986,974,800 | 96,760,100 | 155,647,200 | 5,170,192,044 | 15,208,497 | 5,185,400,541 | 484,085,501 | 10,114,275,612 | 1,860 | 51.27% |
| 2007 | 67,892,359 | 3,816,408,000 | 13,718,250 | 2,171,145 | 958,845,904 | 98,156,400 | 155,900,800 | 5,112,892,858 | 15,731,428 | 5,128,624,286 | 479,988,665 | 9,361,748,161 | 1,880 | 54.76% |
| 2006 | 65,741,059 | 3,763,560,000 | 14,979,500 | 2,269,521 | 936,675,050 | 99,838,900 | 138,456,400 | 5,041,520,430 | 18,139,869 | 5,059,660,299 | 476,770,589 | 7,955,591,150 | 1,840 | 63.60% |

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
UNAUDITED

| Fiscal Year Ended June 30, | Township of Hamilton Board of Education | | | Overlapping Rates | | Total Direct and Overlapping Tax Rate |
|----------------------------------|---|---|-----------------|-------------------------|------------------|---|
| | Local School | General Obligation Debt Service (b) | Total Direct | Township of Hamilton | Mercer County | |
| 2016* | \$1.232 | \$0.059 | \$1.291 | \$0.794 | \$0.619 | \$2.704 |
| 2015 | 2.052 | 0.000 | 2.052 | 1.322 | 0.975 | 4.349 |
| 2014 | 1.984 | 0.000 | 1.984 | 1.318 | 0.979 | 4.281 |
| 2013 | 1.950 | 0.000 | 1.950 | 1.200 | 0.960 | 4.110 |
| 2012 | 1.860 | 0.000 | 1.860 | 1.200 | 0.940 | 4.000 |
| 2011 | 1.860 | 0.000 | 1.860 | 1.180 | 0.920 | 3.960 |
| 2010 | 1.860 | 0.000 | 1.860 | 1.170 | 0.980 | 4.010 |
| 2009* | 1.860 | 0.000 | 1.860 | 1.170 | 0.970 | 4.000 |
| 2008 | 1.860 | 0.000 | 1.860 | 1.190 | 0.910 | 3.960 |
| 2007 | 1.880 | 0.000 | 1.880 | 0.810 | 0.860 | 3.550 |

* - Revaluation

Source: District Records and Municipal Tax Collector
(Rates are per \$100 of assessed value)

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

(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

| <u>Taxpayer</u> | 2016 | | | 2007 | | |
|-----------------------------|-------------------------------|------------------------|---|-------------------------------|------------------------|---|
| | <u>Taxable Assessed Value</u> | <u>Rank [Optional]</u> | <u>% of Total District Net Assessed Value</u> | <u>Taxable Assessed Value</u> | <u>Rank [Optional]</u> | <u>% of Total District Net Assessed Value</u> |
| JDN | \$91,075,000.00 | 1 | 1.070% | N/A | | |
| PSEG | 87,748,200.00 | 2 | 1.030% | N/A | | |
| QB Partners | 43,750,000.00 | 3 | 0.520% | N/A | | |
| Bell Atlantic | 33,391,636.00 | 4 | 0.400% | N/A | | |
| Horizon Bus. Park | 33,742,900.00 | 5 | 0.390% | N/A | | |
| Levin Properties | 31,589,500.00 | 6 | 0.370% | N/A | | |
| Sharbell Hamilton | 29,062,800.00 | 7 | 0.340% | N/A | | |
| Cabot Realty LLC | 26,300,800.00 | 8 | 0.310% | N/A | | |
| Hamilton Station Apartments | 24,588,900.00 | 9 | 0.290% | N/A | | |
| Kusar Village | 23,369,000.00 | 10 | 0.280% | N/A | | |
| Total | \$424,618,736.00 | | 5.000% | \$0.00 | | 0.000% |

Source: Municipal Tax Assessor

HAMILTON TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
UNAUDITED

| <u>Fiscal Year</u> <u>Ended</u> <u>June 30,</u> | <u>Taxes Levied</u> <u>for the</u> <u>Fiscal Year</u> | <u>Collected within the Fiscal Year of the Levy (a)</u> | | <u>Collections in</u> <u>Subsequent Years</u> |
|---|---|---|-------------------------------------|--|
| | | <u>Amount</u> | <u>Percentage</u> <u>of Levy</u> | |
| 2016 | \$107,543,062.00 | \$107,543,062.00 | 100.00% | 0.00 |
| 2015 | 104,405,590.00 | 104,405,590.00 | 100.00% | 0.00 |
| 2014 | 100,585,681.00 | 100,585,681.00 | 100.00% | 0.00 |
| 2013 | 100,604,315.00 | 100,604,315.00 | 100.00% | 0.00 |
| 2012 | 96,578,267.00 | 96,578,267.00 | 100.00% | 0.00 |
| 2011 | 96,578,267.00 | 96,578,267.00 | 100.00% | 0.00 |
| 2010 | 96,254,242.00 | 96,254,242.00 | 100.00% | 0.00 |
| 2009 | 96,536,796.00 | 96,536,796.00 | 100.00% | 0.00 |
| 2008 | 96,671,335.00 | 96,671,335.00 | 100.00% | 0.00 |
| 2007 | 93,246,644.00 | 93,246,644.00 | 100.00% | 0.00 |

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 is the amount voted upon or certified prior to the end of the school year.

HAMILTON TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
UNAUDITED

| Fiscal Year Ended <u>June 30,</u> | <u>Governmental Activities</u> | | Total <u>District</u> | Percentage of Personal <u>Income (a)</u> | <u>Per Capita (a)</u> |
|---|---|--------------------------|--------------------------|--|-----------------------|
| | General Obligation <u>Bonds (b)</u> | Capital <u>Leases</u> | | | |
| 2016 | \$35,515,000 | \$23,492,432 | \$59,007,432 | N/A | N/A |
| 2015 | 40,375,000 | 21,377,000 | 61,752,000 | N/A | 693.61 |
| 2014 | 42,705,000 | 820,000 | 43,525,000 | 0.818% | 489.49 |
| 2013 | 17,285,000 | 850,000 | 18,135,000 | 0.359% | 204.24 |
| 2012 | 44,300,000 | 1,950,000 | 46,250,000 | 0.966% | 526.20 |
| 2011 | 45,885,000 | 3,090,000 | 48,975,000 | 1.053% | 552.95 |
| 2010 | 47,525,000 | 3,795,000 | 51,320,000 | 1.112% | 566.41 |
| 2009 | 48,940,000 | 4,475,000 | 53,415,000 | 1.100% | 591.67 |
| 2008 | 50,225,000 | 5,140,000 | 55,365,000 | 1.173% | 616.52 |
| 2007 | 52,515,000 | 5,959,547 | 58,474,547 | 1.300% | 654.58 |

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 state

(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.

(b) Includes Early Retirement Incentive Plan (ERIP) refunding

N/A - Not available

HAMILTON TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET BONDED DEBT OUTSTANDING
UNAUDITED

| Fiscal Year Ended <u>June 30,</u> | <u>General Bonded Debt Outstanding</u> | | | Percentage of Actual Taxable Value (a) of <u>Property</u> | <u>Per Capita (b)</u> |
|---|---|-------------------|--|--|-----------------------|
| | <u>General Obligation Bonds</u> | <u>Deductions</u> | <u>Net General Bonded Debt Outstanding</u> | | |
| 2016 | \$35,515,000 | N/A | \$35,515,000 | N/A | N/A |
| 2015 | 40,375,000 | N/A | 40,375,000 | 0.780% | N/A |
| 2014 | 42,705,000 | N/A | 42,705,000 | 0.830% | 480 |
| 2013 | 17,285,000 | N/A | 17,285,000 | 0.340% | 195 |
| 2012 | 44,300,000 | N/A | 44,300,000 | 0.340% | 500 |
| 2011 | 45,885,000 | N/A | 45,885,000 | 0.890% | 518 |
| 2010 | 47,525,000 | N/A | 47,525,000 | 0.920% | 525 |
| 2009 | 48,940,000 | N/A | 48,940,000 | 0.940% | 542 |
| 2008 | 50,225,000 | N/A | 50,225,000 | 0.970% | 559 |
| 2007 | 52,515,000 | N/A | 52,515,000 | 1.020% | 588 |

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

(a) See Exhibit J-6 for property tax data.

(b) Population data can be found in Exhibit J-14.

HAMILTON TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2015
UNAUDITED

| <u>Governmental Unit</u> | <u>Gross Debt Outstanding</u> | <u>Estimated Percentage Applicable (a)</u> | <u>Estimated Share of Overlapping Debt</u> |
|--------------------------------------|-----------------------------------|--|--|
| Overlapping Debts: | | | |
| Township of Hamilton | \$177,693,627.00 | 100.00% | \$177,693,627.00 |
| County of Mercer - Township's Share | 452,395,186.00 | 20.15% | <u>91,157,629.98</u> |
| Subtotal, overlapping debt | | | <u>268,851,256.98</u> |
| Hamilton School District Direct Debt | | | <u>37,255,000.00</u> |
| Total direct and overlapping debt | | | <u><u>\$306,106,256.98</u></u> |

Source: Township of Hamilton, Statement of Indebtedness as of December 31, 2015
Debt outstanding data provided by each governmental unit.

(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
UNAUDITED

Legal Debt Margin Calculation for Fiscal 2015:

Equalized Valuation Basis

| Calendar Year | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|---|----------------------------|------|------|------|------|------|------|------|
| 2015 | \$8,483,583,977.00 | | | | | | | |
| 2014 | 8,661,186,874.00 | | | | | | | |
| 2013 | 8,404,340,204.00 | | | | | | | |
| | <u>\$25,549,111,055.00</u> | | | | | | | |
| Average Equalized Valuation of Taxable Property | \$8,516,370,351.67 | | | | | | | |
| Debt Limit (4% of average equalization value) | 340,654,814.07 | | | | | | | |
| Net Bonded School Debt | 37,255,000.00 | | | | | | | |
| Legal Debt Margin | <u>\$303,399,814.07</u> | | | | | | | |

| | Fiscal Year Ending June 30, | | | | | | | | |
|---|-----------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
| Debt Limit | \$340,654,814.07 | \$367,159,906.00 | \$367,159,906.00 | \$382,174,527.00 | \$390,604,518.00 | \$407,827,504.00 | \$409,613,519.00 | \$393,267,759.00 | \$358,014,171.00 |
| Total Net Debt Applicable To Limit | 37,255,000.00 | 40,375,000.00 | 42,705,000.00 | 44,925,000.00 | 44,300,000.00 | 45,855,000.00 | 47,525,000.00 | 48,940,000.00 | 50,225,000.00 |
| Legal Debt Margin | <u>\$303,399,814.07</u> | <u>\$326,784,906.00</u> | <u>\$324,454,906.00</u> | <u>\$337,249,527.00</u> | <u>\$346,304,518.00</u> | <u>\$361,972,504.00</u> | <u>\$362,088,519.00</u> | <u>\$344,327,759.00</u> | <u>\$307,789,171.00</u> |
| Total Net Debt Applicable to the Limit as a % of Debt Limit | 10.94% | 11.00% | 11.63% | 11.76% | 11.34% | 11.24% | 11.60% | 12.44% | 14.03% |

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation (a) Limit set by N.J.S.A. 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

HAMILTON TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
UNAUDITED

| <u>Year</u> | <u>Population (a)</u> | <u>Personal Income (b)</u> | <u>Per Capita Personal Income (c)</u> | <u>Unemployment Rate (d)</u> |
|-------------|-----------------------|----------------------------|---|----------------------------------|
| 2015 | \$89,030 | N/A | N/A | 4.70% |
| 2014 | 88,919 | \$5,324,025,125 | \$59,875 | 6.60% |
| 2013 | 88,794 | 5,052,911,364 | 56,906 | 8.00% |
| 2012 | 88,673 | 4,827,801,485 | 54,445 | 7.98% |
| 2011 | 88,570 | 4,649,570,720 | 52,496 | 7.90% |
| 2010 | 90,605 | 4,613,244,180 | 50,916 | 7.60% |
| 2009 | 90,279 | 4,856,829,642 | 53,798 | 2.40% |
| 2008 | 89,803 | 4,721,482,528 | 52,576 | 1.90% |
| 2007 | 89,331 | 4,497,815,850 | 50,350 | 2.20% |

Source:

- (a) Population information provided by the NJ Dept. of Labor and Workforce Development.
- (b) Personal income has been estimated based upon the municipal population and per capita personal income presented.
- (c) Per capita personal income by municipality estimated based upon the 2001 Census published by the US Bureau of Economic Analysis.
- (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

| <u>Employer</u> | 2016 | | | 2006 | | |
|-----------------|-----------------------|------------------------|---------------------------------------|-----------------------|------------------------|---------------------------------------|
| | <u># of Employees</u> | <u>Rank (Optional)</u> | <u>Percentage of Total Employment</u> | <u># of Employees</u> | <u>Rank (Optional)</u> | <u>Percentage of Total Employment</u> |
| | 0 | N/A N/A | 0.00% | 0 | N/A N/A | 0.00% |

Source: Township of Hamilton Economic Development Office

HAMILTON TOWNSHIP SCHOOL DISTRICT
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
 UNAUDITED

| Function/Program | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Instruction: | | | | | | | | | | |
| Regular | 784 | 794 | 803 | 763 | 771 | 750 | 805 | 803 | 802 | 793 |
| Special education | 226 | 182 | 181 | 171 | 177 | 169 | 173 | 169 | 174 | 164 |
| Other Special Education | 74 | 74 | 63 | 75 | 74 | 73 | 78 | 76 | 74 | 74 |
| Support Services: | | | | | | | | | | |
| Student and instruction related services | 89 | 89 | 90 | 85 | 86 | 81 | 94 | 87 | 89 | 81 |
| General administrative services | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| School administrative services | 92 | 118 | 99 | 41 | 43 | 41 | 42 | 42 | 42 | 42 |
| Other administrative services | 62 | 50 | 60 | 13 | 14 | 13 | 16 | 17 | 15 | 16 |
| Central services | 23 | 24 | 24 | 6 | 6 | 6 | 7 | 7 | 7 | 7 |
| Administration information technology | 20 | 18 | 18 | 125 | 134 | 129 | 132 | 134 | 130 | 124 |
| Plant operations and maintenance | 166 | 166 | 168 | 177 | 170 | 157 | 176 | 182 | 178 | 172 |
| Pupil transportation | 10 | 10 | 11 | 7 | 7 | 8 | 9 | 9 | 9 | 8 |
| Other support services | 173 | 237 | 245 | 273 | 276 | 271 | 272 | 279 | 272 | 236 |
| Food Service | 1 | 1 | 1 | | 2 | 7 | 30 | 36 | 36 | 38 |
| Total | 1,723 | 1,766 | 1,766 | 1,739 | 1,763 | 1,708 | 1,837 | 1,844 | 1,831 | 1,758 |

Source: District Personnel Records

HAMILTON TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
 UNAUDITED

| Fiscal Year | Enrollment | Operating Expenditures (a) | Cost Per Pupil | % Change | Teaching Staff (b) | Teacher/Pupil Ratio | | | Average Daily Enrollment (c) | Average Daily Attendance (c) | % Change in Average Daily Enrollment | Student Attendance Percentage |
|-------------|------------|----------------------------|----------------|----------|--------------------|---------------------|---------------|-------------|------------------------------|------------------------------|--------------------------------------|-------------------------------|
| | | | | | | Elementary | Middle School | High School | | | | |
| 2016 | 11,671 | \$203,519,953.06 | \$17,438.09 | 6.05% | 1,108 | 1:12 | 1:12 | 1:12 | 11,673 | 11,025 | -1.97% | 94.45% |
| 2015 | 12,142 | \$199,661,202.00 | 16,443.85 | 2.98% | 976 | 1:12 | 1:12 | 1:12 | 11,908 | 11,278 | -1.32% | 94.71% |
| 2014 | 12,354 | \$197,277,370.00 | 15,968.70 | 3.83% | 984 | 1:12 | 1:12 | 1:13 | 12,067 | 11,500 | -0.15% | 95.30% |
| 2013 | 12,454 | \$191,538,895.00 | 15,379.71 | 6.63% | 934 | 1:13 | 1:12 | 1:13 | 12,085 | 11,399 | -1.96% | 94.32% |
| 2012 | 12,686 | \$182,972,871.00 | 14,423.21 | 4.67% | 948 | 1:13 | 1:12 | 1:13 | 12,327 | 11,663 | -1.55% | 94.61% |
| 2011 | 12,905 | \$177,830,634.00 | 13,779.98 | -2.28% | 1,018 | 1:13 | 1:12 | 1:14 | 12,522 | 11,784 | -1.49% | 94.11% |
| 2010 | 13,068 | \$184,279,705.00 | 14,101.60 | 5.11% | 978 | 1:13 | 1:13 | 1:13 | 12,712 | 11,956 | -1.11% | 94.06% |
| 2009 | 13,198 | \$177,063,243.00 | 13,415.91 | 2.01% | 1,197 | 1:13 | 1:13 | 1:14 | 12,854 | 12,076 | -0.45% | 93.95% |
| 2008 | 13,425 | \$176,564,314.00 | 13,151.90 | 4.86% | 1,229 | 1:13 | 1:13 | 1:15 | 12,912 | 12,181 | -1.52% | 94.34% |
| 2007 | 13,546 | \$169,904,949.00 | 12,542.81 | 3.17% | 1,192 | 1:14 | 1:13 | 1:15 | 13,111 | 12,330 | 1.26% | 94.04% |

Sources: District records

Note: Enrollment based on annual October district count.

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

(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).

N/A - Not Available

HAMILTON TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
UNAUDITED

| | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <u>District Buildings</u> | | | | | | | | | | |
| Elementary School(s): | | | | | | | | | | |
| Alexander (1962) | | | | | | | | | | |
| Square Feet | 31,997 | 31,997 | 31,997 | 31,997 | 31,997 | 31,997 | 31,997 | 31,997 | 31,977 | 31,977 |
| Capacity (students) | 245 | 245 | 245 | 245 | 245 | 245 | 245 | 245 | 252 | 245 |
| Enrollment | 407 | 390 | 392 | 400 | 370 | 365 | 351 | 318 | 313 | 318 |
| Greenwood (1917) | | | | | | | | | | |
| Square Feet | 28,398 | 28,398 | 28,398 | 28,398 | 28,398 | 28,398 | 28,398 | 28,398 | 28,398 | 26,948 |
| Capacity (students) | 220 | 220 | 220 | 220 | 220 | 220 | 220 | 220 | 217 | 220 |
| Enrollment | 225 | 238 | 231 | 231 | 232 | 248 | 250 | 258 | 269 | 258 |
| Kisthardt (1951) | | | | | | | | | | |
| Square Feet | 25,242 | 25,242 | 25,242 | 25,242 | 25,242 | 25,242 | 25,242 | 25,242 | 25,242 | 25,242 |
| Capacity (students) | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 202 | 189 |
| Enrollment | 247 | 273 | 236 | 240 | 235 | 253 | 233 | 233 | 222 | 223 |
| Klockner (1908) | | | | | | | | | | |
| Square Feet | 44,354 | 44,354 | 44,354 | 44,354 | 44,354 | 44,354 | 44,354 | 44,354 | 44,354 | 44,354 |
| Capacity (students) | 256 | 256 | 256 | 256 | 256 | 256 | 256 | 256 | 253 | 256 |
| Enrollment | 266 | 265 | 269 | 239 | 247 | 246 | 235 | 248 | 267 | 248 |
| Kuser (1908) | | | | | | | | | | |
| Square Feet | 51,813 | 51,813 | 51,813 | 51,813 | 51,813 | 51,813 | 51,813 | 51,813 | 51,813 | 51,813 |
| Capacity (students) | 367 | 367 | 367 | 367 | 367 | 367 | 367 | 367 | 373 | 367 |
| Enrollment | 354 | 342 | 349 | 345 | 366 | 336 | 347 | 381 | 433 | 433 |
| Labor (1926) | | | | | | | | | | |
| Square Feet | 36,408 | 36,408 | 36,408 | 36,408 | 36,408 | 36,408 | 36,408 | 36,408 | 36,408 | 36,408 |
| Capacity (students) | 217 | 217 | 217 | 217 | 217 | 217 | 217 | 217 | 227 | 217 |
| Enrollment | 283 | 264 | 258 | 246 | 274 | 266 | 270 | 282 | 276 | 282 |
| Langtree (1966) | | | | | | | | | | |
| Square Feet | 39,516 | 39,516 | 39,516 | 39,516 | 39,516 | 39,516 | 39,516 | 39,516 | 39,516 | 39,516 |
| Capacity (students) | 293 | 293 | 293 | 293 | 293 | 293 | 293 | 293 | 308 | 293 |
| Enrollment | 425 | 383 | 390 | 398 | 374 | 346 | 328 | 388 | 311 | 388 |
| McGalliard (1952) | | | | | | | | | | |
| Square Feet | 29,444 | 29,444 | 29,444 | 29,444 | 29,444 | 29,444 | 29,444 | 29,444 | 29,444 | 29,444 |
| Capacity (students) | 226 | 226 | 226 | 226 | 226 | 226 | 226 | 226 | 196 | 226 |
| Enrollment | 284 | 296 | 289 | 286 | 289 | 275 | 285 | 277 | 267 | 277 |
| Mercerville (1911) | | | | | | | | | | |
| Square Feet | 45,098 | 45,098 | 45,098 | 45,098 | 45,098 | 45,098 | 45,098 | 45,098 | 45,098 | 45,098 |
| Capacity (students) | 329 | 329 | 329 | 329 | 329 | 329 | 329 | 329 | 313 | 329 |
| Enrollment | 408 | 395 | 393 | 396 | 384 | 369 | 361 | 389 | 371 | 389 |
| Morgan (1957) | | | | | | | | | | |
| Square Feet | 34,434 | 34,434 | 34,434 | 34,434 | 34,434 | 34,434 | 34,434 | 34,434 | 34,434 | 34,434 |
| Capacity (students) | 352 | 352 | 352 | 352 | 352 | 352 | 352 | 352 | 294 | 266 |
| Enrollment | 418 | 396 | 406 | 414 | 380 | 373 | 356 | 356 | 345 | 356 |

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
UNAUDITED

| | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|-------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Robinson (1962) | | | | | | | | | | |
| Square Feet | 40,073 | 40,073 | 40,073 | 40,073 | 40,073 | 40,073 | 40,073 | 40,073 | 40,073 | 40,073 |
| Capacity (students) | 309 | 309 | 309 | 309 | 309 | 309 | 309 | 309 | 299 | 309 |
| Enrollment | 432 | 432 | 430 | 430 | 408 | 387 | 373 | 365 | 351 | 365 |
| Sayen (1955) | | | | | | | | | | |
| Square Feet | 27,750 | 27,750 | 27,750 | 27,750 | 27,750 | 27,750 | 27,750 | 27,750 | 27,750 | 27,750 |
| Capacity (students) | 208 | 208 | 208 | 208 | 208 | 208 | 208 | 208 | 213 | 208 |
| Enrollment | 277 | 289 | 292 | 295 | 301 | 301 | 296 | 281 | 269 | 281 |
| Sunnybrae (1966) | | | | | | | | | | |
| Square Feet | 31,778 | 31,778 | 31,778 | 31,778 | 31,778 | 31,778 | 31,778 | 31,778 | 31,778 | 31,778 |
| Capacity (students) | 244 | 244 | 244 | 244 | 244 | 244 | 244 | 244 | 252 | 244 |
| Enrollment | 360 | 344 | 353 | 365 | 335 | 362 | 352 | 342 | 315 | 342 |
| University Hgts. (1977) | | | | | | | | | | |
| Square Feet | 39,333 | 39,333 | 39,333 | 39,333 | 39,333 | 39,333 | 39,333 | 39,333 | 39,333 | 39,333 |
| Capacity (students) | 299 | 299 | 299 | 299 | 299 | 299 | 299 | 299 | 352 | 299 |
| Enrollment | 397 | 398 | 401 | 374 | 356 | 333 | 345 | 317 | 297 | 317 |
| Wilson (1977) | | | | | | | | | | |
| Square Feet | 39,333 | 39,333 | 39,333 | 39,333 | 39,333 | 39,333 | 39,333 | 39,333 | 39,333 | 39,333 |
| Capacity (students) | 307 | 307 | 307 | 307 | 307 | 307 | 307 | 307 | 462 | 307 |
| Enrollment | 367 | 385 | 389 | 356 | 378 | 393 | 394 | 419 | 448 | 419 |
| Yardville (1938) | | | | | | | | | | |
| Square Feet | 35,370 | 35,370 | 35,370 | 35,370 | 35,370 | 35,370 | 35,370 | 35,370 | 35,370 | 35,370 |
| Capacity (students) | 254 | 254 | 254 | 254 | 254 | 254 | 254 | 254 | 252 | 254 |
| Enrollment | 341 | 345 | 338 | 311 | 279 | 298 | 288 | 280 | 278 | 280 |
| Yardville Hgts. (1917) | | | | | | | | | | |
| Square Feet | 33,365 | 33,365 | 33,365 | 33,365 | 33,365 | 33,365 | 33,365 | 33,365 | 33,365 | 33,365 |
| Capacity (students) | 237 | 237 | 237 | 237 | 237 | 237 | 237 | 237 | 352 | 237 |
| Enrollment | 276 | 289 | 276 | 273 | 269 | 265 | 260 | 241 | 234 | 241 |
| Middle School(s): | | | | | | | | | | |
| Crockett (1989) | | | | | | | | | | |
| Square Feet | 115,142 | 115,142 | 115,142 | 115,142 | 115,142 | 115,142 | 115,142 | 115,142 | 115,142 | 115,142 |
| Capacity (students) | 780 | 780 | 780 | 780 | 780 | 780 | 780 | 780 | 780 | 780 |
| Enrollment | 961 | 914 | 917 | 923 | 892 | 903 | 892 | 831 | 819 | 831 |
| Grice (1960) | | | | | | | | | | |
| Square Feet | 114,128 | 114,128 | 114,128 | 114,128 | 114,128 | 114,128 | 114,128 | 114,128 | 114,128 | 114,128 |
| Capacity (students) | 796 | 796 | 796 | 796 | 796 | 796 | 796 | 796 | 796 | 796 |
| Enrollment | 963 | 939 | 928 | 936 | 946 | 910 | 966 | 918 | 916 | 918 |
| Reynolds (1960) | | | | | | | | | | |
| Square Feet | 113,514 | 113,514 | 113,514 | 113,514 | 113,514 | 113,514 | 113,514 | 113,514 | 113,514 | 113,514 |
| Capacity (students) | 774 | 774 | 774 | 774 | 774 | 774 | 774 | 774 | 774 | 774 |
| Enrollment | 1,201 | 1,202 | 1,147 | 1,106 | 1,107 | 1,100 | 1,076 | 1,029 | 1,025 | 1,029 |

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
UNAUDITED

| | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| High School(s): | | | | | | | | | | |
| Hamilton East (1967) | 195,185 | 195,185 | 195,185 | 195,185 | 195,185 | 195,185 | 195,185 | 195,185 | 195,185 | 195,185 |
| Square Feet | 1,265 | 1,265 | 1,265 | 1,265 | 1,265 | 1,265 | 1,265 | 1,265 | 1,265 | 1,265 |
| Capacity (students) | 1,698 | 1,706 | 1,610 | 1,595 | 1,548 | 1,503 | 1,431 | 1,345 | 1,303 | 1,345 |
| Enrollment | | | | | | | | | | |
| Hamilton North (1953) | 162,586 | 162,586 | 162,586 | 162,586 | 162,586 | 162,586 | 162,586 | 162,586 | 162,586 | 162,586 |
| Square Feet | 1063 | 1063 | 1063 | 1063 | 1063 | 1063 | 1063 | 1063 | 1063 | 1063 |
| Capacity (students) | 1,462 | 1,437 | 1,473 | 1,380 | 1,387 | 1,326 | 1,313 | 1,316 | 1,352 | 1,316 |
| Enrollment | | | | | | | | | | |
| Hamilton West (1929) | 182,348 | 182,348 | 182,348 | 182,348 | 182,348 | 182,348 | 182,348 | 182,348 | 182,348 | 182,348 |
| Square Feet | 1113 | 1113 | 1113 | 1113 | 1113 | 1113 | 1113 | 1113 | 1113 | 1113 |
| Capacity (students) | 1,441 | 1,450 | 1,373 | 1,366 | 1,329 | 1,296 | 1,275 | 1,270 | 1,219 | 1,219 |
| Enrollment | | | | | | | | | | |
| Other Buildings: | | | | | | | | | | |
| Administration Building (1898) | 25,515 | 25,515 | 25,515 | 25,515 | 25,515 | 25,515 | 25,515 | 25,515 | 25,515 | 25,515 |
| Square Feet | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Capacity (students) | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Enrollment | | | | | | | | | | |
| Hamilton Educational Program (HEP) | 14,400 | 14,400 | 14,400 | 14,400 | 14,400 | 14,400 | 14,400 | 14,400 | 14,400 | 14,400 |
| Square Feet | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 |
| Capacity (students) | 53 | 53 | 58 | 57 | 61 | 51 | 56 | 52 | 61 | 52 |
| Enrollment | | | | | | | | | | |

Source: District records and Long Range Facility Plan

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
 UNAUDITED

Undistributed expenditures - Required maintenance for school facilities - 11-000-261-XXX

| School Facilities * Project #(s) | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Hamilton HS East - Steiert | \$501,056 | \$389,297 | \$391,885 | \$326,928 | \$328,323 | \$366,539 | \$381,597 | \$432,310 | \$371,449 | \$303,378 |
| Hamilton HS North - Nottingham | 417,372 | 324,279 | 326,434 | 272,271 | 273,433 | 258,787 | 313,584 | 511,228 | 309,411 | 253,537 |
| Hamilton HS West | 468,103 | 363,694 | 366,112 | 305,420 | 306,723 | 292,657 | 364,475 | 384,372 | 347,019 | 284,413 |
| Grice Middle | 292,976 | 227,629 | 229,142 | 191,045 | 191,860 | 188,900 | 246,947 | 227,695 | 217,192 | 177,681 |
| Reynolds Middle | 291,400 | 226,404 | 227,909 | 190,033 | 190,844 | 191,623 | 227,615 | 211,050 | 216,024 | 178,302 |
| Crockett Middle | 295,579 | 229,651 | 231,178 | 192,817 | 193,639 | 190,963 | 213,960 | 228,406 | 219,122 | 179,852 |
| Alexander Elementary | 82,139 | 63,818 | 64,242 | 53,645 | 53,873 | 58,940 | 125,237 | 83,739 | 60,892 | 51,296 |
| Wilson Elementary | 100,971 | 78,450 | 78,971 | 65,790 | 66,071 | 67,922 | 79,292 | 80,697 | 74,853 | 62,044 |
| Greenwood Elementary | 69,178 | 53,748 | 54,105 | 47,572 | 47,775 | 49,314 | 72,006 | 64,308 | 54,043 | 45,332 |
| Kisthardt Elementary | 64,798 | 50,345 | 50,680 | 42,258 | 42,438 | 52,181 | 49,708 | 52,084 | 48,037 | 43,176 |
| Klockner Elementary | 113,860 | 88,464 | 89,052 | 74,394 | 74,712 | 81,566 | 90,855 | 120,970 | 84,408 | 70,825 |
| Kuser Elementary | 133,008 | 103,341 | 104,028 | 86,793 | 87,164 | 84,244 | 142,325 | 108,497 | 98,603 | 81,276 |
| Lalor Elementary | 93,462 | 72,616 | 73,099 | 60,983 | 61,243 | 64,729 | 75,865 | 77,924 | 69,287 | 58,018 |
| Langtree Elementary | 101,441 | 78,815 | 79,339 | 66,297 | 66,579 | 63,995 | 71,768 | 75,292 | 75,201 | 63,126 |
| McGalliard Elementary | 75,585 | 58,726 | 59,117 | 49,343 | 49,553 | 58,796 | 58,657 | 69,054 | 56,034 | 46,656 |
| Mercerville Elementary | 115,770 | 89,948 | 90,546 | 75,406 | 75,728 | 85,642 | 111,485 | 87,501 | 85,824 | 71,668 |
| Morgan Elementary | 88,395 | 68,679 | 69,135 | 57,683 | 57,939 | 60,912 | 88,014 | 69,293 | 65,530 | 54,568 |
| Robinson Elementary | 102,871 | 79,925 | 80,457 | 67,056 | 67,342 | 68,739 | 75,557 | 77,592 | 76,261 | 67,621 |
| Saven Elementary | 71,237 | 55,348 | 55,715 | 46,559 | 46,758 | 56,997 | 74,095 | 71,638 | 52,810 | 46,994 |
| Sunnybrae Elementary | 81,577 | 63,381 | 63,803 | 53,138 | 53,365 | 56,507 | 61,190 | 62,928 | 60,475 | 51,117 |
| University Heights Elementary | 100,971 | 78,450 | 78,971 | 65,790 | 66,071 | 68,557 | 80,411 | 75,761 | 74,853 | 62,570 |
| Yardville Elementary | 90,798 | 70,546 | 71,015 | 59,211 | 59,464 | 59,586 | 85,718 | 89,586 | 67,312 | 62,930 |
| Yardville Heights Elementary | 85,651 | 66,547 | 66,989 | 55,922 | 56,160 | 53,566 | 96,538 | 80,464 | 63,496 | 52,986 |
| Willey School | 36,966 | 28,721 | 28,914 | 24,039 | 24,141 | 23,153 | 27,938 | 33,190 | 27,404 | 39,592 |
| Total School Facilities | \$3,875,166 | \$3,010,822 | \$3,030,838 | \$2,530,403 | \$2,541,198 | \$2,604,591 | \$3,214,837 | \$3,375,579 | \$2,875,540 | \$2,408,958 |

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

Source: District records

HAMILTON TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
UNAUDITED

| | <u>COVERAGE</u> | <u>DEDUCTIBLE</u> |
|---|-----------------|-------------------|
| School Package Policy (1): | | |
| property/building and contents | \$300,791,934 | \$5,000 |
| comprehensive general liability | 2,000,000 | 5,000 |
| Comprehensive auto liability | 1,000,000 | 1,000 |
| Umbrella: | 10,000,000 | n/a |
| Student accident (2): | 500,000 | n/a |
| Volunteer Insurance(2) | 5,000 | 250 |
| Surety Bonds (3) | | |
| Board Secretary | 750,000 | n/a |
| Board Treasurer | 750,000 | n/a |
| Legal Liability/Errors and Omissions(4) | 5,000,000 | 15,000 |
| Environmental liability (5) | 1,000,000 | 25,000 |
| Underground storage tank (6) | 1,000,000 | 5,000 |
| Crime (1) | 250,000 | 1,000 |
| Cyber Security (7) | 1,000,000 | 25,000 |

- (1) Zurich
- (2) Chartis
- (3) Selective
- (4) NJ School Boards Insurance Group
- (5) Steadfast
- (6) ACE American
- (7) Beazley

SINGLE AUDIT SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

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

Honorable President and Members
of the Board of Education
Hamilton Township School District
County of Mercer
Hamilton, 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, the financial statements of Hamilton Township School District (the "District") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated November 30, 2016.

Internal Control Over Financial Reporting

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

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

SUPLEE, CLOONEY & COMPANY

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. We noted immaterial matters involving internal control that we have reported to the Hamilton Township School District in a separate management report dated November 30, 2016.

Compliance and Other Matters

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

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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS



PUBLIC SCHOOL ACCOUNTANT NO. 948

November 30, 2016



SUPLEE, CLOONEY & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL
AND STATE FINANCIAL ASSISTANCE PROGRAMS AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH THE UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

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

Report on Compliance for Each Major Federal and State Program

We have audited the Hamilton Township School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey OMB State Grant Compliance Supplement* that could have a direct and material effect on each of the Hamilton Township School District's major federal and state programs for the year ended June 30, 2016. The 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; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey *OMB 15-08*. Those standards, the Uniform Guidance and New Jersey *OMB 15-08* 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.

SUPLEE, CLOONEY & COMPANY

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, 2016.

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 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 program and to test and report on internal control over compliance in accordance with *the Uniform Guidance* and New Jersey OMB 15-08, 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 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 the Uniform Guidance and State of New Jersey OMB 15-08. Accordingly, this report is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 948

November 30, 2016

HAMILTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEARS ENDED JUNE 30, 2018

| FEDERAL CFDA NUMBER | FEDERAL AWARD IDENTIFICATION NUMBER | GRANT OR STATE PROJECT NUMBER | GRANT PERIOD FROM | TO | AWARD AMOUNT | ADJUSTED BALANCE AT JUNE 30, 2015 | CASH RECEIVED | BUDGETARY EXPENDITURES | (ACCOUNTS RECEIVABLE) | BALANCE JUNE 30, 2016 UNEARNED REVENUE | DUE GRANTOR |
|--|-------------------------------------|-------------------------------|-------------------|-----------|---------------|-----------------------------------|------------------|------------------------|-----------------------|--|-------------|
| | | | | | | AS RESTATED | | | | | |
| | | | | | | | | | | | |
| General Fund: | | | | | | | | | | | |
| U.S. Department of Education | | | | | | | | | | | |
| Passed-through State Department of Education: | | | | | | | | | | | |
| 99.776 | 1656NUSMAP | N/A | 7/1/2015 | 6/30/2016 | \$ 193,498.59 | \$ (232,417.00) | \$ 273,366.00 | \$ (283,718.00) | \$ (20,362.00) | \$ | \$ |
| 99.776 | 1505NUSMAP | N/A | 7/1/2014 | 6/30/2015 | \$ 526,500.00 | \$ (232,417.00) | \$ 232,417.00 | \$ (283,718.00) | \$ (20,362.00) | \$ | \$ |
| Total General Fund | | | | | | | | | | | |
| Special Revenue Fund: | | | | | | | | | | | |
| U.S. Department of Education | | | | | | | | | | | |
| Passed-through State Department of Education: | | | | | | | | | | | |
| 84.010 | S010A150030 | NCLB195016 | 7/1/15 | 6/30/16 | 1,727,196.00 | (626,451.00) | 1,157,875.00 | (1,574,900.00) | (418,025.00) | | |
| 84.010 | S010A150030 | NCLB195015 | 7/1/14 | 6/30/15 | 1,486,564.00 | (611,173.00) | 611,173.00 | (1,574,900.00) | (418,025.00) | | |
| 84.367A | S367A150029 | NCLB195016 | 7/1/15 | 6/30/16 | 443,308.00 | | | (96,215.00) | | | |
| 84.367A | S367A150029 | NCLB195015 | 7/1/14 | 6/30/15 | 327,461.00 | 66,104.00 | 58,389.00 | (66,104.00) | | | |
| 84.367A | S367A150029 | NCLB195014 | 7/1/13 | 6/30/14 | 340,281.00 | 7,281.00 | 7,281.00 | (7,281.00) | | | |
| 84.365A | S365A150029 | NCLB195016 | 7/1/15 | 6/30/16 | 73,433.00 | | 52,863.00 | (66,795.00) | | | |
| 84.365A | S365A150029 | NCLB195015 | 7/1/14 | 6/30/15 | 206,758.00 | (156,033.00) | 156,033.00 | (66,795.00) | | | |
| 84.385 | S385A150030 | NCLB195016 | 7/1/15 | 6/30/16 | 120,196.00 | (16.00) | 16.00 | (63,306.00) | | | |
| 84.385 | S385A150030 | NCLB195015 | 7/1/14 | 6/30/15 | 104,310.00 | (1,950.00) | 1,950.00 | (63,306.00) | | | |
| 84.385 | S385A150030 | NCLB195016 | 9/1/13 | 6/30/14 | 49,637.00 | (718,780.00) | 2,025,163.00 | (1,874,801.00) | (545,225.00) | | |
| Sub-Total NCLB | | | | | | | | | | | |
| I.D.E.A. Part B Special Education Cluster | | | | | | | | | | | |
| 84.027 | S027A151100 | IDEA195016 | 7/1/15 | 6/30/16 | 4,176,984.00 | (1,403,772.00) | 3,779,373.00 | (3,850,461.00) | (71,108.00) | | |
| 84.027 | S027A151100 | IDEA195015 | 7/1/14 | 6/30/15 | 4,165,205.00 | (1,372,728.00) | 1,372,728.00 | (3,850,461.00) | (71,108.00) | | |
| 84.027 | S027A151100 | IDEA195016 | 7/1/13 | 6/30/14 | 3,580,025.00 | 168,622.00 | 168,622.00 | (168,622.00) | | | |
| 84.173 | S173A150114 | IDEA195016 | 7/1/15 | 6/30/16 | 171,166.00 | | 134,066.00 | (171,166.00) | | | |
| 84.173 | S173A150114 | IDEA195015 | 7/1/14 | 6/30/15 | 156,363.00 | 49,031.00 | 51,121.00 | (156,363.00) | | | |
| Total I.D.E.A. Part B Special Education Cluster | | | | | | | | | | | |
| 84.048 | V048A140030 | N/A | 7/1/15 | 6/30/16 | 14,971.92 | | 12,298.00 | (14,972.00) | (2,676.00) | | |
| 84.048 | V048A140030 | N/A | 7/1/14 | 6/30/15 | 61,021.00 | (18,472.00) | 18,472.00 | (14,972.00) | (2,676.00) | | |
| 84.048 | V048A140030 | N/A | 7/1/13 | 6/30/14 | 78,284.00 | (9,383.00) | | (9,383.00) | | | |
| 84.395 | N/A | N/A | 9/1/13 | 6/30/14 | 54,903.00 | | 7,342,088.00 | (6,070,100.00) | (628,392.00) | | |
| Total Special Revenue Fund | | | | | | | | | | | |
| Enterprise Fund: | | | | | | | | | | | |
| U.S. Department of Agriculture | | | | | | | | | | | |
| Passed-through State Department of Education: | | | | | | | | | | | |
| Child Nutrition Cluster: | | | | | | | | | | | |
| 10.555 | 16161N304N1099 | N/A | 7/1/14 | 6/30/15 | 1,639,942.00 | (461,166.00) | 461,166.00 | (1,662,603.00) | (296,301.00) | | |
| 10.555 | 16161N304N1099 | N/A | 7/1/15 | 6/30/16 | 1,662,603.00 | | 1,363,302.00 | (1,662,603.00) | | | |
| 10.553 | 16161N304N1099 | N/A | 7/1/14 | 6/30/15 | 287,471.00 | (87,172.00) | 87,172.00 | (310,170.00) | (59,874.00) | | |
| 10.553 | 16161N304N1099 | N/A | 7/1/15 | 6/30/16 | 310,170.00 | | 250,296.00 | (310,170.00) | | | |
| 10.556 | 16161N304N1099 | N/A | 7/1/14 | 6/30/15 | 949.00 | (241.00) | 241.00 | (2,019.00) | (421.00) | | |
| 10.556 | 16161N304N1099 | N/A | 7/1/15 | 6/30/16 | 2,019.00 | | 1,598.00 | (2,019.00) | | | |
| Total Child Nutrition Cluster | | | | | | | | | | | |
| 10.565 | 16161N304N1099 | N/A | 7/1/15 | 6/30/16 | 216,970.82 | (548,579.00) | 2,163,775.00 | (1,974,792.00) | (393,596.00) | 5,194.00 | |
| 10.551 | 16161N304N1099 | N/A | 7/1/14 | 6/30/15 | 44,485.00 | (12,447.00) | 222,165.00 | (216,971.00) | | | |
| 10.551 | 16161N304N1099 | N/A | 7/1/15 | 6/30/16 | 43,372.00 | | 35,526.00 | (43,372.00) | | | |
| 10.562 | 16161N304N1099 | N/A | 7/1/14 | 6/30/15 | 14,265.00 | (6,146.00) | 6,146.00 | (7,846.00) | | | |
| 10.562 | 16161N304N1099 | N/A | 7/1/15 | 6/30/16 | 8,409.00 | | 15,351.00 | (18,499.00) | (3,018.00) | | |
| 10.579 | 16161N304N1099 | N/A | 7/1/14 | 6/30/15 | 32,466.00 | (4,474.00) | 2,477,531.00 | (2,293,682.00) | (7,286.00) | | |
| 10.579 | 16161N304N1099 | N/A | 7/1/15 | 6/30/16 | 21,463.00 | (650,701.00) | 2,477,531.00 | (2,293,682.00) | (377,746.00) | 5,194.00 | |
| Total Enterprise Fund | | | | | | | | | | | |
| Total Federal Financial Assistance | | | | | | | | | | | |
| | | | | | \$ 56,227.00 | \$ (2,427,328.00) | \$ 10,325,692.00 | \$ (8,663,500.00) | \$ (1,026,500.00) | \$ 28,947.00 | \$ |

See accompanying notes to schedules of financial assistance.

HAMILTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| STATE GRANTOR/PROGRAM TITLE | GRANT OR STATE PROJECT NUMBER | GRANT PERIOD | AWARD AMOUNT | BALANCE JUNE 30, 2015 | | CASH RECEIVED | BUDGETARY EXPENDITURES | ADJUSTMENTS/ REPAYMENT OF PRIOR YEARS BALANCES | BALANCE JUNE 30, 2016 | | MEMO | | |
|---|-------------------------------|----------------|------------------|------------------------------|----------------|-----------------|------------------------|--|-----------------------|------------------|-----------------|----------------------|-------------------------------|
| | | | | UNEARNED REVENUE (ACCTS REC) | DUE TO GRANTOR | | | | (ACCOUNTS RECEIVABLE) | UNEARNED REVENUE | DUE GRANTOR | BUDGETARY RECEIVABLE | CUMULATIVE TOTAL EXPENDITURES |
| | | | | | | | | | | | | | |
| State Department of Education | | | | | | | | | | | | | |
| General Funds: | | | | | | | | | | | | | |
| Equalization Aid | | | \$ 64,508,297.00 | | | \$ 5,820,622.00 | \$ (5,820,622.00) | | \$ | \$ | \$ 5,820,622.00 | \$ 64,508,297.00 | |
| Categorical Special Education Aid | 15-495-034-5120-078 | 7/1/14-6/30/15 | 7,549,779.00 | | | 681,221.00 | (681,221.00) | | | | 681,221.00 | 7,549,779.00 | |
| Categorical Security Aid | 15-495-034-5120-084 | 7/1/14-6/30/15 | 545,728.00 | | | 49,241.00 | (49,241.00) | | | | 49,241.00 | 545,728.00 | |
| Under Adequacy Aid | 15-495-034-5120-083 | 7/1/14-6/30/15 | 40,007.00 | | | 3,610.00 | (3,610.00) | | | | 3,610.00 | 40,007.00 | |
| PARCC Readiness Aid | 15-495-034-5120-088 | 7/1/14-6/30/15 | 120,020.00 | | | 10,830.00 | (10,830.00) | | | | 10,830.00 | 120,020.00 | |
| Per Pupil Growth Aid | 15-495-034-5120-087 | 7/1/14-6/30/15 | 120,020.00 | | | 10,830.00 | (10,830.00) | | | | 10,830.00 | 120,020.00 | |
| Equalization Aid | 16-495-034-5120-078 | 7/1/15-6/30/16 | 64,508,297.00 | | | 58,646,390.00 | (64,508,297.00) | | | | 5,861,907.00 | 64,508,297.00 | |
| Categorical Special Education Aid | 16-495-034-5120-088 | 7/1/15-6/30/16 | 7,549,779.00 | | | 6,883,722.00 | (7,549,779.00) | | | | 686,057.00 | 7,549,779.00 | |
| Categorical Security Aid | 16-495-034-5120-084 | 7/1/15-6/30/16 | 545,728.00 | | | 486,140.00 | (545,728.00) | | | | 49,588.00 | 545,728.00 | |
| Under Adequacy Aid | 16-495-034-5120-083 | 7/1/15-6/30/16 | 40,007.00 | | | 36,368.00 | (40,007.00) | | | | 3,639.00 | 40,007.00 | |
| PARCC Readiness Aid | 16-495-034-5120-088 | 7/1/15-6/30/16 | 120,020.00 | | | 109,111.00 | (120,020.00) | | | | 10,909.00 | 120,020.00 | |
| Per Pupil Growth Aid | 16-495-034-5120-087 | 7/1/15-6/30/16 | 120,020.00 | | | 109,111.00 | (120,020.00) | | | | 10,909.00 | 120,020.00 | |
| Total State Aid - Public Cluster | | | | | | 72,837,196.00 | (72,893,851.00) | | | | 13,198,363.00 | 148,787,702.00 | |
| Categorical Transportation Aid | 15-495-034-5120-014 | 7/1/14-6/30/15 | 720,415.00 | | | 65,003.00 | (65,003.00) | | | | 65,467.00 | 720,415.00 | |
| Categorical Transportation Aid | 16-495-034-5120-014 | 7/1/15-6/30/16 | 720,415.00 | | | 1,194,892.00 | (720,415.00) | | | | 1,183,107.00 | 1,194,892.00 | |
| Extraordinary Aid | 16-495-034-5120-044 | 7/1/14-6/30/16 | 1,183,107.00 | | | | (1,183,107.00) | | | | | 1,183,107.00 | |
| Extraordinary Aid | 16-495-034-5120-044 | 7/1/15-6/30/16 | 1,183,107.00 | | | | (1,183,107.00) | | | | | 1,183,107.00 | |
| Non-Public Transportation Aid | 15-100-034-5120-068 | 7/1/14-6/30/15 | 51,243.00 | | | 51,243.00 | (47,496.00) | | | | 47,496.00 | 51,243.00 | |
| Non-Public Transportation Aid | 16-100-034-5120-068 | 7/1/15-6/30/16 | 47,496.00 | | | | (47,496.00) | | | | | 47,496.00 | |
| On-behalf TPAF non-contributory insurance | 16-495-034-5095-007 | 7/1/15-6/30/16 | 302,011.00 | | | 302,011.00 | (302,011.00) | | | | | 302,011.00 | |
| On-behalf TPAF Pension | 16-495-034-5095-006 | 7/1/15-6/30/16 | 5,346,102.00 | | | 5,346,102.00 | (5,346,102.00) | | | | | 5,346,102.00 | |
| On-behalf TPAF Post retirement medical | 16-495-034-5095-001 | 7/1/15-6/30/16 | 7,578,761.00 | | | 7,578,761.00 | (7,578,761.00) | | | | | 7,578,761.00 | |
| Reimbursed TPAF Social Security Contributions | 15-495-034-5095-002 | 7/1/14-6/30/15 | 5,896,653.00 | | | 291,157.00 | (291,157.00) | | | | | 5,896,653.00 | |
| Reimbursed TPAF Social Security Contributions | 16-495-034-5095-002 | 7/1/15-6/30/16 | 5,645,850.77 | | | 5,364,606.00 | (5,642,842.00) | | | | 278,036.00 | 5,645,850.77 | |
| Total General Funds | | | | | | 93,885,919.00 | (85,704,385.00) | | | | 14,773,469.00 | 174,464,647.77 | |
| Special Revenue Fund: | | | | | | | | | | | | | |
| Non-Public Textbooks | 14-100-034-5120-064 | 7/1/14-6/30/15 | 105,159.00 | | | | (137.00) | | | | | 105,022.00 | |
| Non-Public Textbooks | 15-100-034-5120-064 | 7/1/15-6/30/16 | 96,670.00 | | 137.00 | 96,670.00 | (96,185.00) | | | | 485.00 | 95,700.00 | |
| Non-Public Technology Aid | 15-100-034-5120-064 | 7/1/14-6/30/15 | 56,192.00 | | | 542.00 | (43,300.00) | | | | | 55,850.00 | |
| Non-Public Technology Aid | 15-100-034-5120-064 | 7/1/15-6/30/16 | 43,706.00 | | | 43,706.00 | (43,300.00) | | | | | 42,894.00 | |
| Non-Public Comp Ed | 14-100-034-5120-067 | 7/1/14-6/30/15 | 516,877.00 | | | 519,463.00 | (462,162.00) | | | | | 483,022.00 | |
| Non-Public Comp Ed | 15-100-034-5120-067 | 7/1/15-6/30/16 | 21,924.00 | | | 21,924.00 | (9,873.00) | | | | | 404,861.00 | |
| Non-Public ESL | 14-100-034-5120-067 | 7/1/14-6/30/15 | 18,550.00 | | | 18,550.00 | (15,901.00) | | | | | 12,051.00 | |
| Non-Public Home Instruction | 14-100-034-5120-067 | 7/1/14-6/30/15 | 817.00 | | | 817.00 | (8,092.00) | | | | | 13,252.00 | |
| Non-Public Home Instruction | 15-100-034-5120-067 | 7/1/15-6/30/16 | 10,000.00 | | | 110,976.00 | (101,893.00) | | | | | 817.00 | |
| Non-Public Supplemental Instruction | 14-100-034-5120-068 | 7/1/14-6/30/15 | 146,582.00 | | | 150,371.00 | (135,417.00) | | | | | 8,092.00 | |
| Non-Public Supplemental Instruction | 15-100-034-5120-068 | 7/1/15-6/30/16 | 225,307.00 | | 8,881.00 | 209,461.00 | (37,796.00) | | | | | 101,893.00 | |
| Non-Public Examination & Classification | 14-100-034-5120-066 | 7/1/14-6/30/15 | 209,481.00 | | | 209,461.00 | (41,265.00) | | | | | 137,701.00 | |
| Non-Public Examination & Classification | 15-100-034-5120-066 | 7/1/15-6/30/16 | 162,846.00 | | | 166,378.00 | (103,321.00) | | | | | 120,463.00 | |
| Non-Public Corrective Speech | 14-100-034-5120-066 | 7/1/14-6/30/15 | 166,378.00 | | | 153,090.00 | (153,090.00) | | | | | 187,511.00 | |
| Non-Public Corrective Speech | 15-100-034-5120-066 | 7/1/15-6/30/16 | 153,090.00 | | | 42,525.00 | (42,225.00) | | | | | 193,425.00 | |
| Non-Public Nursing | 15-100-034-5120-070 | 7/1/15-6/30/16 | 42,525.00 | | | 1,512,007.00 | (1,363,029.00) | | | | | 111,581.00 | |
| Non-Public Nursing | 16-100-034-5120-070 | 7/1/15-6/30/16 | 42,525.00 | | | 1,512,007.00 | (1,363,029.00) | | | | | 404,264.00 | |
| Total Special Revenue Fund | | | | | | 1,512,007.00 | (1,363,029.00) | | | | 156,253.00 | 2,309,514.00 | |

HAMILTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| STATE GRANTOR/PROGRAM TITLE | GRANT OR STATE PROJECT NUMBER | GRANT PERIOD | AWARD AMOUNT | BALANCE JUNE 30, 2015 | | CASH RECEIVED | BUDGETARY EXPENDITURES | ADJUSTMENTS/ REPAYMENT OF PRIOR YEARS BALANCES | BALANCE JUNE 30, 2016 | | MEMO | |
|---|-------------------------------|-----------------|--------------|-------------------------------|----------------|------------------|------------------------|--|-----------------------|------------------|------------------|----------------------|
| | | | | UNREARNED REVENUE (ACCTS.REC) | DUE TO GRANTOR | | | | (ACCOUNTS RECEIVABLE) | UNEARNED REVENUE | DUE GRANTOR | BUDGETARY RECEIVABLE |
| Capital Projects Fund | | | | | | | | | | | | |
| Security Upgrades: | | | | | | | | | | | | |
| SDA Grants | 1950-180-09-0QAA | 7/1/12-6/30/13 | 1,208,118.00 | (43,003.00) | | | | | | | | |
| SDA Grants - Alexander | 1950-085-14-GITG | 7/1/14-06/30/16 | 288,814.00 | (27,413.00) | 44,448.00 | (16,176.00) | | | | | | 233,831.00 |
| SDA Grants - Crockett | 1950-083-14-GITF | 7/1/14-06/30/16 | 1,303,140.00 | (782,156.00) | 778,870.00 | (52,654.00) | | | 860.00 | | | 895,392.00 |
| SDA Grants - HS | 1950-050-14-GITE | 7/1/14-06/30/16 | 340,149.00 | (225,091.00) | 45,901.00 | (35,241.00) | | | | | | 225,091.00 |
| SDA Grants - Sayen | 1950-240-14-GITH | 7/1/14-06/30/16 | 189,972.00 | (17,558.00) | | (11,804.00) | | | | | | 143,848.00 |
| SDA Grants - Morrison | 1950-250-14-G3LN | 7/1/14-06/30/16 | 169,887.00 | (92,981.00) | | (41,216.00) | | | | | | 92,981.00 |
| SDA Grants - Wilson | 1950-105-14-G3LM | 7/1/14-06/30/16 | 169,887.00 | (68,853.00) | 869,220.00 | (51,912.00) | | | | | | 68,853.00 |
| | | | | (1,237,054.00) | | (209,103.00) | | | 860.00 | | | 1,660,196.00 |
| Enterprise Fund: | | | | | | | | | | | | |
| National School Lunch Program (State Share) | 15-100-034-5120-122 | 7/1/14-6/30/15 | 38,737.00 | (11,725.00) | 11,725.00 | | | | | | | 38,737.00 |
| National School Lunch Program (State Share) | 16-100-034-5120-122 | 7/1/15-6/30/16 | 39,538.18 | | 30,195.00 | (39,538.00) | | | | | 9,343.00 | 39,538.18 |
| Total Enterprise Fund | | | | (11,725.00) | 41,920.00 | (39,538.00) | | | | | | 78,275.18 |
| Total State Financial Assistance | | | | \$ (2,786,888.00) | \$ 132,349.00 | \$ 96,109,066.00 | \$ (95,316,055.00) | \$ (65,230.00) | \$ 860.00 | \$ 156,253.00 | \$ 14,782,812.00 | \$ 179,845,284.95 |

Less: On-Behalf amounts not utilized for determination of Major Programs:

On-behalf TPAF non-contributory insurance \$302,011.00

On-behalf TPAF Pension (5,346,102.00)

On-behalf TPAF post retirement medical (7,578,761.00)

Total State Financial Assistance Subject to Single Audit \$82,882,192.00

(682,089,181.00)

See accompanying notes to schedules of financial assistance.

Hamilton Township School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2016

NOTE 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state activity of the Hamilton Township School District ("the District"). The District is defined in Note 1 to the basic financial statements. All federal and state awards received directly from the 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 federal awards and state financial assistance are presented on the budgetary basis of accounting with the exceptions 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 of the District's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), 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. The District has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedule (RSI) are presented for the general fund and special revenue fund to demonstrate finance-regulated 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 deferred state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP accounting purposes, those payments are not recognized until the subsequent budget year due to the state deferral and recording of the state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas GAAP basis does not. The special revenue fund also recognizes the deferred state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

Hamilton Township School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2016

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$47,119 for the general fund. The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$10,864 for the special revenue fund of which \$4,524.00 is attributable to federal grants. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

| | <u>Federal</u> | <u>State</u> | <u>Total</u> |
|--|------------------------------|-------------------------------|--------------------------------|
| General Fund | \$293,718.00 | \$93,657,266.00 | \$93,950,984.00 |
| Special Revenue Fund | 6,065,576.00 | 1,363,029.00 | 7,428,605.00 |
| Capital Projects Fund | | 209,103.00 | 209,103.00 |
| Food Service Fund | 2,299,682.00 | 39,538.00 | 2,339,220.00 |
| | <u>\$8,658,976.00</u> | <u>\$95,268,936.00</u> | <u>\$103,927,912.00</u> |
| GAAP Adjustment | <u>4,524.00</u> | <u>47,119.00</u> | <u>51,643.00</u> |
| Total Awards & Financial Assistance | <u><u>\$8,663,500.00</u></u> | <u><u>\$95,316,055.00</u></u> | <u><u>\$103,979,555.00</u></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 in the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF pension contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2016. TPAF Social Security contributions represent the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2016.

Hamilton Township School District
Mercer County, New Jersey

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

Section I – Summary of Auditor’s Results

Financial Statements

- | | | |
|-----|--|------------|
| (1) | Type of Auditor’s Report Issued: | Unmodified |
| (2) | Internal Control Over Financial Reporting: | |
| | (a) Material weakness(es) identified? | No |
| | (b) Significant deficiencies identified that are not considered to be material weaknesses? | No |
| (3) | Noncompliance material to the basic financial statements noted during the audit? | No |

Federal Program(s)

- | | | |
|-----|--|------------|
| (1) | Internal Control Over Major Federal Programs: | |
| | (a) Material weaknesses identified? | No |
| | (b) Significant deficiencies identified that are not considered to be material weaknesses? | No |
| (2) | Type of Auditor’s Report issued on compliance for major federal program(s)? | Unmodified |
| (3) | Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular OMB Uniform Guidance? | No |

- (4) Identification of Major Federal Program(s):

| <u>Program</u> | <u>CFDA</u> |
|-------------------------------|-------------|
| National School Lunch Program | 10.555 |
| School Breakfast Program | 10.553 |
| Special Milk Program | 10.556 |

- | | | |
|-----|---|-----|
| (5) | Program Threshold Determination: Type A Federal Program Threshold > \$750,000.00 Type B Federal Program Threshold <= \$750,000.00 | |
| (6) | Auditee qualified as a low-risk auditee under OMB Circular Uniform Guidance? | Yes |

Hamilton Township School District
Mercer County, New Jersey

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

Section I – Summary of Auditor’s Results (Continued)

State Program(s)

- (1) Internal Control Over Major State Programs:
- (a) Material weakness(es) identified? No
- (b) Significant deficiencies identified that are not considered to be material weaknesses? No
- (2) Type of Auditor’s Report issued on compliance for major state program(s)? Unmodified
- (3) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08? No
- (4) Identification of Major State Program(s):
- | <u>Program Title</u> | <u>Project Number</u> |
|--|-----------------------|
| Equalization Aid | 16-495-034-5120-078 |
| Categorical Special Education Aid | 16-495-034-5120-089 |
| Categorical Security Aid | 16-495-034-5120-084 |
| Adjustment Aid | 16-495-034-5120-085 |
| Per Pupil Growth Aid | 16-495-034-5120-097 |
| PARCC Readiness | 16-495-034-5120-098 |
| Extraordinary Aid | 16-100-034-5120-473 |
| Reimbursed Social Security Contributions | 16-495-034-5095-002 |
- (5) Program Threshold Determination:
Type A State Program Threshold > \$2,462,675.00
Type B State Program Threshold <= \$2,462,675.00
- (6) Auditee qualified as a low-risk auditee under OMB Circular 15-08? Yes

Hamilton Township School District
Mercer County, New Jersey

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

Section II – Financial Statement Audit – Reported Findings Under Government Auditing Standards

Internal Control Findings – None Reported

Compliance Findings – None Reported

Section III – Findings and Questioned Costs Relative to Major Federal and State Programs

Federal Programs – None Reported

State Programs – None Reported

EXHIBIT "K-7"

Hamilton Township School District
Mercer County, New Jersey

Schedule of Prior Year Audit Findings

Not Applicable

