

# **Comprehensive Annual Financial Report**

of the

Hamilton Township Board of Education

Mays Landing, New Jersey

For the Fiscal Year Ended June 30, 2017

Prepared by

Hamilton Township Board of Education

For the Fiscal Year Ended June 30, 2017



# TABLE OF CONTENTS

	<b>Page</b>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	1-10
Organizational Chart	11
Roster of Officials	12
Consultants and Advisors	13
<b>FINANCIAL SECTION</b>	
<b>Independent Auditor's Report</b>	14-16
<b>Required Supplementary Information - Part I Management's Discussion and Analysis</b>	17-23
<b>Basic Financial Statements</b>	
<b>A. District-Wide Financial Statements:</b>	
A-1 Statement of Net Position	24
A-2 Statement of Activities	25
<b>B. Fund Financial Statements:</b>	
Governmental Funds:	
B-1 Balance Sheet	26
B-2 Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	27
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	28
Proprietary Funds:	
B-4 Statement of Net Position	29
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	30
B-6 Statement of Cash Flows	31
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	32
B-8 Statement of Changes in Fiduciary Net Position	33
<b>Notes to the Financial Statements</b>	34-59

## TABLE OF CONTENTS (Continued)

	Page
<b>Required Supplementary Information - Part II</b>	
<b>C. Budgetary Comparison Schedules</b>	
C-1 Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual	60-71
C-1a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	N/A
C-1b Community Development Block Grant - Budget and Actual	N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund	72-73
<b>Notes to Required Supplementary Information</b>	
C-3 Budget-to-GAAP Reconciliation	74
<b>Required Supplementary Information - Part III</b>	
L-1 Schedule of District's Proportionate Share of Net Pension Liability (PERS)	75
L-2 Schedule of District Contributions (PERS)	76
L-3 Schedule of District's Proportionate Share of Net Pension Liability (TPAF)	77
<b>Other Supplementary Information</b>	
<b>E. Special Revenue Fund</b>	
E-1 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	78-80
E-2 Preschool Education Aid Expenditures - Budgetary Basis	81
<b>F. Capital Projects Fund:</b>	
F-1 Summary Schedule of Project Expenditures	82
F-2 Summary Schedule of Revenues, Expenditures and changes in Fund Balance - Budgetary Basis	83
F-2a-l Schedules of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis	84-85
<b>G. Proprietary Funds:</b>	
Enterprise Funds:	
G-1 Combining Schedule of Net Position	86
G-2 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position	87
G-3 Combining Schedule of Cash Flows	88
Internal Service Fund:	
G-4 Combining Schedule of Net Position	N/A
G-5 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position	N/A
G-6 Combining Schedule of Cash Flows	N/A

## TABLE OF CONTENTS (Continued)

	<b>Page</b>
<b>H. Fiduciary Funds:</b>	
H-1 Combining Statement of Fiduciary Net Position	89
H-2 Combining Statement of Changes in Fiduciary Net Position	90
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	91
H-4 Payroll Agency Fund Schedule fo Receipts and Disbursements	92
 <b>I. Long-Term Debt:</b>	
I-1 Schedule of General Serial Bonds	93
I-2 Schedule of Obligations under Capital Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	94
<b>STATISTICAL SECTION (Unaudited)</b>	
Financial Trends	
J-1 Net Position by Component	95
J-2 Changes in Net Net Position	96-97
J-3 Fund Balances - Governmental Funds	98
J-4 Changes in Fund Balances - Governmental Funds	99-100
J-5 General Fund Other Local Revenue by Source	101
Revenue Capacity	
J-6 Assessed Value and Estimated Actual Value of Taxable Property	102
J-7 Direct and Overlapping Property Taxes	103
J-8 Principal Property Taxpayers	104
J-9 Property Tax Levies and Collections	105
Debt Capacity	
J-10 Ratios of Outstanding Debt by Type	106
J-11 Ratios of General Bonded Debt Outstanding	107
J-12 Direct and Overlapping Governmental Activities Debt	108
J-13 Legal Debt Margin Information	109
Demographic and Economic information	
J-14 Demographic and Economic Statistics	110
J-15 Principal Employers	111
Operating information	
J-16 Full-time Equivalent District Employees by Function/Program	112
J-17 Operating Statistics	113
J-18 School Building Information	114
J-19 Schedule of Required Maintenance Expenditures	115
J-20 Insurance Schedule	116-117
<b>SINGLE AUDIT SECTION</b>	
K-1 Independent Auditor's Report - Governmental Auditing Standards	118-119
K-2 Independent Auditor's Report - OMB Circular Uniform Guidance and New Jersey OMB Circular 15-08	120-121
K-3 Schedule of Expenditures of Federal Awards, Schedule A	122
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	123
K-5 Notes to Schedules of Awards and Financial Assistance	124-126
K-6 Schedule of Findings and Questioned Costs	127-129
K-7 Summary Schedule of Prior Audit Findings	129

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

## **Introductory Section**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}





# Hamilton Township School District

1876 Dr. Dennis Foreman Drive, Mays Landing, Atlantic County, New Jersey 08330  
District Website: [hamiltonschools.org](http://hamiltonschools.org)

**Anne-Marie Fala**  
*School Business Administrator*  
Telephone: (609) 476-6302

**Frank Vogel**  
*Superintendent*  
Telephone: (609) 476-6300  
Fax: (609) 625-4847

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

November 3, 2017

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

Dear Board Members:

The comprehensive annual financial report of the Hamilton Township School District for the fiscal year ended June 30, 2017, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the district. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the district's organizational chart, and a list of principal officials. The financial section includes the general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The district is required to undergo an annual single audit in conformity with the provisions of the U.S. Office of Management and Budget Circular Uniform Guidance Revised, "Audits of States, Local Governments, and Non-Profit Organizations," and the State Treasury OMB Circular Letter 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, is included in the single audit section of this report.

## **1. REPORTING ENTITY AND ITS SERVICES:**

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

**All Children Can Learn!**  **All Children Can Succeed!**

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

<b>Annual October 15 Student Enrollment</b>		
<b><u>Fiscal</u></b> <b><u>Year</u></b>	<b><u>Student</u></b> <b><u>Enrollment</u></b>	<b><u>Percent</u></b> <b><u>Change</u></b>
2016-2017	3,035	0.40%
2015-2016	3,023	-0.30%
2014-2015	3,034	-0.90%
2013-2014	3,114	-2.04%
2012-2013	3,179	0.01%
2011-2012	3,147	-1.52%

## **2. ECONOMIC CONDITION AND OUTLOOK:**

Hamilton Township is the largest geographical municipality in the State, with room for growth. In addition to this large geographic area, several areas of the Township have been designated as high-density growth areas, thereby contributing further to growth and development. Charter schools, school choice, and the continuing economic impact of the shrinking gaming industry has had an impact on Hamilton Township's school population.

Again in 2016-2017 the district operated three school facilities. The Shaner School housing full day pre-school, kindergarten and grade one students; the Hess School housing grades two through five; and the Davies Middle School housing grades six, seven and eight. The Duberson School remains vacant and unable to be utilized for any purpose.

The Municipality of Hamilton Township, as other surrounding areas, has in recent years experienced budget cuts across the board, operating with less funding than previous years. 2017 saw a reversal in this trend, with an uptick in revenue. Over the years the Township has accumulated several tax ratables inclusive of shopping plazas, a movie theatre, a variety of retail stores, the Atlantic City Race Track, the Hamilton Mall, Festival Mall at Hamilton, and a Wal-Mart store. The Township completed a revaluation of properties in 2010-2011.

During 2016-2017 the declining amount of visitors to the Atlantic City casinos caused a decrease in jobs and/or job loss felt by many families in Hamilton Township. This continues to be a concern and a potential cause for the amount of students transferring in and out of the district. Although we receive no direct funding benefits from the casinos, they help to bring about residential and industrial growth for Hamilton Township through employment to many of our families. The impact of the declining casino industry has been felt throughout the Region.

### **3. MAJOR INITIATIVES:**

The vision of this educational institution:

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

The spirit of our vision statement is reflected and reinforced in the district’s goals and initiatives. Administrators and teachers work to use several sources of data to drive instruction. These sources of data, in the area of English language arts and mathematics, differ slightly according to student age. The New Jersey Common Core Standards are the basis for the district’s curriculum. Our curriculum is monitored and updated with guidance from the Department of Education.

Our primary and elementary grades implement a workshop model for instruction aligned with Lucy Caulkin’s instructional workshop model. Our district partnered with Columbia University to gain knowledge and expertise in perfecting Lucy Caulkin’s Readers/Writers Workshop Model. The district has expanded its use of this model, as it is implemented in Social Studies and Science in grades one through five. The primary and elementary schools (K-5) operate on trimesters with the idea of giving students ample time for instructional and independent practice and use a standards-based interim progress report and report card for reporting grades to families. A one to one technology initiative coupled with a BYOD (Bring Your Own Device) program is an integral component of all aspects of our middle school (grades 6, 7 and 8) curriculums, instruction and programs. Additionally, READ180 and System 44 classrooms infuse the use of iPads. Every classroom in the Davies School is equipped with an Epson Smart Projector, while every teacher is equipped with a PC and laptop or chrome book. The Davies School IMC has been updated to a technology rich instructional environment with the addition of two MAC computers, iPads, chrome books and a green screen.

### **CURRICULUM MATERIALS:**

#### **English Language Arts:**

The Readers/Writers Workshop Model closely aligned to Lucy Caulkin’s Model is used in kindergarten through grade five for the instruction of English Language Arts. In this model, teachers follow the *Four Kinds of Reading/Writing* which are designed for independent and instructional levels. Fountas & Pinnell is used for benchmarking student reading levels. Libraries of leveled readers in every classroom support reading development using skills and effective strategies for processing texts at increasingly challenging levels of difficulty. Students are instructed in guided writing through interactive writing techniques to build fluency through repeated exposure. The Holt Company’s reading series is utilized in grades six, seven and eight as well as Houghton-Mifflin Harcourt’s (HMH) READ 180 and Reading Inventory (RI). Supplemental materials were added to each grade level to support the students and staff with both reading and writing. All fiction and non-fiction books (classroom sets and in the library) were leveled to be in alignment with HMHRI Lexile Levels.

#### **Mathematics:**

The *GO MATH series* by Harcourt is the math program utilized in grades kindergarten through grade five. “Big Ideas” and “Math in Context” are utilized in the same manner in

grades six, seven and eight. Supplemental materials were added to each grade level as appropriate to the written curriculum.

**Science:**

The Harcourt Series is utilized with students in kindergarten through grade five. Teacher’s editions and leveled readers are the primary resources used for instruction in kindergarten through grade 4 with student textbooks used primarily in grade five. Grades six through eight use the Pearson, Science Fusion Series newly aligned to the Next Generation Science Standards (NGSS) to support the integrated written curriculum.

**Social Studies:**

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

**World Languages:**

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

**Visual and Performing Arts:**

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

**Health:**

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

**STAFF TRAINING AND PROFESSIONAL DEVELOPMENT:**

Staff training and professional development is designed and implemented based on teacher/administrative surveys and district needs. All training and professional development is directly linked to the Board of Education Goals, Superintendent Goals, the District & School Professional Development Plans, as well as each school’s Title One School-Wide Plan. Some of the highlights relative to the district’s professional development and staff training are as follows:

- Mental Health Initiative
- Curriculum writing in all subject areas

- BYOD Initiative
- Technology – Integration, Student Data Base Systems, Web Page, Smart Boards, iPads
- Classroom management and student support
- Student achievement (academic/behavioral/social)
- Student Growth Objectives (SGO) development
- School Wide Enrichment Program (SWEP)
- English Language Learners
- Review of I.E.P. and Strategies
- Data Driven Decision Making
- Readers/Writers Workshop Model via Professional Learning Communities
- iObservation and its function as an evaluation tool
- Workshops/Vendors (ETTC, EIRC, Stockton University, Rowan University) - Ongoing workshops in mathematics, language arts literacy and data analysis, as well as, speakers and presenters on a wide range of topics such as inclusion for Special Education students, character education, crisis and emergency management, and other topics. Special emphasis was placed on the content areas (language arts literacy & mathematics) related to statewide standardized testing in grades three through eight.
- Creative Curriculum and other professional development through the Preschool Expansion Grant

## **PROGRAMS:**

### ***Character Education:***

Hamilton Township School District’s Character Education initiative originally began in September of the 2000–2001 school year. The district continues to implement this initiative through a positive behavioral interventions and supports approach.

### **Early Childhood Education:**

Hamilton Township School District’s Pre-K program is a combined in-district and community based program housed at the George L. Hess Educational Complex, the Joseph C. Shaner School and Gateway Headstart. In addition to the Preschool Education Aid (PEA) that the district has been receiving for many years, the district qualified a few years back to receive funds via the Preschool Expansion Grant (PEG), effectually allowing the district to expand its preschool program. Creative Curriculum is our current program of instruction.

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

### **Gifted and Talented:**

The Gifted & Talented Program is comprised of four components as follows:

#### Talents

1. School-Wide Enrichment Program (SWEP) Gr. K-5
2. Extended Related Arts Gr. 6-8

## Gifted

3. In-Class Support and Pull-Out Program Gr. 2-5
4. Core Content (ELA & Math) Acceleration/Advancement Gr. 5-8

### **School-Wide Enrichment Program (SWEP) Gr. K-5**

The curriculum is a literature-based program exposing students to a broad selection of literature, stimulating critical thinking, and developing problem-solving skills. Materials chosen reflect the New Jersey (NJ) Common Core Standards and the NJ Core Curriculum Content Standards. It provides a focus on talents through Project-Based Enrichment Modules (PBEM) for all students. PBEM are high-interest based and meet the needs and capitalize on the talents of children who come from diverse backgrounds. The modules will allow for organizing qualitatively differentiated learning experiences for all students including the students on either end of the spectrum, the gifted students and the special education students.

### **Related Arts Talents Choice (Extended Related Arts) Gr. 6-8**

The “Related Arts’ Talents Choice” otherwise known as “extended related arts” is offered to seventh and eighth grade middle school students. Sixth graders are eligible for two of the eight extended related arts courses, as we believe sixth graders should experience all of the available related arts’ courses during their first year at the middle school.

### **In-Class Support and Pull-Out Program Gr. 2-5**

The in-class support and pull-out program components, provides each child the opportunity to demonstrate characteristic behaviors of convergent and divergent or inventive thinking.

#### *In-Class Support (ICS)*

The gifted teacher will support grade 3-5 students in math and literacy classes as defined in each student’s Gifted Student Education Plan (GSEP). Students are clustered in one to three classes per grade level; contingent upon the number of identified students requiring services from year to year. Recommended push-in services may include but are not limited to:

- 80 minutes for math; once every 6 days
- 80 minutes for literacy; once every 6 days

*Note this: the identification process for grade 2 students will take place during the first semester of the school year (September thru January); therefore, ICS services will start in grade 3 due to the need to cluster the identified students into homerooms at the onset of the school year.*

#### *Pull-Out*

The gifted teacher will support grade 2-5 students via pull-out services as defined in each student’s Gifted Student Education Plan (GSEP). Students may be clustered across grade levels for these services, contingent upon the number of identified students requiring services from year to year. Recommended pull-out services may include but are not limited to 80 minutes; once every 6 days. Students will be responsible to make-up all work missed during the time they are pulled out. This will be written into their GSEP.

**Core Content (English Language Arts & Math) Acceleration/Advancement Gr. 5-8**  
**Accelerated English Language Arts (ELA) – Gr. 5-8**

Accelerated English Language Arts (ELA) is a challenging literature-based program for students who demonstrate above average reading and/or writing skills, as well as, the motivation and ability to work independently. The purpose is to expose students to a broad selection of world literature, expand and enhance vocabulary, stimulate critical thinking, and refine writing skills. Materials chosen are aligned with the district ELA curriculum and, therefore, reflect the Common Core Standards. The accelerated and advanced math programs are for students who demonstrate above grade level mathematics skills as well as, the motivation and the ability to work independently. The purpose of these programs is to enhance math concepts and problem solving. Emphasis will be placed on opportunities for students to build their math skills through participation in activities which require higher level thinking skills. Resources utilized are aligned with the district mathematics curriculum and therefore, reflect the New Jersey Common Core Standards for mathematics.

**Basic Skills:**

The Basic Skills Improvement (BSI) Program is a hybrid program inclusive of primarily in-class support, team-teaching classes coupled with targeted pull-out classes. Both classroom settings are designed to provide instruction to students experiencing difficulty in English language arts and/or mathematics. Working cooperatively with the New Jersey State Department of Education's minimum level of proficiency mandates and Title I, supplemental instruction materials and teacher resources are available for students. The goal of the Basic Skills Program is to prepare students to meet with success in achieving mastery of the New Jersey Common Core Standards as measured by the mandatory statewide standardized assessments.

The New Jersey Department of Education (NJDOE) fully supports the principle upon which the Federal Every Student Succeeds Act (ESSA) is predicated, that all elements of the education system should support the achievement of challenging academic standards by all students. The educational priorities needed to achieve the reform of education were formulated into the Strategic Plan for Systemic Improvement of Education in New Jersey.

The Basic Skills Improvement Program has the following goals:

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

## **Technology:**

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

### Shaner School

- Add notebook PCs for classroom centers - yes
- Added interactive projectors in classrooms - yes

### Davies School

- Add Chromebook and charging carts in classrooms - yes
- Added Chromebooks for staff use - yes
- High speed Internet services from Comcast upgraded - yes
- Replace wireless controller and access points - yes

### Hess School

- Upgrade software code on wireless controller - yes
- Replace wireless access point - yes
- Add Chromebook and charging carts in classrooms - yes
- Replace classroom presentation notebooks PCs - yes

## **4. INTERNAL ACCOUNTING CONTROLS:**

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

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

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

## **5. BUDGETARY CONTROLS:**

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund.



Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2017.

## **6. ACCOUNTING SYSTEM AND REPORTS:**

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

## **7. DEBT ADMINISTRATION:**

At June 30, 2017, the District's bond proceeds continue to be used to offset debt service.

## **8. CASH MANAGEMENT:**

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

## **9. OTHER INFORMATION:**

**Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ford, Scott, and Associates, L.L.C. was appointed by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984, and the related Office of Management and Budget Circular Uniform Guidance and New Jersey OMB Circular Letter 15-08. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

**10. ACKNOWLEDGMENTS:**

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

Respectfully submitted,

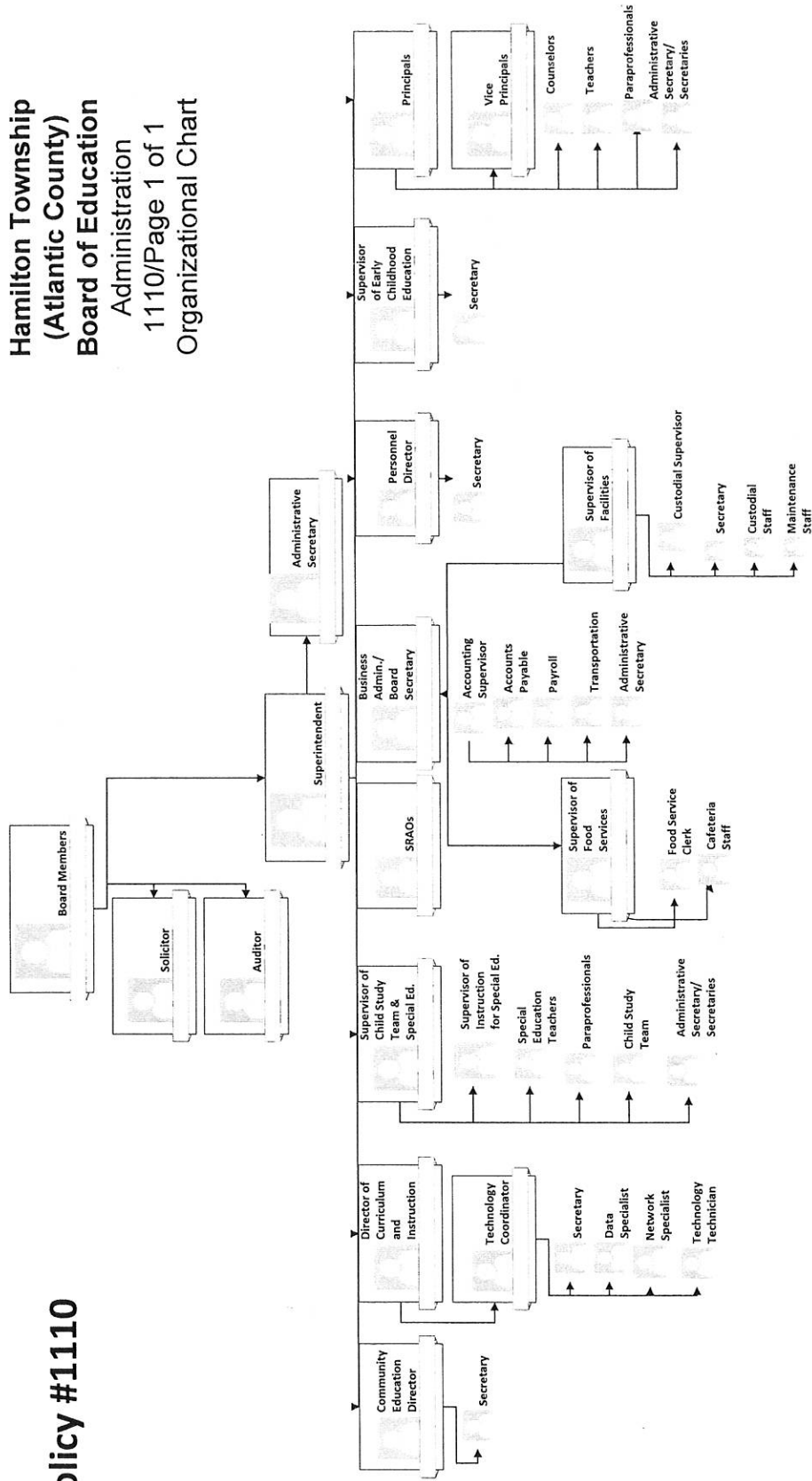
A handwritten signature in black ink, appearing to read 'F. Vogel', enclosed within a large, loopy oval shape.

Frank Vogel  
Superintendent

cc: Anne-Marie Fala, Business Administrator

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

**Policy #1110**



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

**ROSTER OF OFFICIALS**

**JUNE 30, 2017**

<b>MEMBERS OF THE BOARD</b>	<b>TERM EXPIRES</b>
Eric Aiken, President	2017
Kim Melton, Vice-President	2019
Nanci Barr	2019
Margaret Erickson	2018
Greg Ciambrone	2019
Amy Hassa	2018
Derek Haye	2017
Barbara Kupp	2017
James Higbee	2018

**OTHER OFFICIALS**

Frank Vogel, Superintendent of Schools

Anne-Marie Fala Board Secretary/Business Administrator

Eric Goldstein, Esq., Solicitor

**HAMILTON TOWNSHIP SCHOOL DISTRICT  
CONSULTANTS AND ADVISORS**

**ARCHITECT**

Fraytak Veisz Hopkins Duthie, P.C.  
1515 Lower Ferry Road  
PO Box 7371  
Trenton, NJ 08628

**AUDIT FIRM**

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

**ATTORNEY**

**Eric Goldstein, Esquire**  
Nehmad, Perillo & Davis  
4030 Ocean Heights Avenue  
Egg Harbor Township, NJ 08234

**OFFICIAL DEPOSITORY**

**OceanFirst Bank**  
975 Hooper Avenue  
Toms River, NJ 08753

**INSURANCE BROKER**

ACCASBOJIF  
P.O. Box 436  
Hammonton, NJ 08037

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

## **Financial Section**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}





# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

[www.ford-scott.com](http://www.ford-scott.com)

## **Independent Auditor's Report**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Hamilton Township School District, County of Atlantic, State of New Jersey, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Hamilton Township School District, Hamilton Township, County of Atlantic, State of New Jersey, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hamilton Township School District's basic financial statements. The introductory section, combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*, the schedule of state financial assistance as required by NJ OMB Circular 15-08, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory section, combining statements, and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*, the schedule of state financial assistance as required by NJ OMB Circular 15-08, and statistical information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*, the schedule of state financial assistance as required by NJ OMB's Circulars 15-08 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2017 on our consideration of the Hamilton Township School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Hamilton Township School District's internal control over financial reporting and compliance.

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

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

November 3, 2017

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**Required Supplemental Information**  
**Part I**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Township of Hamilton School District ("District") annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2017. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statement.

### FINANCIAL HIGHLIGHTS

- The net position of the District increased compared to the prior year as a result of an excess of revenues over expenses.
- The State of New Jersey reimbursed the District \$1,410,952.25 during the fiscal year ended June 30, 2017 for the employer's share of social security contributions. The State of New Jersey also paid \$3,866,142.00 in pension contributions and retiree health coverage for TPAF members as calculated on their base salaries on behalf of the District. This amount, which is not budgeted, is included as both a revenue and appropriation in the financial statements.
- As indicated by New Jersey State Statutes, the unreserved fund balance of the general fund is limited to 2% of the total general fund expenditures or \$250,000, whichever is greater. Any excess is required to be designated as Reserved Fund Balance – Excess Surplus and included in the next year's budget as budgeted fund balance. As of June 30, 2017 the District had excess surplus of \$3,487,259.57, of which \$1,608,984.00 was required to be budgeted as a revenue for the year ending June 30, 2018 and \$1,878,275.57 is designated for subsequent year budgets.
- During the fiscal year ended June 30, 2017, the District's revenues were approximately \$625,000 more than total expenses in the fund financial statements.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the District's government, reporting on the District's operations in *more detail* than the government-wide statements.
  - The *governmental funds* statements tell how *general government* services like instruction were financed in the *short term* as well as what remains for future spending.
  - *Proprietary fund* statements offer *short- and long-term* financial information about the activities the District operates like businesses, such as the milk program.
  - *Fiduciary fund* statements provide information about the financial relationships – like the unemployment trust fund – in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another. Figure A-1 summarizes the major features of the District's financial statements, including the portion of the District's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

**Figure A-1  
Major Features of Township of Hamilton Board of Education's  
Government-wide and Fund Financial Statements**

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



## Government-wide Statements

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

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

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

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

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

## Fund Financial Statements

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

The District has three kinds of funds:

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

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

**Net position** - The District's governmental activities net position increased between fiscal years 2017 and 2016 as a result of an excess of revenues over expenses. The business-type activities net position increased due to an excess of revenues over costs.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current and other assets	4,057,594.17	3,435,527.00	693,149.42	667,801.00	4,750,743.59	4,103,328.00
Capital assets	48,332,996.34	49,939,255.00	83,073.72	104,780.00	48,416,070.06	50,044,035.00
<b>Total assets</b>	<b>52,390,590.51</b>	<b>53,374,782.00</b>	<b>776,223.14</b>	<b>772,581.00</b>	<b>53,166,813.65</b>	<b>54,147,363.00</b>
Deferred outflows of resources	5,523,657.00	2,498,287.00	-	-	5,523,657.00	2,498,287.00
Long-term liabilities	30,213,449.20	28,946,486.00	47,748.15	49,272.00	30,261,197.35	28,995,758.00
Other liabilities	676,317.18	732,307.00	47,459.79	13,750.00	723,776.97	746,057.00
<b>Total liabilities</b>	<b>30,889,766.38</b>	<b>29,678,793.00</b>	<b>95,207.94</b>	<b>63,022.00</b>	<b>30,984,974.32</b>	<b>29,741,815.00</b>
Deferred inflows of resources	523,460.00	466,022.00	-	-	523,460.00	466,022.00
Net position						
Invested in capital assets	39,623,996.34	38,315,255.00	83,073.72	104,780.00	39,707,070.06	38,420,035.00
Restricted	390,538.69	596,292.00	-	-	390,538.69	596,292.00
Unrestricted	(13,513,513.90)	(13,183,293.00)	597,941.48	604,779.00	(12,915,572.42)	(12,578,514.00)
<b>Total net position</b>	<b>26,501,021.13</b>	<b>25,728,254.00</b>	<b>681,015.20</b>	<b>709,559.00</b>	<b>27,182,036.33</b>	<b>26,437,813.00</b>

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

**Changes in net position** - The total general fund revenue of the District decreased \$16,978,945.80 due to a decrease in additional TPAF contributions paid by the State of New Jersey on-behalf of the District.

Approximately 57% of the District's governmental funds revenue comes from the State of New Jersey in the form of non-restricted federal and state aid. This aid is based on the District's enrollment as well as other factors related to the District's formula aid which is a relationship of the adequacy budget and the Township's property values and income of the residents. The District expenses are primarily related to instruction, administration, and plant operations.

		<u>2017</u>		<u>2016</u>	
		<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Property taxes	\$	20,543,460.00	50.26%	20,116,473.00	34.77%
Unrestricted Federal and State aid		23,313,843.65	57.03%	23,001,703.00	39.76%
Tuition		225,238.71	0.55%	80,880.00	0.14%
Operating grants and contributions		(3,704,045.64)	-9.06%	14,410,059.00	24.91%
Other		499,756.48	1.22%	248,084.00	0.43%
<b>Totals</b>	<b>\$</b>	<b>40,878,253.20</b>	<b>100.00%</b>	<b>57,857,199.00</b>	<b>100.00%</b>

## Governmental Activities

The following schedule summarizes the governmental and business-type activities of the District during the 2017 and 2016 fiscal years:

	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
<b>Revenues</b>						
Program revenue						
Charges for services	\$ 225,238.71	80,880.00	947,354.63	990,089.00	1,172,593.34	1,070,969.00
Grants and entitlements	(3,704,045.64)	13,578,322.00	1,048,717.43	1,085,433.00	(2,655,328.21)	14,663,755.00
General revenues						
Property taxes	20,543,460.00	20,116,473.00		-	20,543,460.00	20,116,473.00
State aid entitlements	23,313,843.65	23,833,440.00		-	23,313,843.65	23,833,440.00
Other	499,756.47	248,084.00	831.16	777.00	500,587.63	248,861.00
<b>Total revenues</b>	<b>40,878,253.19</b>	<b>57,857,199.00</b>	<b>1,996,903.22</b>	<b>2,076,299.00</b>	<b>42,875,156.41</b>	<b>59,933,498.00</b>
<b>Expenses</b>						
Instruction:						
Regular	12,381,048.29	26,476,044.00	-	-	12,381,048.29	26,476,044.00
Special Education	4,209,311.86	6,898,766.00	-	-	4,209,311.86	6,898,766.00
Other Instruction	1,297,407.03	2,607,968.00	-	-	1,297,407.03	2,607,968.00
Support services:						
Tuition	782,961.14	821,090.00	-	-	782,961.14	821,090.00
Student & instruction related	7,332,755.33	7,969,942.00	-	-	7,332,755.33	7,969,942.00
School administration services	2,485,956.10	2,307,562.00	-	-	2,485,956.10	2,307,562.00
General & business admin	2,382,381.59	1,704,729.00	-	-	2,382,381.59	1,704,729.00
Plant operations & maintenance	5,921,623.65	4,360,663.00	-	-	5,921,623.65	4,360,663.00
Pupil transportation	2,858,938.27	3,160,197.00	-	-	2,858,938.27	3,160,197.00
Capital Outlay		-	-	-	-	-
Interest on long-term debt	453,103.26	484,275.00	-	-	453,103.26	484,275.00
Business-type activities			2,025,446.91	2,092,041.00	2,025,446.91	2,092,041.00
<b>Total expenses</b>	<b>40,105,486.52</b>	<b>56,791,236.00</b>	<b>2,025,446.91</b>	<b>2,092,041.00</b>	<b>42,130,933.43</b>	<b>58,883,277.00</b>
Special Items:						
Cancellation of Receivables	0.20	(9,055.00)	-	-	0.20	
Loss on disposal of fixed assets						
	-	-	-	-	-	-
<b>Increase/(Decrease) in net position</b>	<b>772,766.87</b>	<b>1,056,908.00</b>	<b>(28,543.69)</b>	<b>(15,742.00)</b>	<b>744,223.18</b>	<b>1,050,221.00</b>

## Business-type Activities

Operating and non-operating revenues of the District's business-type activities decreased \$79,395.78 from the previous year and expenses decreased by \$66,594.09. As a result of reduced participation, expenses related to the program also decreased.

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of the year end, the governmental funds reported a combined fund balance of \$27,182,036.33 which is \$744,223.18 higher than the beginning of the year.

**General Fund Budgetary Highlights**

As further explained in the Notes to the Financial Statements, annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the County office and, as a Type II School District, are approved by the voters annually if the District exceeds the statutory CAP limitations. Effective with the 2012-2013 school year, if the District stays within the statutory limitations, there is no vote on the budget by the District voters and Board Members are elected at the time of the general election in November. Transfers of appropriations may be made by Board resolution at any time during the fiscal year. The District is permitted to encumber funds throughout the year for purchases ordered but not yet received. Any open encumbrances as of June 30<sup>th</sup> carry over to the next fiscal year and are added to the appropriation reflected in the certified budget.

After adjusting total revenue reported on Exhibit C-1 for the Reimbursed TPAF Social Security Contribution and on-behalf TPAF Pension Contributions, which are not budgeted, the District's actual revenue exceeded the budgeted revenue by 936,547.44. This is a result of excess unbudgeted miscellaneous revenue, such as SREC's and E-rate reimbursements. Again, after adjusting for the Reimbursed TPAF Social Security Contribution and on-behalf TPAF Pension Contributions, actual expenditures were below the budgeted appropriations by \$1,367,452.58. This can be attributed to overall savings in the various expense line items of the District.

**CAPITAL ASSET**

**Capital Assets**

At the end of 2017, the District had invested \$48,416,070.06 million in a broad range of capital assets, including land, buildings, vehicles and machinery.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land	\$ 1,423,600.00	1,423,600.00			1,423,600.00	1,423,600.00
Buildings and Bldg improvements	46,508,815.10	48,169,930.00			46,508,815.10	48,169,930.00
Machinery & equipment	400,581.24	345,725.00	83,073.72	108,440.00	483,654.96	454,165.00
<b>Total</b>	<b>\$ 48,332,996.34</b>	<b>49,939,255.00</b>	<b>83,073.72</b>	<b>108,440.00</b>	<b>48,416,070.06</b>	<b>50,047,695.00</b>

{This space intentionally left blank}

**Long-term Debt**

	Balance June 30, 2016	Issued	Retired/ Adjusted	Balance June 30, 2017
Governmental Activities:				
Bonds Payable	\$ 11,624,000.00		2,915,000.00	8,709,000.00
Compensated Absences Payable	2,106,456.74	180,134.82	218,047.36	2,068,544.20
Net Pension Liability	15,216,029.00	7,358,594.00	3,138,718.00	19,435,905.00
Total Governmental Activities	<u>\$ 28,946,485.74</u>	<u>7,538,728.82</u>	<u>6,271,765.36</u>	<u>30,213,449.20</u>
Business-Type Activities:				
Compensated Absences Payable	49,271.94	3,274.71	4,798.50	47,748.15
Business-Type Activities	<u>49,271.94</u>	<u>3,274.71</u>	<u>4,798.50</u>	<u>47,748.15</u>

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

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

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

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

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

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**BASIC FINANCIAL STATEMENTS**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}



**DISTRICT - WIDE FINANCIAL STATEMENTS**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**HAMILTON TOWNSHIP SCHOOL DISTRICT**  
**Statement of Net Position**  
**June 30, 2017**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,322,570.31	610,327.21	2,932,897.52
Restricted cash	721,706.52		721,706.52
Receivables, net	5,292.31		5,292.31
Internal balances	88.53	161.47	250.00
Due from other governments	1,007,936.50	69,110.85	1,077,047.35
Inventory		13,549.89	13,549.89
Capital assets not being depreciated			
Land	1,423,000.00		1,423,000.00
Capital assets, net	46,909,996.34	83,073.72	46,993,070.06
Total Assets	<u>52,390,590.51</u>	<u>776,223.14</u>	<u>53,166,813.65</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows Related to Pensions	5,523,657.00	-	5,523,657.00
Total Deferred Outflows of Resources	<u>5,523,657.00</u>	<u>-</u>	<u>5,523,657.00</u>
<b>LIABILITIES</b>			
Accounts payable	502,688.69	47,459.79	550,148.48
Other liabilities	148,990.00		148,990.00
Payable to state government	7,241.31		7,241.31
Unearned revenue	17,397.18	-	17,397.18
Noncurrent liabilities:			
Due within one year	3,109,773.11		3,109,773.11
Due beyond one year	7,667,771.09	47,748.15	7,715,519.24
Net Pension Liability	19,435,905.00		19,435,905.00
Total liabilities	<u>30,889,766.38</u>	<u>95,207.94</u>	<u>30,984,974.32</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows Related to Pensions	523,460.00	-	523,460.00
<b>NET POSITION</b>			
Net investment in capital assets	39,623,996.34	83,073.72	39,707,070.06
Restricted for:			
Debt service	0.46		0.46
Capital projects	390,538.23		390,538.23
Other purposes	-		-
Unrestricted	(13,513,513.90)	597,941.48	(12,915,572.42)
Total net position	<u>\$ 26,501,021.13</u>	<u>681,015.20</u>	<u>27,182,036.33</u>

The accompanying notes are an integral part of these financial statements

**HAMILTON TOWNSHIP SCHOOL DISTRICT**  
**Statement of Activities**  
**For the Year Ended June 30, 2017**

Functions/Programs	Expenses	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
		Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:								
Instruction:								
Regular	\$ 6,715,989.71	5,665,058.58	225,238.71	(3,885,625.92)	(16,041,435.51)		(16,041,435.51)	
Special education	1,901,015.78	2,308,296.08		(2,388,718.61)	(6,598,030.47)		(6,598,030.47)	
Other special instruction	516,002.44	671,615.50	(695,015.02)		(1,882,632.97)		(1,882,632.97)	
Other instruction	43,860.26	65,928.83	(68,225.83)		(178,014.93)		(178,014.93)	
Support services:								
Tuition	782,961.14				(782,961.14)		(782,961.14)	
Student & instruction related services	5,496,106.56	1,836,648.77	1,806,831.52		(5,525,923.81)		(5,525,923.81)	
School administrative services	1,762,233.98	723,722.12	278,325.90		(2,207,630.20)		(2,207,630.20)	
General and business administrative services	1,675,036.89	707,344.70	272,027.55		(2,110,354.04)		(2,110,354.04)	
Plant operations and maintenance	4,178,375.54	1,743,248.11	670,410.77		(5,251,212.88)		(5,251,212.88)	
Pupil transportation	2,858,938.27	(13,721,862.69)			(2,858,938.27)		(2,858,938.27)	
Unallocated benefits	13,721,862.69				-		-	
Interest on long-term debt	453,103.26				(453,103.26)		(453,103.26)	
Total governmental activities	40,105,486.53	-	225,238.71	(4,009,989.64)	(43,890,237.46)	-	(43,890,237.46)	
Business-type activities:								
Food Service	1,562,057.22		442,366.08	1,048,717.43	(70,973.71)	(70,973.71)	(70,973.71)	
Kids Corner	232,560.43		290,035.24		57,474.81	57,474.81	57,474.81	
Community Education	230,829.26		214,953.31		(15,875.95)	(15,875.95)	(15,875.95)	
Total business-type activities	2,025,446.91	-	947,354.63	1,048,717.43	(29,374.85)	(29,374.85)	(29,374.85)	
Total primary government	42,130,933.44	-	1,172,593.34	(2,961,272.21)	(43,890,237.46)	(29,374.85)	(43,919,612.31)	
General revenues:								
Taxes:								
Property taxes, levied for general purposes, net		17,727,379.00			17,727,379.00		17,727,379.00	
Taxes levied for debt service		2,816,081.00			2,816,081.00		2,816,081.00	
Federal and State aid not restricted		23,313,843.65			23,313,843.65		23,313,843.65	
Federal and State aid restricted		305,944.00			305,944.00		305,944.00	
Investment Earnings		255.88			255.88	831.16	1,087.04	
Miscellaneous Income		499,500.60			499,500.60		499,500.60	
Special items:								
Cancellation of Receivables		0.20			0.20		0.20	
Loss on disposal of fixed assets							-	
Total general revenues, special items, extraordinary items and transfers		44,663,004.33			44,663,004.33	831.16	44,663,835.49	
Change in Net Position		772,766.87			772,766.87	(28,543.69)	744,223.18	
Net Position—beginning		25,728,254.26			25,728,254.26	709,558.89	26,437,813.15	
Net Position—ending		26,501,021.13			26,501,021.13	681,015.20	27,182,036.33	

The accompanying notes are an integral part of these financial statements

**FUND FINANCIAL STATEMENTS**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**HAMILTON TOWNSHIP SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2017**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,932,031.62		390,538.23	0.46	2,322,570.31
Restricted cash	721,706.52				721,706.52
Receivables, net	5,241.81	50.50			5,292.31
Due from other funds	197,230.81				197,230.81
Receivables from other governments	510,807.60	497,128.90			1,007,936.50
Total assets	<u>3,367,018.36</u>	<u>497,179.40</u>	<u>390,538.23</u>	<u>0.46</u>	<u>4,254,736.45</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	210,182.66	292,506.03			502,688.69
Contracts Payable					-
Due to other governments		7,241.31			7,241.31
Interfund payable		197,142.28			197,142.28
Unearned revenue		17,397.18			17,397.18
Due to Grantor					-
Total liabilities	<u>210,182.66</u>	<u>514,286.80</u>	<u>-</u>	<u>-</u>	<u>724,469.46</u>
Fund Balances:					
Restricted for:					
Excess Surplus	1,878,275.57				1,878,275.57
Excess Surplus - Designated for Subsequent Year's Expenditures	1,608,984.00				1,608,984.00
Capital Projects			390,538.23		390,538.23
Debt Service Fund				0.46	0.46
Committed for:					
Capital Reserve Fund	171,706.52				171,706.52
Maintenance Reserve Fund	550,000.00				550,000.00
Designated for subsequent year's expenditures	74,514.00				74,514.00
Assigned to:					
Encumbrances					
Unreserved, reported in:					
General fund	(1,126,644.39)				(1,126,644.39)
Special revenue fund		(17,107.40)			(17,107.40)
Total Fund balances	<u>3,156,835.70</u>	<u>(17,107.40)</u>	<u>390,538.23</u>	<u>0.46</u>	<u>3,530,266.99</u>
Total liabilities and fund balances	<u>\$ 3,367,018.36</u>	<u>497,179.40</u>	<u>390,538.23</u>	<u>0.46</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 48,332,996.34

Pension Liabilities Net of Deferred Outflows & Inflows (14,435,708.00)

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

Bond payable (8,709,000.00)

Accrued interest payable (148,990.00)

Compensated absences (2,068,544.20)

Net assets of governmental activities 26,501,021.13

**HAMILTON TOWNSHIP SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures, And Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2017**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local tax levy	\$ 17,727,379.00			2,816,081.00	20,543,460.00
Tuition Charges	225,238.71				225,238.71
Interest	255.88				255.88
Miscellaneous	499,500.60		-		499,500.60
State sources	28,440,393.40	326,641.67		305,944.00	29,072,979.07
Federal sources	150,544.50	2,750,666.44			2,901,210.94
Total revenues	<u>47,043,312.09</u>	<u>3,077,308.11</u>	<u>-</u>	<u>3,122,025.00</u>	<u>53,242,645.20</u>
<b>EXPENDITURES</b>					
Current:					
Regular instruction	12,046,929.68	1,976,807.38			14,023,737.06
Special education instruction	4,878,645.10				4,878,645.10
Other special instruction	1,382,365.31				1,382,365.31
Other instruction	128,906.38				128,906.38
Support services and undistributed costs:					
Tuition	782,961.14				782,961.14
Student & instruction related services	3,698,985.27	1,100,501.13			4,799,486.40
School administrative services	1,487,734.34				1,487,734.34
Other administrative services	1,406,749.02				1,406,749.02
Plant operations and maintenance	3,517,181.19				3,517,181.19
Pupil transportation	2,858,938.27				2,858,938.27
Unallocated Benefits	13,721,862.69				13,721,862.69
Debt service:					
Principal				2,915,000.00	2,915,000.00
Interest and other charges				395,841.26	395,841.26
Capital outlay	301,583.00	-	16,937.25		318,520.25
Total expenditures	<u>46,212,841.39</u>	<u>3,077,308.51</u>	<u>16,937.25</u>	<u>3,310,841.26</u>	<u>52,617,928.41</u>
Excess (Deficiency) of revenues over expenditures	<u>830,470.70</u>	<u>(0.40)</u>	<u>(16,937.25)</u>	<u>(188,816.26)</u>	<u>624,716.79</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in		-		188,816.26	188,816.26
Adjustment to prior year fund balance			(0.26)	0.46	0.20
Transfers out	-		(188,816.26)		(188,816.26)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>(188,816.52)</u>	<u>188,816.72</u>	<u>0.20</u>
Net change in fund balances	830,470.70	(0.40)	(205,753.77)	0.46	624,716.99
Fund balance—July 1	2,326,365.00	(17,107.00)	596,292.00	-	2,905,550.00
Fund balance—June 30	<u>\$ 3,156,835.70</u>	<u>(17,107.40)</u>	<u>390,538.23</u>	<u>0.46</u>	<u>3,530,266.99</u>



**HAMILTON TOWNSHIP SCHOOL DISTRICT  
Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended June 30, 2017**

<b>Total net change in fund balances - governmental funds (from B-2)</b>	\$	624,716.99
--	----	------------

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

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

	Depreciation expense	(1,814,176.91)	
	Capital outlays	<u>207,918.25</u>	(1,606,258.66)

Repayment of long term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.	2,915,000.00
---	--------------

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+)	53,340.00
--	-----------

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

District pension contributions - PERS	582,993.00	
Cost of benefits earned net of employee contributions	<u>(1,834,937.00)</u>	(1,251,944.00)

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-);when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). Compensated absences	37,912.54
--	-----------

<b>Change in net position of governmental activities</b>	\$	<u><u>772,766.87</u></u>
--	----	--------------------------

**HAMILTON TOWNSHIP SCHOOL DISTRICT**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2017**

	<u>Food Service</u>	<u>Non-Major Funds</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 20,941.42	589,385.79	610,327.21
Accounts receivable	68,139.29	971.56	69,110.85
Interfund receivable	250.00	-	250.00
Inventories	13,549.89	-	13,549.89
Total current assets	<u>102,880.60</u>	<u>590,357.35</u>	<u>693,237.95</u>
Noncurrent assets:			
Furniture, machinery & equipment	411,203.19	41,060.81	452,264.00
Less accumulated depreciation	<u>(340,770.70)</u>	<u>(28,419.58)</u>	<u>(369,190.28)</u>
Total noncurrent assets	<u>70,432.49</u>	<u>12,641.23</u>	<u>83,073.72</u>
Total assets	<u><u>173,313.09</u></u>	<u><u>602,998.58</u></u>	<u><u>776,311.67</u></u>
<b>LIABILITIES</b>			
Current liabilities:			
Interfund payable	88.53	-	88.53
Accounts payable	47,459.79	-	47,459.79
Unearned revenue	-	-	-
Total current liabilities	<u>47,548.32</u>	<u>-</u>	<u>47,548.32</u>
Noncurrent liabilities:			
Compensated absences	47,748.15	-	47,748.15
Total noncurrent liabilities	<u>47,748.15</u>	<u>-</u>	<u>47,748.15</u>
Total liabilities	<u>95,296.47</u>	<u>-</u>	<u>95,296.47</u>
<b>NET POSITION</b>			
Net investment in capital assets	70,432.49	12,641.23	83,073.72
Unrestricted	7,584.13	590,357.35	597,941.48
Total net position	<u>\$ <u>78,016.62</u></u>	<u><u>602,998.58</u></u>	<u><u>681,015.20</u></u>

The accompanying notes are an integral part of these financial statements

**HAMILTON TOWNSHIP SCHOOL DISTRICT**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2017**

	<u>Food Service</u>	<u>Non-major Funds</u>	<u>Total</u>
Operating revenues			
Charges for services			
Daily sales - reimbursable program	\$ 271,306.91	-	271,306.91
Daily sales - non-reimbursable program	130,959.25	-	130,959.25
Special functions	37,316.53	-	37,316.53
Miscellaneous	2,783.39	-	2,783.39
Community services activities	-	504,988.55	504,988.55
Total operating revenue:	<u>442,366.08</u>	<u>504,988.55</u>	<u>947,354.63</u>
Operating expenses			
Cost of sales-reimbursable program	429,372.40	-	429,372.40
Cost of sales-non-reimbursable program	170,497.88	-	170,497.88
Salaries	662,782.35	340,329.41	1,003,111.76
Employee benefits	219,341.13	56,188.34	275,529.47
General supplies & materials	46,270.24	45,263.88	91,534.12
Other expenses	13,305.89	17,949.48	31,255.37
Depreciation	20,487.33	3,658.58	24,145.91
Total Operating Expense:	<u>1,562,057.22</u>	<u>463,389.69</u>	<u>2,025,446.91</u>
Operating (loss)	<u>(1,119,691.14)</u>	<u>41,598.86</u>	<u>(1,078,092.28)</u>
Nonoperating revenues			
State sources:			
State school lunch program	16,043.53	-	16,043.53
Federal sources			
National school lunch program	758,676.82	-	758,676.82
National school breakfast program	177,516.67	-	177,516.67
Special milk program	451.41	-	451.41
Food distribution program	96,029.00	-	96,029.00
Interest and investment revenue	110.04	721.12	831.16
Total nonoperating revenue	<u>1,048,827.47</u>	<u>721.12</u>	<u>1,049,548.59</u>
(Loss) before contributions & transfer	<u>(70,863.67)</u>	<u>42,319.98</u>	<u>(28,543.69)</u>
Other financing sources			
Loss on disposal of fixed assets	-	-	-
Change in net position	<u>(70,863.67)</u>	<u>42,319.98</u>	<u>(28,543.69)</u>
Total net position—beginning	<u>148,880.29</u>	<u>560,678.60</u>	<u>709,558.89</u>
Total net position—ending	<u>\$ 78,016.62</u>	<u>602,998.58</u>	<u>681,015.20</u>

**HAMILTON TOWNSHIP SCHOOL DISTRICT**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2017**

	<u>Food Service</u>	<u>Non-major Funds</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 443,559.54	504,890.03	948,449.57
Payments to employees	(662,782.35)	(340,329.41)	(1,003,111.76)
Payments for employee benefits	(220,864.92)	(56,188.34)	(277,053.26)
Payments to suppliers	(59,576.13)	(63,213.36)	(122,789.49)
Payments to cost of sales	(469,318.17)	-	(469,318.17)
Net cash (used for) operating activities	<u>(968,982.03)</u>	<u>45,158.92</u>	<u>(923,823.11)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State Sources	15,916.34	-	15,916.34
Federal Sources	928,144.43	-	928,144.43
Payments from other funds	88.53	-	88.53
Net cash provided by non-capital financing activities	<u>944,149.30</u>	<u>-</u>	<u>944,149.30</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>			
Acquisition of capital assets	(2,440.00)	-	(2,440.00)
Net cash (used for) capital financing activities	<u>(2,440.00)</u>	<u>-</u>	<u>(2,440.00)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends	110.04	721.12	831.16
Net cash provided by investing activities	<u>110.04</u>	<u>721.12</u>	<u>831.16</u>
Net decrease in cash and cash equivalents	(27,162.69)	45,880.04	18,717.35
Balances—beginning of year	48,104.11	543,505.75	591,609.86
Balances—end of year	<u>20,941.42</u>	<u>589,385.79</u>	<u>610,327.21</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating (loss)	(1,119,691.14)	41,598.86	(1,078,092.28)
Adjustments to reconcile operating (loss) to net cash provided by (used for) operating activities			
Depreciation and net amortization	20,487.33	3,658.58	24,145.91
Federal commodities	96,029.00	-	96,029.00
(Increase) in inventories	813.76	-	813.76
(Increase) in other receivables	1,193.46	(98.52)	1,094.94
Increase in accounts payable	33,709.35	-	33,709.35
Increase in compensated absences	(1,523.79)	-	(1,523.79)
Total adjustments	<u>150,709.11</u>	<u>3,560.06</u>	<u>154,269.17</u>
Net cash (used for) operating activities	<u>\$ (968,982.03)</u>	<u>45,158.92</u>	<u>(923,823.11)</u>

**HAMILTON TOWNSHIP SCHOOL DISTRICT**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2017**

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>	<u>Agency Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ <u>286,259.73</u>	<u>1,309.64</u>	<u>239,487.49</u>
Total assets	<u>286,259.73</u>	<u>1,309.64</u>	<u>239,487.49</u>
<b>LIABILITIES</b>			
Payable to student groups			186,728.65
Accounts payable	-		-
Interfunds payable			250.00
Payroll deductions and withholdings			52,508.84
Total liabilities	<u>-</u>		<u>239,487.49</u>
<b>NET POSITION</b>			
Held in trust for unemployment claims and other purposes	\$ <u>286,259.73</u>		
Reserved for scholarships		<u>1,309.64</u>	

**HAMILTON TOWNSHIP SCHOOL DISTRICT**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2017**

	Unemployment Compensation Trust	Private Purpose Scholarship Fund
<b>ADDITIONS</b>		
Contributions:		
Plan member	\$ 82,190.49	
Total Contributions	<u>82,190.49</u>	<u>-</u>
Investment earnings:		
Interest	400.15	15.64
Net investment earnings	<u>400.15</u>	<u>15.64</u>
Total additions	<u>82,590.64</u>	<u>15.64</u>
<b>DEDUCTIONS</b>		
Employee withholdings	-	
Unemployment claims	79,384.91	
Scholarships awarded		-
Total deductions	<u>79,384.91</u>	<u>-</u>
Operating income	3,205.73	15.64
Change in net position	<u>3,205.73</u>	<u>15.64</u>
Net position—beginning of the year	283,054.00	1,294.00
Net position—end of the year	<u>\$ 286,259.73</u>	<u>1,309.64</u>

The accompanying notes are an integral part of these financial statements

## **Notes to the Financial Statements**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}



**Hamilton Township School District**  
**Notes to Financial Statements**  
**June 30, 2017**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

The financial statements of the Board of Education (Board) of the Hamilton Township School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB). The more significant accounting policies established in GAAP and used by the District are discussed below.

**A. REPORTING ENTITY:**

The Hamilton Township School District is a Type II district located in the County of Atlantic, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-8. The Hamilton Township School District had an enrollment at June 30, 2017 and 2016 of 3,035 and 3,023 students.

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

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

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

**B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS:**

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

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

**Hamilton Township School District**  
**Notes to Financial Statements**  
**June 30, 2017**

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

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

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

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

**C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS**

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

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

The following fund types are used by the District:

**1. Governmental Funds:**

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

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

**Hamilton Township School District**  
**Notes to Financial Statements**  
**June 30, 2017**

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

**Fund Balances – Governmental Funds**

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

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

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

**2. Proprietary Funds:**

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

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

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

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

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

**Hamilton Township School District**  
**Notes to Financial Statements**  
**June 30, 2017**

**3. Fiduciary Funds:**

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

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

**D. BASIS OF ACCOUNTING**

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

**1. Accrual:**

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

**2. Modified Accrual:**

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

**E. FINANCIAL STATEMENT AMOUNTS**

**1. Cash and Cash Equivalents:**

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

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

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

**Hamilton Township School District  
Notes to Financial Statements  
June 30, 2017**

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

**2. Investments:**

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

**3. Inventories:**

Inventories in the general fund consist of expendable supplies held for the District's use and are carried at cost using the first-in, first-out method. Inventories in the enterprise fund are valued at cost, which approximates market, using the first-in, first –out method. As of June 30, 2017, the District did not have inventory in the general fund and had the following inventory in the enterprise fund.

Food	\$ 9,746.20
Supplies	3,803.69
	<u>\$ 13,549.89</u>

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1996) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements. The value of commodities included in the food service inventory on June 30, 2017 is \$5,568.37.

**4. Capital Assets:**

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

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

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

**Hamilton Township School District**  
**Notes to Financial Statements**  
**June 30, 2017**

**5. Revenues:**

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

**6. Expenditures:**

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

**7. Compensated Absences:**

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

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

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

**8. Interfund Activity:**

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

**Hamilton Township School District**  
**Notes to Financial Statements**  
**June 30, 2017**

**9. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office for approval and, as long as the District budget is within State mandated CAPs, there is no public vote on the budget. If the budget exceeds State mandated CAPs, the voters have an opportunity to approve or reject the budget at the regular election held in November. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-2 (g). Transfers of appropriations may be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the Executive County Superintendent of Schools. During the 2017 fiscal year, the Board of Education approved no significant transfers.

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

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

**10. Tuition Receivable**

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

**11. Tuition Payable**

Tuition charges for the fiscal year 2016/17 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**12. Use of Estimates**

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

**13. Allocation of Costs**

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

**Hamilton Township School District**  
**Notes to Financial Statements**  
**June 30, 2017**

**14. Pensions:**

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

**F. RECENT ACCOUNTING PRONOUNCEMENTS**

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This statement is effective for fiscal periods beginning after June 30, 2017. Although not determinable, the impact of this statement on the net position of the entity is anticipated to be significant.

In January 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 80, "Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14". This statement is effective for fiscal periods beginning after December 15, 2016, will not have any effect on the District's financial reporting.

In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 81, "Irrevocable Split-Interest Agreements". This statement is effective for fiscal periods beginning after December 15, 2016, will not have any effect on the District's financial reporting.

In November 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 83 "Certain Asset Retirement Obligations". This statement, which is effective for fiscal periods beginning after June 15, 2018, will not have any effect on the District's financial reporting.

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84 "Fiduciary Activities." This statement, which is effective for fiscal periods beginning after December 15, 2018, will not have any effect on the District's financial reporting.

In March 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 85 "Omnibus 2017." This statement, which is effective for fiscal periods beginning after June 15, 2017, will not have any effect on the District's financial reporting.

In May 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 86 "Certain Debt Extinguishment Issues." This statement, which is effective for reporting periods beginning after June 15, 2017, will not have any effect on the District's financial reporting.

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87 "Leases". This statement, which is effective for reporting periods beginning after December 15, 2019, may have an effect on the District's financial reporting.

In March 2017, the Governmental Accounting Standards Board (GASB) issued Omnibus 2017. This statement, which is effective for fiscal periods after June 15, 2017, will not have any effect on the District's financial reporting.



**Hamilton Township School District  
Notes to Financial Statements  
June 30, 2017**

**NOTE 2: INVESTMENTS**

As of June 30, 2017, the District had the following investments in the Private Purpose Scholarship Fund.

	<u>Maturity</u>	<u>Term</u>	<u>Interest Rate</u>	<u>Fair Value</u>
Certificate of Deposit	10/16/17	12 Months	1.00%	\$1,309.64

Upon maturity in October 2017, the District renewed the certificate for an additional 12 month term at an interest rate of 0.85% per annum.

In addition, as of June 30, 2017 the District had \$58,062.75 on deposit with New Jersey ARM.

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

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

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

**NOTE 3: CASH**

**Custodial Credit Risk – Deposits.** Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2017, \$637,981.00 of the District's bank balance of \$4,638,758.94 was exposed to custodial credit risk.

{This space intentionally left blank}

**Hamilton Township School District**  
**Notes to Financial Statements**  
**June 30, 2017**

**NOTE 4: CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions/Adj.</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,423,600.00			1,423,600.00
Construction in Progress	-			-
Total capital assets not being depreciated	<u>1,423,600.00</u>	<u>-</u>	<u>-</u>	<u>1,423,600.00</u>
Capital assets being depreciated:				
Land Improvements	533,172.25			533,172.25
Buildings and building improvements	76,498,031.02	16,937.25		76,514,968.27
Equipment	3,232,584.26	190,981.00	(111,869.00)	3,311,696.26
Total capital assets being depreciated at historical cost	<u>80,263,787.53</u>	<u>207,918.25</u>	<u>(111,869.00)</u>	<u>80,359,836.78</u>
Less accumulated depreciation for:				
Land Improvements	(211,881.82)	(26,359.11)		(238,240.93)
Buildings and improvements	(28,649,390.71)	(1,651,693.78)		(30,301,084.49)
Equipment	(2,886,860.00)	(136,124.02)	111,869.00	(2,911,115.02)
Total accumulated depreciation	<u>(31,748,132.53)</u>	<u>(1,814,176.91)</u>	<u>111,869.00</u>	<u>(33,450,440.44)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>48,515,655.00</u>	<u>(1,606,258.66)</u>	<u>-</u>	<u>46,909,396.34</u>
Governmental activity capital assets, net	<u>\$ 49,939,255.00</u>	<u>(1,606,258.66)</u>	<u>-</u>	<u>48,332,996.34</u>
<b>Business-type activities:</b>				
Capital assets being depreciated:				
Food Service Equipment	\$ 449,824.00	2,440.00		452,264.00
Less accumulated depreciation	(345,044.00)	(24,145.91)	(0.37)	(369,190.28)
Enterprise Fund capital assets, net	<u>\$ 104,780.00</u>	<u>(21,705.91)</u>	<u>(0.37)</u>	<u>83,073.72</u>

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 748,981.29
Special Instruction	305,181.41
Other Special Instruction	88,794.75
Other Instruction	8,716.50
Student & Instruction Related Services	242,824.60
Gen Administration Services	93,518.53
School Administration Services	95,683.80
Plant Operations	230,476.03
	<u>\$ 1,814,176.91</u>

**Hamilton Township School District  
Notes to Financial Statements  
June 30, 2017**

**NOTE 5: CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Hamilton Township Board of Education for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

The activity of the capital reserve for the 2017 fiscal year is as follows:

Beginning balance, July 1, 2016	\$	171,451.00
Deposits:		
Interest		255.52
Ending balance, June 30, 2017	\$	171,706.52

**NOTE 6: MAINTENANCE RESERVE FUND**

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

Beginning balance, July 1, 2016	\$	350,000.00
Deposits		
Resolution Approved		200,000.00
Ending balance, June 30, 2017	\$	550,000.00

**Hamilton Township School District  
Notes to Financial Statements  
June 30, 2017**

**NOTE 7: GENERAL LONG-TERM DEBT**

Long-term liability activity for the year ended June 30, 2017 was as follows:

	Balance June 30, 2016	Issues or Additions	Payments or Expenditures	Balance June 30, 2017	Amounts Due Within One Year
<b>Governmental Activities:</b>					
Compensated Absences	\$ 2,106,456.74	180,134.82	218,047.36	2,068,544.20	97,773.11
Bonds Payable	11,624,000.00		2,915,000.00	8,709,000.00	3,012,000.00
Net Pension Liability	15,216,029.00	7,358,594.00	3,138,718.00	19,435,905.00	
	<u>\$ 28,946,485.74</u>	<u>7,538,728.82</u>	<u>6,271,765.36</u>	<u>30,213,449.20</u>	<u>3,109,773.11</u>
<b>Business-Type Activities:</b>					
Compensated Absences	\$ 49,271.94	3,274.71	4,798.50	47,748.15	-

A. Bonds Payable:

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

**Long-term debt as of June 30, 2017 consisted of the following:**

\$997,000 School Improvement Bonds dated July 15, 2007, due in annual installments through July 15, 2017, bearing interest at a rate of 4.375% per annum. The balance remaining as of June 30, 2017 was \$117,000.

\$998,000 School Improvement bonds dated July 15, 2008, due in annual installments through July 15, 2018, bearing interest at a rate of 5.00% per annum. The balance remaining as of June 30, 2017 was \$238,000.

\$4,824,000 School Improvement Bonds dated June 23, 2010, due in annual installments through February 1, 2026, bearing interest at varying rates ranging from 2.0% to 4.0%. The balance remaining as of June 30, 2017 was \$3,294,000.

\$10,115,000 Refunding Bonds dated February 21, 2012 payable in annual installments through July 15, 2018. Interest is paid semiannually at varying rates ranging from 2.0% to 4.0% per annum. The total savings to the District was \$525,267, or 4.99% as a result of refunding the 2003 bond issue. The Bonds are not subject to redemption prior to their stated maturities. The balance remaining as of June 30, 2017 was \$5,060,000.

**Hamilton Township School District  
Notes to Financial Statements  
June 30, 2017**

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2018	3,012,000.00	278,681.38	3,290,681.38
2019	2,993,000.00	160,272.00	3,153,272.00
2020	310,000.00	96,822.00	406,822.00
2021	325,000.00	87,136.00	412,136.00
2022	350,000.00	76,572.00	426,572.00
2023-2026	1,719,000.00	169,216.00	1,888,216.00
	<u>\$ 8,709,000.00</u>	<u>868,699.38</u>	<u>9,577,699.38</u>

**NOTE 8: PENSION PLANS**

Description of Plans

All required employees of the District are covered by either the Public Employees' Retirement System or the Teacher's Pension and Annuity Fund cost-sharing multiple-employer defined benefit pension plans which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or the reports can be accessed on the internet at: <http://www.state.nj.us/treasury/pensions/financial-rpts-home.shtml>.

*Teachers' Pension and Annuity Fund*

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

*Public Employees' Retirement System*

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

**Hamilton Township School District**  
**Notes to Financial Statements**  
**June 30, 2017**

*Defined Contribution Retirement Program (DCRP)*

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

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF and PERS rate is 6.78% of covered payroll. The School District's contributions to TPAF for the years ending June 30, 2017, 2016, and 2015, were \$3,866,142, \$3,261,815, and \$2,475,734, respectively, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year. The School District's contributions to PERS for the years ending June 30, 2017, 2016, and 2015, were \$589,902.27, \$582,756, and \$545,950, respectively, equal to the required contributions for each year.

The Board's total payroll for the years ended June 30, 2017, 2016, and 2015, was \$25,622,145, \$30,395,752, and \$25,239,256; covered payroll was \$18,940,839, \$19,124,670, and \$19,161,490 for TPAF; and \$4,289,056, \$4,390,280, and \$4,499,429 for PERS.

Significant Legislation

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

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

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

**Hamilton Township School District**  
**Notes to Financial Statements**  
**June 30, 2017**

- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

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

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

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

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

**NOTE 9 – PUBLIC EMPLOYEES RETIREMENT SYSTEM**

At June 30, 2017, the District reported a liability of \$19,435,905 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the District's proportion was .06562386010%, which was an decrease of 3.19% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized pension expense of \$1,251,944. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**Hamilton Township School District  
Notes to Financial Statements  
June 30, 2017**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 361,449.00	
Changes of assumptions	4,026,081.00	523,460.00
Net difference between projected and actual earnings on pension plan investments	741,109.00	
Changes in proportion and differences between District contributions and proportionate share of contributions	395,018.00	
District contributions subsequent to the measurement date	-	
 Total	 \$ 5,523,657.00	 \$ 523,460.00

\$582,993 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (June 30, 2016) 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 June 30,		
2018	\$	1,131,576.00
2019	\$	1,131,576.00
2020	\$	1,293,624.00
2021	\$	1,082,547.00
2022	\$	360,874.00
Total	\$	5,000,197.00

[This space intentionally left blank]



**Hamilton Township School District  
Notes to Financial Statements  
June 30, 2017**

**Actuarial Assumptions**

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following assumptions, applied to all period in the measurement:

Inflation rate	3.08%
Salary increases:	
Through 2026	1.65% - 4.15% (based on age)
Thereafter	2.65% - 5.15% (based on age)
Investment rate of return:	7.65%

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2014 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) 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 inflations. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

**Hamilton Township School District  
Notes to Financial Statements  
June 30, 2017**

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt (Except US)	5.00%	-0.25%
REIT	5.25%	5.63%

*Discount Rate*

The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, 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 contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of the 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 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the collective net pension liability of the participated employers as of June 30, 2016, 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:

	Decrease (2.98%)	Rate (3.98%)	Increase (4.98%)
District's proportionate share of the net pension liability	\$ 23,292,061	19,435,905	16,255,731.83

**Hamilton Township School District**  
**Notes to Financial Statements**  
**June 30, 2017**

*Pension plan fiduciary net position.*

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

**NOTE 10 - TEACHERS' PENSION AND ANNUITY FUND (TPAF)**

At June 30, 2017, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$	-
State's proportionate share of the net position liability associated with the District		146,293,255.00
Total	\$	146,293,255.00

The net pension liability was measured as of June 30, 2016 and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2016, the District's proportion was 0.00%, which was no change from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized pension expense of \$10,883,355 and revenue of \$10,883,355 for support provided by the State. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to TPAF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 515,540.00	250,186.00
Changes of assumptions	29,201,889.00	
Net difference between projected and actual earnings on pension plan investments	\$ 2,668,118	
Changes in proportion and differences between District contributions and proportionate share of contributions	\$ 14,664,848	
District contributions subsequent to the measurement date		
Total	\$ 47,050,395.00	250,186.00

\$1,481,037 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date (June 30, 2016) 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:

**Hamilton Township School District  
Notes to Financial Statements  
June 30, 2017**

Year ended June 30,	
2018	\$ 6,875,164.00
2019	6,875,164.00
2020	8,054,120.00
2021	7,532,384.00
2022	6,362,783.00
Thereafter	11,100,593.00
Total	<u>\$ 46,800,208.00</u>

*Actuarial assumptions.* The total pension liability in the June 30, 2016 actuarial valuation was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following assumptions, applied to all period included in the measurement:

Inflation Rate	2.50%			
Salary increases				
2012-2021	Varies based on experience			
Thereafter	Varies based on experience			
Investment rate of return	7.65%			

Pre-retirement, post-retirement and disable mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60 year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

***Long-Term Expected Rate of Return***

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) 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, 2016 are summarized in the following table:

**Hamilton Township School District  
Notes to Financial Statements  
June 30, 2017**

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return.
US Cash	5.00%	0.39%
US Government Bonds	1.50%	1.28%
US Credit Bonds	13.00%	2.76%
US Mortgages	2.00%	2.38%
US Inflation-Indexed Bonds	1.50%	1.41%
US High Yield Bonds	2.00%	4.70%
US Equity Market	26.00%	5.14%
Foreign Developed Equity	13.25%	5.91%
Emerging market equities	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - Multi Strategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%

*Discount rate.* The discount rate used to measure the total pension liability was 3.22% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, 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 employers' 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 2029. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 3.22% as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.22%) or 1-percentage point higher (4.22%) than the current rate:

	1% Decrease (2.22%)	Current Discount Rate (3.22%)	1% Increase (4.22%)
District's proportionate share of the net pension liability	\$ -	-	-

**Hamilton Township School District**  
**Notes to Financial Statements**  
**June 30, 2017**

**Pension plan fiduciary net position.**

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

**NOTE 11 – POST-RETIREMENT BENEFITS**

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2016, there were 110,512 retirees receiving post-retirement medical benefits, and the State contributed \$1.37 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c. 62. Funding of post-retirement medical changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and maintenance of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at: <http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>.

**{This space intentionally left blank}**

**Hamilton Township School District  
Notes to Financial Statements  
June 30, 2017**

**NOTE 12: LABOR CONTRACTS**

As of June 30, 2017, the District's employees are organized in three collective bargaining units.

<u>Bargaining Unit</u>	<u>Employees Covered</u>	<u>Expiration</u>
Hamilton Township Education Association (HTEA)	All regularly employed certified and support personnel, as defined in Article 1 of the contract.	June 30, 2020
Supervisors, Coordinators and Directors Association	All supervisors, coordinators and directors, excluding the Superintendent, Business Administrator, Principals, Vice-Principals, Supervisor of Curriculum/Instruction, Supervisor of Instruction-Special Education, Supervisor of CST and Special Education programs, and all non-supervisory employees of the District.	June 30, 2020
Hamilton Township Administrator's Association	All administrative staff excluding the Superintendent and Business Administrator	June 30, 2019

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

**NOTE 13: DEFERRED COMPENSATION**

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

Equitable  
Lincoln Investment Planning  
Syracusa Benefits Program

**NOTE 14: COMPENSATED ABSENCES**

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

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

**Hamilton Township School District**  
**Notes to Financial Statements**  
**June 30, 2017**

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

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

**NOTE 15: LITIGATION**

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

**NOTE 16: FUND BALANCE APPROPRIATED**

**General Fund** – Of the \$3,156,835.70 General Fund fund balance at June 30, 2017, \$91,290.27 is reserved for encumbrances, but not reflected as assigned on the balance sheet since the unassigned balance is negative; \$3,487,259.57 is reserved as excess surplus in accordance with NJSA 18A:7F-7 (\$1,608,984.00 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2018); \$171,706.52 has been reserved in the Capital Reserve Account; \$550,000 has been reserved in the Maintenance Reserve Account; \$74,514.00 has been appropriated and included as anticipated revenue for the year ending June 30, 2018; and a deficit of \$1,126,644.39 is unreserved and undesignated, after adjusting for the encumbrance amount of \$91,290.27.

**NOTE 17: CALCULATION OF EXCESS SURPLUS**

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if the District did not appropriate a required minimum amount as budgeted fund balance in the subsequent years' budget. The excess fund balance at June 30, 2017 is \$3,487,259.57, of which \$1,608,984.00 has been included in the 2017-18 budget. The excess fund balance at June 30, 2017 was \$3,006,373.00.

**NOTE 18: DEFICIT FUND BALANCE**

The District has a deficit fund balance of \$1,126,644.39 in the General Fund and \$17,107.4 in the Special Revenue Fund as of June 30, 2017 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the school district can not recognize the June state aid payments (on the GAAP financial statements) until the year the State records the payable. This amount was \$2,196,690.60 in the General Fund and \$17,107.4 in the Special Revenue Fund. Due to the timing difference of recording the June state aid payments, the General Fund balance deficit does not alone indicate that the district is facing financial difficulties.

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



**Hamilton Township School District**  
**Notes to Financial Statements**  
**June 30, 2017**

deficit in unreserved, undesignated general fund balance of \$1,201,459 is less than the last state aid payments.

**NOTE 19: ECONOMIC DEPENDENCY**

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

**NOTE 20: RISK MANAGEMENT**

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

Property and Liability Insurance – The District maintains commercial insurance coverage for property, liability and surety bonds. During the fiscal year ended June 30, 2017 the District did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

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

<u>Fiscal Year</u>	<u>Contributions</u>	<u>Interest on Investments</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016-2017	\$ 82,190.49	400.15	79,384.91	286,259.73
2015-2016	77,867.00	419.00	81,308.00	283,054.00
2014-2015	76,903.00	443.00	97,680.00	286,076.00

**NOTE 21: INTERFUND RECEIVABLES AND PAYABLES**

As of June 30, 2017, several interfunds remained on the various balance sheets of the Hamilton Township Board of Education.

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 197,230.81	
Special Revenue Fund		197,142.28
Food Service Fund	250.00	88.53
Agency Fund		250.00
Total	<u>\$ 197,480.81</u>	<u>197,480.81</u>

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

**Hamilton Township School District  
Notes to Financial Statements  
June 30, 2017**

**NOTE 22: SUBSEQUENT EVENTS**

The District has evaluated subsequent events through November 3, 2017, the date which the financial statements were available to be issued and no items were noted for disclosure or adjustment.

**Required Supplemental Information**  
**Part II**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**BUDGETARY COMPARISON SCHEDULES**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

HAMILTON TOWNSHIP SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 17,727,379.00		17,727,379.00	17,727,379.00	-
Tuition	12,750.00		12,750.00	225,238.71	212,488.71
Interest Earned on Maintenance Reserve Funds	750.00		750.00		(750.00)
Interest Earned on Capital Reserve Funds	2,000.00		2,000.00	255.88	(1,744.12)
Miscellaneous	29,676.00		29,676.00	499,500.60	469,824.60
<b>Total - Local Sources</b>	<b>17,772,555.00</b>	<b>-</b>	<b>17,772,555.00</b>	<b>18,452,374.19</b>	<b>679,819.19</b>
State Sources:					
Equalization Aid	19,424,564.00		19,424,564.00	19,424,564.00	-
Categorical Special Education Aid	1,768,740.00		1,768,740.00	1,768,740.00	-
Categorical Security Aid	767,425.00		767,425.00	767,425.00	-
Categorical Transportation Aid	764,014.00		764,014.00	764,014.00	-
Under Adequacy Aid	135,379.00		135,379.00	135,379.00	-
Special Education Extraordinary Aid	50,500.00		50,500.00	193,383.00	142,883.00
Nonpublic School Transportation Aid			-	17,158.00	17,158.00
PARCC Readiness Aid	29,645.00		29,645.00	29,645.00	-
Per Pupil Growth Aid	29,645.00		29,645.00	29,645.00	-
Professional Learning Community Aid	29,100.00		29,100.00	29,100.00	-
Lead Water Testing for Schools Aid			-	6,744.75	6,744.75
On-Behalf TPAF Pension Contributions (non-budgeted)			-	2,106,292.00	2,106,292.00
On-Behalf TPAF Pension Contributions (non-budgeted)-Post Retirement Medical			-	1,755,020.00	1,755,020.00
On-Behalf TPAF Pension Contributions (non-budgeted)-Non-Contributory Insurance			-	4,830.00	4,830.00
Reimbursed TPAF Social Security Contributions (non-budgeted)			-	1,410,952.25	1,410,952.25
<b>Total - State Sources</b>	<b>22,999,012.00</b>	<b>-</b>	<b>22,999,012.00</b>	<b>28,442,892.00</b>	<b>5,443,880.00</b>
Federal Sources:					
ARRA - Medical Assistance Program (SEMI)			-	9,783.98	9,783.98
Medical Assistance Program (SEMI)	60,602.00		60,602.00	140,760.52	80,158.52
<b>Total - Federal Sources</b>	<b>60,602.00</b>	<b>-</b>	<b>60,602.00</b>	<b>150,544.50</b>	<b>89,942.50</b>
<b>Total Revenues</b>	<b>40,832,169.00</b>	<b>-</b>	<b>40,832,169.00</b>	<b>47,045,810.69</b>	<b>6,213,641.69</b>

**HAMILTON TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	2,540.00	54,600.00	57,140.00	56,488.86	651.14
Kindergarten	786,690.00	66,700.00	853,390.00	853,226.26	163.74
Grades 1-5	5,803,941.00	(59,000.00)	5,744,941.00	5,744,692.36	248.64
Grades 6-8	3,957,021.00	(31,300.00)	3,925,721.00	3,925,047.11	673.89
Regular Programs - Home Instruction:					
Salaries of Teachers	15,000.00	45,000.00	60,000.00	56,496.43	3,503.57
Purchased Professional - Educational Services	5,000.00	-	5,000.00	1,149.20	3,850.80
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	354,343.00	14,100.00	368,443.00	368,425.31	17.69
Purchased Professional - Educational Services	11,400.00	-	11,400.00	8,240.00	3,160.00
Other Purchased Technical Services	71,033.19	14,738.00	85,771.19	74,399.43	11,371.76
Other Purchased Services	163,300.00	-	163,300.00	124,853.46	38,446.54
General Supplies	652,706.93	16,497.44	669,204.37	623,818.42	45,385.95
Textbooks	75,315.00	28,650.14	103,965.14	103,289.39	675.75
Other Objects	1,680.00	-	1,680.00	950.45	729.55
<b>Total Regular Programs</b>	<b>11,899,970.12</b>	<b>149,985.58</b>	<b>12,049,955.70</b>	<b>11,941,076.68</b>	<b>108,879.02</b>
Special Education - Instruction:					
Multiple Disabilities					
Salaries of Teachers	786,273.00	18,475.00	804,748.00	804,452.00	296.00
Other Salaries for Instruction	557,843.00	(44,000.00)	513,843.00	513,051.73	791.27
Purchased Professional-Educational Services	-	15,400.00	15,400.00	12,144.43	3,255.57
General Supplies	15,400.00	(15,400.00)	-	-	-
<b>Total Multiple Disabilities</b>	<b>1,359,516.00</b>	<b>(25,525.00)</b>	<b>1,333,991.00</b>	<b>1,329,648.16</b>	<b>4,342.84</b>



**HAMILTON TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Resource Room/Resource Center					
Salaries of Teachers	2,772,163.00	(132,000.00)	2,640,163.00	2,638,911.89	1,251.11
Other Salaries for Instruction	228,110.00	14,200.00	242,310.00	238,489.78	3,820.22
General Supplies	45,000.00	(23,000.00)	22,000.00	17,798.42	4,201.58
<b>Total Resource Room/Resource Center</b>	<b>3,045,273.00</b>	<b>(140,800.00)</b>	<b>2,904,473.00</b>	<b>2,895,200.09</b>	<b>9,272.91</b>
Autism					
Salaries of Teachers	167,049.00	(44,500.00)	122,549.00	121,551.86	997.14
Other Salaries for Instruction	94,842.00	49,500.00	144,342.00	141,945.18	2,396.82
General Supplies	6,000.00	-	6,000.00	4,666.71	1,333.29
<b>Total Autism</b>	<b>267,891.00</b>	<b>5,000.00</b>	<b>272,891.00</b>	<b>268,163.75</b>	<b>4,727.25</b>
Preschool Disabilities - Part Time					
Salaries of Teachers	206,068.00	3,440.00	209,508.00	209,163.57	344.43
Other Salaries for Instruction	171,076.00	(37,040.00)	134,036.00	127,368.08	6,667.92
General Supplies	4,000.00	-	4,000.00	3,848.40	151.60
<b>Total Preschool Disabilities - Part Time</b>	<b>381,144.00</b>	<b>(33,600.00)</b>	<b>347,544.00</b>	<b>340,380.05</b>	<b>7,163.95</b>
Home Instruction					
Salaries of Teachers	9,000.00	25,000.00	34,000.00	30,466.80	3,533.20
Purchased Professional-Educational Services	3,000.00	14,000.00	17,000.00	14,786.25	2,213.75
<b>Total Preschool Disabilities - Full Time</b>	<b>12,000.00</b>	<b>39,000.00</b>	<b>51,000.00</b>	<b>45,253.05</b>	<b>5,746.95</b>
<b>Total Special Education - Instruction</b>	<b>5,065,824.00</b>	<b>(155,925.00)</b>	<b>4,909,899.00</b>	<b>4,878,645.10</b>	<b>31,253.90</b>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	982,344.00	3,000.00	985,344.00	942,331.54	43,012.46
General Supplies	920.00	25.76	945.76	945.76	-
<b>Total Basic Skills/Remedial - Instruction</b>	<b>983,264.00</b>	<b>3,025.76</b>	<b>986,289.76</b>	<b>943,277.30</b>	<b>43,012.46</b>
Bilingual Education - Instruction:					
Salaries of Teachers	442,281.00	-	442,281.00	439,088.01	3,192.99
<b>Total Bilingual Education - Instruction</b>	<b>442,281.00</b>	<b>-</b>	<b>442,281.00</b>	<b>439,088.01</b>	<b>3,192.99</b>

**HAMILTON TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
<b>School Sponsored Cocurricular Activities - Instruction:</b>					
Salaries	57,471.00	536.00	58,007.00	58,006.14	0.86
Supplies and Materials	8,750.00	(121.00)	8,629.00	8,157.24	471.76
Other Objects	1,300.00	(415.00)	885.00	475.00	410.00
<b>Total School Sponsored Cocurricular Activities - Instruction</b>	<b>67,521.00</b>	<b>-</b>	<b>67,521.00</b>	<b>66,638.38</b>	<b>882.62</b>
<b>School Sponsored Athletics:</b>					
Salaries	48,714.00	-	48,714.00	48,714.00	-
Purchased Services	5,750.00	-	5,750.00	3,740.00	2,010.00
Supplies and Materials	7,750.00	-	7,750.00	7,750.00	-
Other Objects	2,800.00	-	2,800.00	2,064.00	736.00
<b>School Sponsored Athletics:</b>	<b>65,014.00</b>	<b>-</b>	<b>65,014.00</b>	<b>62,268.00</b>	<b>2,746.00</b>
<b>Other Supplemental/At-Risk Programs - Support</b>					
Purchased Services and Technical Services	7,700.00	-	7,700.00	-	7,700.00
<b>Total Other Supplemental/At-Risk Programs - Support</b>	<b>7,700.00</b>	<b>-</b>	<b>7,700.00</b>	<b>-</b>	<b>7,700.00</b>
<b>Total Instruction</b>	<b>18,531,574.12</b>	<b>(2,913.66)</b>	<b>18,528,660.46</b>	<b>18,330,993.47</b>	<b>197,666.99</b>
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to Other LEAs Within the State - Regular	14,000.00	33,310.00	47,310.00	47,219.56	90.44
Tuition to Other LEAs Within the State - Special	61,479.00	(20,896.00)	40,583.00	36,085.00	4,498.00
Tuition to CSSD & Regional Day Schools	290,081.00	1,602.28	291,683.28	230,261.80	61,421.48
Tuition to Private Schools for the Disabled - Within State	435,162.00	40,783.72	475,945.72	469,394.78	6,550.94
Tuition - Other	-	-	-	-	-
<b>Total Undistributed Expenditures - Instruction</b>	<b>800,722.00</b>	<b>54,800.00</b>	<b>855,522.00</b>	<b>782,961.14</b>	<b>72,560.86</b>

**HAMILTON TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Attendance and Social Work:					
Salaries	138,390.00	3,300.00	141,690.00	139,219.89	2,470.11
Other Purchased Services	2,700.00	-	2,700.00	2,136.84	563.16
<b>Total Undistributed Expenditures - Attendance and Social Work</b>	<b>141,090.00</b>	<b>3,300.00</b>	<b>144,390.00</b>	<b>141,356.73</b>	<b>3,033.27</b>
Undistributed Expenditures - Health Services:					
Salaries	345,641.00	14,980.00	360,621.00	344,066.17	16,554.83
Purchased Professional and Technical Services	26,590.00	643.00	27,233.00	27,233.00	-
Other Purchased Services	660.00	357.00	1,017.00	669.50	347.50
Supplies and Materials	11,129.00	-	11,129.00	10,913.90	215.10
<b>Total Undistributed Expenditures - Health Services</b>	<b>384,020.00</b>	<b>15,980.00</b>	<b>400,000.00</b>	<b>382,882.57</b>	<b>17,117.43</b>
Undistributed Expenditures - Other Support Services - Students - Related Services:					
Salaries of Other Professional Staff	569,131.00	39,400.00	608,531.00	603,651.32	4,879.68
Purchased Professional - Educational Services	15,000.00	-	15,000.00	9,500.00	5,500.00
Supplies and Materials	4,000.00	-	4,000.00	3,946.29	53.71
<b>Total Undistributed Expenditures - Other Support Services - Students - Related Services</b>	<b>588,131.00</b>	<b>39,400.00</b>	<b>627,531.00</b>	<b>617,097.61</b>	<b>10,433.39</b>
Undistributed Expenditures - Other Support Services - Students - Extra Services:					
Salaries	284,461.00	(29,000.00)	255,461.00	227,320.20	28,140.80
Other Purchased Professional and Technical Services	216,500.00	(72,450.00)	144,050.00	109,143.67	34,906.33
Supplies and Materials	3,000.00	450.00	3,450.00	2,764.29	685.71
<b>Total Undistributed Expenditures - Other Support Services - Extra Services</b>	<b>503,961.00</b>	<b>(101,000.00)</b>	<b>402,961.00</b>	<b>339,228.16</b>	<b>63,732.84</b>

HAMILTON TOWNSHIP SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Other Support Services - Students - Guidance:					
Salaries of Other Professional Staff	438,756.00	5,180.00	443,936.00	441,271.70	2,664.30
Other Purchased Services	300.00	-	300.00	210.48	89.52
Supplies and Materials	2,600.00	-	2,600.00	1,602.43	997.57
<b>Total Undistributed Expenditures - Other Support Services - Students - Regular</b>	<b>441,656.00</b>	<b>5,180.00</b>	<b>446,836.00</b>	<b>443,084.61</b>	<b>3,751.39</b>
Undistributed Expenditures - Other Support Services - Students - Child Study Team:					
Salaries of Other Professional Staff	631,866.00	44,400.00	676,266.00	676,242.72	23.28
Salaries of Secretarial and Clerical Assistants	100,396.00	20,000.00	120,396.00	119,228.34	1,167.66
Other Salaries	60,774.00	(2,500.00)	58,274.00	39,689.73	18,584.27
Other Purchased Professional and Technical Services	141,225.00	(13,310.08)	127,914.92	118,114.92	9,800.00
Miscellaneous Purchased Services	17,600.00	(1,889.92)	15,710.08	14,605.12	1,104.96
Supplies and Materials	12,000.00	(800.00)	11,200.00	9,211.09	1,988.91
Other Objects	750.00	-	750.00	175.00	575.00
<b>Total Undistributed Expenditures - Other Support Services - Students - Special</b>	<b>964,611.00</b>	<b>45,900.00</b>	<b>1,010,511.00</b>	<b>977,266.92</b>	<b>33,244.08</b>
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	135,150.00	1,325.00	136,475.00	132,499.90	3,975.10
Salaries of Other Professional Staff	183,774.00	(1,325.00)	182,449.00	178,051.40	4,397.60
Salaries of Secretarial and Clerical Assistants	24,339.00	-	24,339.00	24,062.09	276.91
Other Purchased Services	3,250.00	-	3,250.00	217.13	3,032.87
Supplies and Materials	1,000.00	(52.00)	948.00	105.69	842.31
Other Objects	500.00	52.00	552.00	551.45	0.55
<b>Total Undistributed Expenditures - Improv. of Instr. Services</b>	<b>348,013.00</b>	<b>-</b>	<b>348,013.00</b>	<b>335,487.66</b>	<b>12,525.34</b>

HAMILTON TOWNSHIP SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 General Fund

For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Educational Media Services - School Library					
Salaries	329,519.00	(12,000.00)	317,519.00	317,167.82	351.18
Salaries of Technology Coordinators	118,977.00	1,152.00	120,129.00	116,644.06	3,484.94
Purchased Professional and Technical Services	1,430.00	(860.00)	570.00	569.10	0.90
Other Purchased Services	275.00	(275.00)	-	-	-
Supplies and Materials	15,000.00	(3,015.00)	11,985.00	11,832.36	152.64
Other Objects	75.00	-	75.00	-	75.00
<b>Total Undistributed Expenditures - Educational Media Services - School Library</b>	<b>465,276.00</b>	<b>(14,998.00)</b>	<b>450,278.00</b>	<b>446,213.34</b>	<b>4,064.66</b>
Undistributed Expenditures - Instructional Staff Training Services					
Salaries of Other Professional Staff	18,004.00	1,816.00	19,820.00	6,276.97	13,543.03
Purchased Professional - Educational Services	35,000.00	(8,466.14)	26,533.86	5,950.00	20,583.86
Other Purchased Services	27,800.00	-	27,800.00	4,092.70	23,707.30
Supplies and Materials	2,000.00	-	2,000.00	48.00	1,952.00
<b>Total Undistributed Expenditures - Instructional Staff Training Svc</b>	<b>82,804.00</b>	<b>(6,650.14)</b>	<b>76,153.86</b>	<b>16,367.67</b>	<b>59,786.19</b>
Undistributed Expenditures - Support Services - Gen. Admin.:					
Salaries	296,148.00	(3,000.00)	293,148.00	280,116.84	13,031.16
Legal Services	70,000.00	(7,750.00)	62,250.00	42,566.28	19,683.72
Audit Fees	25,000.00	-	25,000.00	24,000.00	1,000.00
Architectural/Engineering Services	7,000.00	7,750.00	14,750.00	-	14,750.00
Other Purchased Professional Services	34,300.00	9,368.00	43,668.00	42,811.00	857.00
Communications/Telephone	118,958.13	(5,268.00)	113,690.13	104,162.55	9,527.58
Other Purchased Services	1,000.00	-	1,000.00	852.76	147.24
Miscellaneous Purchased Services	229,928.00	18,500.00	248,428.00	242,934.55	5,493.45
General Supplies	12,000.00	(4,445.00)	7,555.00	6,988.09	566.91
BOE In-House Training/Meeting Supplies	750.00	(621.00)	129.00	50.00	79.00
Miscellaneous Expenditures	3,500.00	3,357.30	6,857.30	6,857.00	0.30
BOE Membership Dues and Fees	16,600.00	608.70	17,208.70	17,208.70	-
<b>Total Undistributed Expenditures - Support Services - Gen. Admin.</b>	<b>815,184.13</b>	<b>18,500.00</b>	<b>833,684.13</b>	<b>768,547.77</b>	<b>65,136.36</b>

HAMILTON TOWNSHIP SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 General Fund

For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Support Serv. - School Admin.:					
Salaries of Principals/Assistant Principals	851,469.00	(1,725.00)	849,744.00	824,993.89	24,750.11
Salaries of Other Professional Staff	113,197.00	1,111.00	114,308.00	110,977.10	3,330.90
Salaries of Secretarial and Clerical Assistants	447,174.00	10,900.00	458,074.00	457,126.61	947.39
Unused Vacation Time-Terminated/Retired	-	2,750.00	2,750.00	2,750.00	-
Purchased Professional Educational Services	500.00	-	500.00	170.00	330.00
Other Purchased Services	49,100.00	(8,884.00)	40,216.00	37,457.06	2,758.94
Supplies and Materials	69,763.00	(1,000.00)	68,763.00	52,844.77	15,918.23
Other Objects	5,050.00	-	5,050.00	1,414.91	3,635.09
<b>Total Undistributed Expenditures - Support Serv. - School Admin.</b>	<b>1,536,253.00</b>	<b>3,152.00</b>	<b>1,539,405.00</b>	<b>1,487,734.34</b>	<b>51,670.66</b>
Undistributed Expenditures - Central Services					
Salaries	339,707.00	-	339,707.00	318,027.65	21,679.35
Purchased Professional Services	13,750.00	-	13,750.00	13,390.88	359.12
Miscellaneous Purchased Services (400-500 series)	2,300.00	984.00	3,284.00	3,202.24	81.76
Supplies and Materials	7,000.00	(200.00)	6,800.00	6,207.14	592.86
Miscellaneous Expenditures	1,500.00	(784.00)	716.00	475.00	241.00
<b>Total Undistributed Expenditures - Central Services</b>	<b>364,257.00</b>	<b>-</b>	<b>364,257.00</b>	<b>341,302.91</b>	<b>22,954.09</b>
Undistributed Expenditures - Administrative Information Technology					
Salaries	281,623.00	105.00	281,728.00	280,181.85	1,546.15
Purchased Professional Services	5,200.00	424.40	5,624.40	5,624.40	-
Purchased Technical Services	2,200.00	3,500.00	5,700.00	2,200.00	3,500.00
Other Purchased Services	2,500.00	-	2,500.00	1,138.75	1,361.25
Supplies and Materials	15,000.00	(3,924.40)	11,075.60	7,753.34	3,322.26
<b>Total Undistributed Expenditures - Admin. Information Technology</b>	<b>306,523.00</b>	<b>105.00</b>	<b>306,628.00</b>	<b>296,898.34</b>	<b>9,729.66</b>
Undistributed Expenditures - Required Maint for School Facilities					
Salaries	304,491.00	2,361.55	306,852.55	304,592.28	2,260.27
Unused Vacation Time-Terminated/Retired	-	1,038.45	1,038.45	1,038.45	-
Cleaning, Repair, and Maintenance Services	230,076.61	90,500.00	320,576.61	304,021.81	16,554.80
General Supplies	113,944.32	(10,000.00)	103,944.32	100,373.56	3,570.76
<b>Total Undistributed Expenditures - Required Maint for School Facilities</b>	<b>648,511.93</b>	<b>83,900.00</b>	<b>732,411.93</b>	<b>710,026.10</b>	<b>22,385.83</b>

HAMILTON TOWNSHIP SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Custodial Services					
Salaries	1,261,725.00	(5,717.20)	1,256,007.80	1,229,269.41	26,738.39
Unused Vacation Time - Terminated/Retired	-	5,717.20	5,717.20	5,650.00	67.20
Cleaning, Repair and Maintenance Services	77,600.00	(10,500.00)	67,100.00	51,967.33	15,132.67
Purchased Professional and Technical Services	-	-	-	-	-
Other Purchased Property Services	101,700.00	-	101,700.00	89,228.80	12,471.20
Insurance	94,500.00	21,250.00	115,750.00	115,748.45	1.55
Miscellaneous Purchased Services	18,974.00	(5,000.00)	13,974.00	7,672.65	6,301.35
General Supplies	153,851.00	(19,250.00)	134,601.00	114,193.07	20,407.93
Energy (Electricity)	901,200.00	-	901,200.00	828,680.27	72,519.73
Energy (Natural Gas)	261,000.00	17,000.00	278,000.00	270,318.69	7,681.31
Energy (Oil)	-	-	-	-	-
Other Objects	750.00	-	750.00	500.00	250.00
<b>Total Undistributed Expenditures - Custodial Services</b>	<b>2,871,300.00</b>	<b>3,500.00</b>	<b>2,874,800.00</b>	<b>2,713,228.67</b>	<b>161,571.33</b>
Undistributed Expenditures - Care & Upkeep of Grounds					
Salaries	59,097.00	7,405.00	66,502.00	65,365.26	1,136.74
Cleaning, Repair and Maintenance Services	7,000.00	(2,000.00)	5,000.00	3,115.00	1,885.00
General Supplies	17,290.54	2,000.00	19,290.54	17,792.33	1,498.21
<b>Total Undistributed Expenditures - Care &amp; Upkeep of Grounds</b>	<b>83,387.54</b>	<b>7,405.00</b>	<b>90,792.54</b>	<b>86,272.59</b>	<b>4,519.95</b>
Undistributed Expenditures - Security					
General Supplies	10,000.00	-	10,000.00	7,653.83	2,346.17
<b>Total Undistributed Expenditures - Security</b>	<b>10,000.00</b>	<b>-</b>	<b>10,000.00</b>	<b>7,653.83</b>	<b>2,346.17</b>
<b>Total Undistributed Expenditures - Oper &amp; Main of Plant Services</b>	<b>3,613,199.47</b>	<b>94,805.00</b>	<b>3,708,004.47</b>	<b>3,517,181.19</b>	<b>190,823.28</b>
Undistributed Expenditures - Student Transportation Services:					
Sal for Pupil Transp (Between Home and School)-Reg.	41,310.00	290.00	41,600.00	41,600.00	-
Contracted Services - (Between Home and School) - Vendors	210,000.00	(64,090.00)	145,910.00	124,034.62	21,875.38
Contracted Services - (Other than Between Home and School) - Vendors	77,800.00	6,211.00	84,011.00	81,932.42	2,078.58
Contracted Services - (Between Home and School) - Joint Agreements	1,706,000.00	(11,506.00)	1,694,494.00	1,633,013.52	61,480.48
Contracted Services - (Special Ed Students) - Joint Agree.	880,000.00	92,853.00	972,853.00	888,096.76	84,756.24
Contracted Services - Aid in Lieu of Payments-Non Public	44,200.00	19,559.00	63,759.00	63,675.92	83.08
Contracted Services - Aid in Lieu of Payments - Charter School	4,000.00	-	4,000.00	3,536.00	464.00
Contracted Services - Aid in Lieu of Payments - Choice School	15,000.00	884.00	15,884.00	15,884.00	-

HAMILTON TOWNSHIP SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Miscellaneous Purchased Services - Transportation	5,300.00	-	5,300.00	5,100.03	199.97
General Supplies	2,000.00	3,000.00	5,000.00	2,065.00	2,935.00
Other Objects	-	-	-	-	-
<b>Total Undistributed Expenditures - Student Transportation Serv.</b>	<b>2,985,610.00</b>	<b>47,201.00</b>	<b>3,032,811.00</b>	<b>2,858,938.27</b>	<b>173,872.73</b>
<b>Unallocated Benefits:</b>					
Social Security Contributions	530,000.00	-	530,000.00	436,592.74	93,407.26
Other Retirement Contributions - PERS	669,000.00	-	669,000.00	628,544.58	40,455.42
Unemployment Compensation	60,000.00	-	60,000.00	-	60,000.00
Workmen's Compensation	249,000.00	-	249,000.00	245,773.00	3,227.00
Health Benefits	7,289,446.00	(207,255.20)	7,082,190.80	7,004,639.01	77,551.79
Tuition Reimbursement	75,750.00	-	75,750.00	25,715.40	50,034.60
Other Employee Benefits	102,054.00	(75,000.00)	27,054.00	8,086.21	18,967.79
Unused Sick Payment to Terminated/Retired Staff	119,320.00	-	119,320.00	95,417.50	23,902.50
<b>Total Unallocated Benefits</b>	<b>9,094,570.00</b>	<b>(282,255.20)</b>	<b>8,812,314.80</b>	<b>8,444,768.44</b>	<b>367,546.36</b>
On-behalf TPAF Pension Contributions (non-budgeted)				2,106,292.00	(2,106,292.00)
On-Behalf TPAF Pension Contributions (non-budgeted)-Post Retirement Medical				1,755,020.00	(1,755,020.00)
On-Behalf TPAF Pension Contributions (non-budgeted)-Non-Contributory Insurance				4,830.00	(4,830.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,410,952.25	(1,410,952.25)
<b>Total On-behalf Contributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,277,094.25</b>	<b>(5,277,094.25)</b>
<b>Total Undistributed Expenditures</b>	<b>23,435,880.60</b>	<b>(76,580.34)</b>	<b>23,359,300.26</b>	<b>27,474,411.92</b>	<b>(4,115,111.66)</b>
<b>Total Current Expense</b>	<b>41,967,454.72</b>	<b>(79,494.00)</b>	<b>41,887,960.72</b>	<b>45,805,405.39</b>	<b>(3,917,444.67)</b>
<b>Capital Outlay:</b>					
Interest earned on Maintenance Reserve	750.00	-	750.00	-	750.00
Interest Deposit to Capital Reserve	2,000.00	-	2,000.00	-	2,000.00
<b>Total Interest Deposit to Capital Reserve</b>	<b>2,750.00</b>	<b>-</b>	<b>2,750.00</b>	<b>-</b>	<b>2,750.00</b>



**HAMILTON TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
<b>Equipment:</b>					
Undistributed Expenditures:					
Undist. Expend. - Care and Upkeep of Grounds	55,000.00		55,000.00	53,981.00	1,019.00
Total Equipment	55,000.00	-	55,000.00	53,981.00	1,019.00
<b>Facilities Acquisition and Construction Services:</b>					
Construction Services	137,000.00		137,000.00	137,000.00	-
Debt service assessment on SDA funding	110,602.00		110,602.00	110,602.00	-
Total Facilities Acquisition and Construction Services	247,602.00	-	247,602.00	247,602.00	-
<b>Total Capital Outlay</b>	<b>305,352.00</b>	<b>-</b>	<b>305,352.00</b>	<b>301,583.00</b>	<b>3,769.00</b>
<b>Transfer to Charter Schools</b>	<b>30,384.00</b>	<b>79,494.00</b>	<b>109,878.00</b>	<b>105,853.00</b>	<b>4,025.00</b>
<b>Total Expenditures</b>	<b>42,303,190.72</b>	<b>(0.00)</b>	<b>42,303,190.72</b>	<b>46,212,841.39</b>	<b>(3,909,650.67)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,471,021.72)	0.00	(1,471,021.72)	832,969.30	2,303,991.02
<b>Other Financing Sources (Uses):</b>					
Operating Transfers Out:					
Cancellation of Prior Year Receivables	-		-	-	-
Local Contribution-Transfer to Special Revenue - Regular	-		-	-	-

**HAMILTON TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,471,021.72)	0.00	(1,471,021.72)	832,969.30	2,303,991.02
Fund Balances, July 1	4,520,557.00	-	4,520,557.00	4,520,557.00	-
Fund Balances, June 30	<u>3,049,535.28</u>	<u>0.00</u>	<u>3,049,535.28</u>	<u>5,353,526.30</u>	<u>2,303,991.02</u>

**Recapitulation of Fund Balance:**

**Restricted Fund Balance:**

Reserve for Excess Surplus	1,878,275.57
Excess Surplus-Designated for Subsequent Year's Expenditures	1,608,984.00

**Committed Fund Balance:**

Reserve for Capital Reserve	171,706.52
Reserve for Maintenance Reserve	550,000.00
Designated for Subsequent Year's Expenditures	74,514.00

**Assigned Fund Balance:**

Year-end Encumbrances	91,290.27
-----------------------	-----------

**Unassigned Fund Balance**

	<u>978,755.94</u>
	5,353,526.30

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

	<u>(2,196,690.60)</u>
	<u>\$ 3,156,835.70</u>

**HAMILTON TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
<b>REVENUES:</b>					
State Sources:					
Preschool Education Aid	171,074.00	17,537.38	188,611.38	188,611.38	-
Nonpublic aid	125,034.00	26,980.00	152,014.00	144,772.69	(7,241.31)
<b>Total - State Sources</b>	<b>296,108.00</b>	<b>44,517.38</b>	<b>340,625.38</b>	<b>333,384.07</b>	<b>(7,241.31)</b>
Federal Sources:					
Title I	469,585.00	235,680.31	705,265.31	645,722.52	(59,542.79)
Title II	60,126.00	12,657.64	72,783.64	63,545.00	(9,238.64)
Title III	14,018.00	12,985.38	27,003.38	20,812.00	(6,191.38)
Preschool Expansion	1,287,383.00	284,453.44	1,571,836.44	1,159,792.12	(412,044.32)
I.D.E.A., Part B	692,104.00	112,594.26	804,698.26	801,879.65	(2,818.61)
<b>Total - Federal Sources</b>	<b>2,523,216.00</b>	<b>658,371.03</b>	<b>3,181,587.03</b>	<b>2,691,751.29</b>	<b>(489,835.74)</b>
<b>Total Revenues</b>	<b>2,819,324.00</b>	<b>702,888.41</b>	<b>3,522,212.41</b>	<b>3,025,135.36</b>	<b>(497,077.05)</b>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Salaries of Teachers	1,928,042.00	(1,325,862.14)	602,179.86	601,897.86	282.00
Other Salaries for Instruction		146,377.40	146,377.40	146,377.40	-
Purchased Prof/Technical Services		-		-	-
Other Professional Services	112,891.00	17,340.00	130,231.00	122,997.69	7,233.31
Other Purchased Services (400-500 series)	692,104.00	79,365.00	771,469.00	771,469.00	-
General Supplies	78,387.00	322,106.48	400,493.48	263,219.16	137,274.32
Textbooks	7,900.00	1,495.00	9,395.00	9,395.00	-
Other Objects		-		-	-
<b>Total instruction</b>	<b>2,819,324.00</b>	<b>(759,178.26)</b>	<b>2,060,145.74</b>	<b>1,915,356.11</b>	<b>144,789.63</b>

**HAMILTON TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
<b>EXPENDITURES (CONT'D):</b>					
Support Services					
Salaries of Program Directors		113,349.92	113,349.92	108,989.92	4,360.00
Salaries of other professional staff		8,128.06	8,128.06	8,128.06	-
Salaries of Secretarial and Clerical Assistants		25,745.46	25,745.46	25,745.46	-
Other salaries		62,646.52	62,646.52	60,627.48	2,019.04
Salaries of family/parent liaison and Community parent involvement specialists		868.00	868.00	868.00	-
Salaries of facilitators, math coaches, literacy coaches & master teachers		79,980.24	79,980.24	76,950.24	3,030.00
Personnel services- employee benefits		379,767.94	379,767.94	359,828.09	19,939.85
Purchased educational services		560,638.87	560,638.87	352,537.00	208,101.87
Other purchased prof/educ services		11,760.00	11,760.00	4,060.00	7,700.00
Purchased Technical Services		56,590.51	56,590.51	53,771.90	2,818.61
Other Purchased Services		2,756.94	2,756.94	1,390.94	1,366.00
Contracted services (other than between home and school-grants)		133,806.70	133,806.70	33,305.70	100,501.00
Travel		7,816.73	7,816.73	7,816.73	-
Supplies & Materials		16,178.46	16,178.46	15,727.41	451.05
Miscellaneous Expenses		32.32	32.32	32.32	-
<b>Total support services</b>	-	1,460,066.67	1,460,066.67	1,109,779.25	350,287.42
<b>Facilities acquisition and construction services:</b>					
Instructional Equipment		2,000.00	2,000.00	-	2,000.00
<b>Total facilities acquisition and construction services</b>	-	2,000.00	2,000.00	-	2,000.00
<b>Transfers to Charter Schools</b>					
		-		-	-
<b>Total expenditures</b>	2,819,324.00	702,888.41	3,522,212.41	3,025,135.36	497,077.05
<b>Other financing sources (uses)</b>					
Transfer from other funds		-		-	-
Total other financing sources (uses)	-	-	-	-	-
<b>Total outflows</b>	2,819,324.00	702,888.41	3,522,212.41	3,025,135.36	497,077.05
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	-	-	-	-

**HAMILTON TOWNSHIP SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Notes to Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2017**

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

	<u>General Fund</u>	<u>Special Revenue</u>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 47,045,810.69	3,025,135.36
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized		
Prior year		69,570.33
Current year		(17,397.18)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	2,194,192.00	17,107.00
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(2,196,690.60)</u>	<u>(17,107.40)</u>
Total revenues reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>47,043,312.09</u>	<u>3,077,308.11</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	46,212,841.39	3,025,135.36
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes		
Prior year		69,570.33
Current year		(17,397.18)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ <u>46,212,841.39</u>	<u>3,077,308.51</u>

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**Required Supplemental Information**  
**Part III**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}



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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	6.5623860100%	0.0677834642%	0.0646281321%	0.0663082340%
District's proportionate of the net pension liability (asset)	\$ 19,435,905	15,216,029	12,100,154	12,672,821
District's covered payroll	\$ 4,289,056	4,390,280	4,502,895	4,376,252
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	453.15%	346.58%	268.72%	289.58%
Plan fiduciary net position as a percentage of the total pension liability	40.14%	47.93%	52.08%	48.72%

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

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

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	628,544.58	582,756.00	532,785.00	499,619.00
Contributions in relation to the contractually required contribution	<u>628,544.58</u>	<u>582,756.00</u>	<u>532,785.00</u>	<u>499,619.00</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered-employee payroll	4,289,056	4,390,280	\$ 4,502,895	\$ 4,376,252
Contributions as a percentage of covered-employee payroll	14.65%	13.27%	11.83%	11.42%

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

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

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.00%	0.00%	0.00%	0.00%
District's proportionate of the net pension liability (asset)	\$ -	-	-	-
State's proportionate share of the net pension liability (asset) associated with the District	<u>146,293,255</u>	<u>111,857,438</u>	<u>96,480,494</u>	<u>91,627,370</u>
Total	<u><u>146,293,255</u></u>	<u><u>111,857,438</u></u>	<u><u>96,480,494</u></u>	<u><u>91,627,370</u></u>
District's covered payroll	18,940,839	19,124,670	18,191,256	17,473,103
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	22.33%	28.71%	33.64%	33.76%

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

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

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**SPECIAL REVENUE FUND**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**HAMILTON TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Revenue and Expenditures**  
**Budgetary Basis**  
**For Fiscal Year Ended June 30, 2017**

	Nonpublic Textbooks	Nonpublic Compensatory Education	Nonpublic Auxiliary Aid English As A Second Language	Examination & Classification	Nonpublic Handicapped Aid Corrective Speech	Supplemental Instruction	Nonpublic Nursing	Nonpublic Technology	Nonpublic Security Aid
<b>REVENUES:</b>									
State Sources	\$ 9,395.00	71,485.00	2,740.50	8,111.25	15,019.50	11,614.00	14,027.44	4,238.00	8,142.00
Federal Sources									
Total revenues	<u>9,395.00</u>	<u>71,485.00</u>	<u>2,740.50</u>	<u>8,111.25</u>	<u>15,019.50</u>	<u>11,614.00</u>	<u>14,027.44</u>	<u>4,238.00</u>	<u>8,142.00</u>
<b>EXPENDITURES:</b>									
Instruction:									
Salaries of teachers									
Other salaries for instruction									
Purchased prof. and technical services									
Other professional services		71,485.00	2,740.50	8,111.25	15,019.50	11,614.00	14,027.44		
Other purchased services									
General supplies								4,205.68	
Textbooks	9,395.00								
Total instruction	<u>9,395.00</u>	<u>71,485.00</u>	<u>2,740.50</u>	<u>8,111.25</u>	<u>15,019.50</u>	<u>11,614.00</u>	<u>14,027.44</u>	<u>4,205.68</u>	<u>-</u>
Support services:									
Salaries of program directors									
Salaries of other professional staff									
Salaries of secretarial and clerical assistants									
Other salaries									
Salaries of family/parent liaison and community parent involvement specialists									
Salaries of facilitators, math coaches, literacy coaches & master teachers									
Personnel services- employee benefits									
Purchased educational services									
Other purchased prof/educ services									
Purchased technical services									
Other purchased services									
Contracted services (other than between home and school-grants)									
Travel								32.32	8,142.00
Supplies and materials									
Miscellaneous expenses									
Total support services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32.32</u>	<u>8,142.00</u>
Facilities acquisition and const. serv.:									
Instructional equipment									
Total facilities acquisition and construction services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfer to charter schools									
Total expenditures	<u>9,395.00</u>	<u>71,485.00</u>	<u>2,740.50</u>	<u>8,111.25</u>	<u>15,019.50</u>	<u>11,614.00</u>	<u>14,027.44</u>	<u>4,238.00</u>	<u>8,142.00</u>
Other financing sources (uses)									
Transfer from other funds									
Total outflows	<u>9,395.00</u>	<u>71,485.00</u>	<u>2,740.50</u>	<u>8,111.25</u>	<u>15,019.50</u>	<u>11,614.00</u>	<u>14,027.44</u>	<u>4,238.00</u>	<u>8,142.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**HAMILTON TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Revenue and Expenditures**  
**Budgetary Basis**  
**FOR THE FISCAL YEAR ENDED June 30, 2017**

	Preschool Education Aid	Total State Funds	Race to the Top Preschool Expansion Aid	Carryover Race to the Top Preschool Expansion Aid	I.D.E.A. Part - B Basic	I.D.E.A. Part - B Preschool	Title I Part A	Carryover Title I Part A	Title II Part A
<b>REVENUES:</b>									
State Sources	\$ 188,611.38	333,384.07							
Federal Sources		-	1,074,838.68	84,953.44	770,070.65	31,809.00	641,042.52	4,680.00	63,545.00
Total revenues	188,611.38	333,384.07	1,074,838.68	84,953.44	770,070.65	31,809.00	641,042.52	4,680.00	63,545.00
<b>EXPENDITURES:</b>									
Instruction:									
Salaries of teachers	96,695.00	96,695.00	164,859.86				307,431.00		32,912.00
Other salaries for instruction	54,440.00	54,440.00	82,533.40						
Purchased prof. and technical services		-							
Other professional services		122,997.69							
Other purchased services		-	664.00		738,996.00	31,809.00	211,121.52		4,396.75
General supplies	17,537.38	21,743.06	55.39	20,000.44					
Textbooks		9,395.00							
Other Objects		-							
Total instruction	168,672.38	305,270.75	248,112.65	20,000.44	738,996.00	31,809.00	518,552.52	-	37,308.75
Support services:									
Salaries of program directors		-	108,989.92						
Salaries of other professional staff		-	8,128.06						
Salaries of secretarial and clerical assistants		-	25,745.46				19,282.20		
Other salaries		-	39,728.28						
Salaries of family/parent liaison and Community parent involvement specialists		-	868.00						
Salaries of facilitators, math coaches, literacy coaches & master teachers		-	76,950.24						
Personnel services- employee benefits	19,939.00	19,939.00	237,712.90				90,940.19		9,031.00
Purchased educational services		-	320,593.70	31,943.30					
Other purchased prof/educ services		-	4,060.00				5,792.00	680.50	16,905.25
Purchased technical services		-			31,074.65				
Other purchased services		-	710.44						
Contracted services (other than between home and school-grants)		-	296.00	33,009.70					
Travel		-	1,160.16				4,972.57		
Supplies and materials		8,142.00	1,782.87				1,503.04	3,999.50	300.00
Miscellaneous expenses		32.32							
Total support services	19,939.00	28,113.32	826,726.03	64,953.00	31,074.65	-	122,490.00	4,680.00	26,236.25
Facilities acquisition and const. serv.:									
Instructional equipment		-							
Total facilities acquisition and construction services		-	-						
Transfer to charter schools		-							
Total expenditures	188,611.38	333,384.07	1,074,838.68	84,953.44	770,070.65	31,809.00	641,042.52	4,680.00	63,545.00
Other financing sources (uses)		-							
Transfer from other funds		-							
Total outflows	188,611.38	333,384.07	1,074,838.68	84,953.44	770,070.65	31,809.00	641,042.52	4,680.00	63,545.00
Excess (deficiency) of revenues over (under) expenditures	\$ -	-	-	-	-	-	-	-	-



**HAMILTON TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Revenue and Expenditures**  
**Budgetary Basis**  
**FOR THE FISCAL YEAR ENDED June 30, 2017**

	Carryover Title II Part A	Title III English Language Enhancement	Carryover Title III English Language Enhancement	Title III Immigrant	Carryover Title III Immigrant	Total Federal Funds	Totals
<b>REVENUES:</b>							
State Sources	-	15,707.00	2,697.00	1,895.00	513.00	2,691,751.29	333,384.07
Federal Sources	-	15,707.00	2,697.00	1,895.00	513.00	2,691,751.29	2,691,751.29
Total revenues	-	15,707.00	2,697.00	1,895.00	513.00	2,691,751.29	3,025,135.36
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of teachers		9,404.00				505,202.86	601,897.86
Other salaries for instruction						91,937.40	146,377.40
Purchased prof. and technical services						-	-
Other professional services						-	122,997.69
Other purchased services		797.00	2,697.00	1,895.00	513.00	771,469.00	771,469.00
General supplies						241,476.10	263,219.16
Textbooks						-	9,395.00
Other Objects						-	-
Total instruction	-	10,201.00	2,697.00	1,895.00	513.00	1,610,085.36	1,915,356.11
Support services:							
Salaries of program directors						108,989.92	108,989.92
Salaries of other professional staff						8,128.06	8,128.06
Salaries of secretarial and clerical assistants						25,745.46	25,745.46
Other salaries		1,617.00				60,627.48	60,627.48
Salaries of family/parent liaison and Community parent involvement specialists						868.00	868.00
Salaries of facilitators, math coaches, literacy coaches & master teachers						76,950.24	76,950.24
Personnel services- employee benefits		2,205.00				339,889.09	359,828.09
Purchased educational services						352,537.00	352,537.00
Other purchased prof/educ services						4,060.00	4,060.00
Purchased technical services						53,771.90	53,771.90
Other Purchased Services						1,390.94	1,390.94
Contracted services (other than between home and school-grants)						33,305.70	33,305.70
Travel		1,684.00				7,816.73	7,816.73
Supplies and materials						7,585.41	15,727.41
Miscellaneous expenses						-	32.32
Total support services	-	5,506.00	-	-	-	1,081,665.93	1,109,779.25
Facilities acquisition and const. serv.:							
Instructional equipment						-	-
Total facilities acquisition and construction services	-	-	-	-	-	-	-
Transfer to charter schools						-	-
Total expenditures	-	15,707.00	2,697.00	1,895.00	513.00	2,691,751.29	3,025,135.36
Other financing sources (uses)							
Transfer from other funds						-	-
Total outflows	-	15,707.00	2,697.00	1,895.00	513.00	2,691,751.29	3,025,135.36
Excess (deficiency) of revenues over (under) expenditures	\$	-	-	-	-	-	-

**HAMILTON TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Schedule of Preschool Education Aid Expenditures**  
**Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2017**

EXPENDITURES:	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Instruction:			
Salaries of Teachers	\$ 96,695.00	96,695.00	-
Other Salaries for Instruction	54,440.00	54,440.00	-
Other Purchased Services			-
General Supplies	17,537.38	17,537.38	-
Other Objects			-
	<u>168,672.38</u>	<u>168,672.38</u>	<u>-</u>
Total Instruction			
	<u>168,672.38</u>	<u>168,672.38</u>	<u>-</u>
Support Services:			
Salaries of Secr and Clerical Assistants			-
Personnel Services - Employee Benefits	19,939.00	19,939.00	-
Purchased Technical Services			-
Other Purchased Prof Services			-
Travel			-
Supplies and Materials			-
	<u>19,939.00</u>	<u>19,939.00</u>	<u>-</u>
Total Support Services			
	<u>19,939.00</u>	<u>19,939.00</u>	<u>-</u>
Facilities acquisition and const. serv.:			
Instructional equipment			-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 188,611.38</u>	<u>188,611.38</u>	<u>-</u>

Total Revised 2016-17 Preschool Education Aid Allocation	171,074.00
Add: Actual ECPA Carryover (June 30, 2017)	17,537.38
Add: Budgeted Transfer from General Fund 2016-76	-
Total Preschool Education Aid Funds Available for 2016-17 Budget	<u>188,611.38</u>
Less: 2016-17 Budgeted Preschool Education Aid (including prior year budgeted carryover)	<u>188,611.38</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2017	<u>-</u>
Add: June 30, 2017 Unexpended Preschool Education Aid 2016-17 Carryover - Preschool Education Aid Programs	<u>-</u>

**CAPITAL PROJECTS FUND**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**HAMILTON TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Summary Statement of Project Expenditures**  
**Year Ended June 30, 2017**

Number	Issue/Project Title	Original Date	Appropriations	Expenditures to Date		Transfers (Out)	Unexpended Balance
				Prior Years	Expended		
#1940-120-03-0418	William Davies Middle School Addition	4/17/2003	\$ 24,234,445.00	24,159,445.00	16,937.25		58,062.75
#1940-055/060-120-09-2000	Solar Roof Project	9/29/2009	4,824,000.00	4,302,708.00		(188,816.52)	332,475.48
<b>Totals</b>			<u>\$ 29,058,445.00</u>	<u>28,462,153.00</u>	<u>16,937.25</u>	<u>(188,816.52)</u>	<u>390,538.23</u>

**HAMILTON TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Summary Schedule of Projects Revenues, Expenditures, and Changes in**  
**Fund Balance - Budgetary Basis**  
**For the Year Ended June 30, 2017**

**Revenues and other Financing Sources**

Local Source	\$ -
	<hr/>
Total revenues	<hr/> - <hr/>

**Expenditures and other Financing Uses**

Purchased professional and technical services	16,937.25
Legal services	-
Land and improvements	-
Construction services	-
Equipment purchases	-
Total expenditures	<hr/> 16,937.25 <hr/>

**Other financing sources (uses):**

Transfer to debt service fund	(188,816.26)
Adjustment to prior year fund balance	(0.26)
Total other financing sources (uses)	<hr/> (188,816.52) <hr/>

Excess (deficiency) of revenues over (under) expenditures (205,753.77)

Fund balance - beginning 596,292.00

Fund balance - ending \$ 390,538.23

**HAMILTON TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Projects Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Addition/Renovations to William Davies Middle School**  
**From Inception and for the Year Ended June 30, 2017**

	Prior Periods	Current Year	Totals	Revised Authorized Costs
<b>Revenues and other Financing Sources</b>				
State sources -				
SCC Grant	\$ 8,329,210.00	-	8,329,210.00	8,329,210.00
Bond proceeds and transfers	15,865,000.00	-	15,865,000.00	15,865,000.00
Local Source	25,000.00	-	25,000.00	25,000.00
Transfer from capital reserve	16,579.00	-	16,579.00	16,579.00
Transfer from capital outlay	23,656.00	-	23,656.00	23,656.00
 Total revenues	<u>24,259,445.00</u>	<u>-</u>	<u>24,259,445.00</u>	<u>24,259,445.00</u>
<b>Expenditures and other Financing Uses</b>				
Purchased professional and technical services	2,010,002.00	16,937.25	2,026,939.25	2,010,002.00
Construction services	21,261,476.00	-	21,261,476.00	21,335,616.00
Furniture & equipment purchases	912,967.00	-	912,967.00	913,827.00
 Total expenditures	<u>24,184,445.00</u>	<u>16,937.25</u>	<u>24,201,382.25</u>	<u>24,259,445.00</u>
<b>Other financing sources (uses):</b>				
None	-	-	-	
 Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Excess (deficiency) of revenues over (under) expenditures	<u>\$ 75,000.00</u>	<u>(16,937.25)</u>	<u>58,062.75</u>	<u>-</u>
<b>Additional project information:</b>				
Project number	1940-120-03-0418			
Grant date	4/17/03			
Bond Authorization Date	3/11/03			
Bonds Authorized	15,865,000.00			
Bonds Issued	15,865,000.00			
Original Authorized Cost	24,194,210.00			
Additional Authorized Cost	40,235.00			
Revised Authorized Cost	24,234,445.00			
 Percentage Increase over Original Authorized Cost	0.17%			
Percentage Completion	99.76%			
Original target completion date	Sep-05			
Revised target completion date	Jun-12			

**HAMILTON TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Projects Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Solar Roof Project - 2010 Bonds**  
**From Inception and for the Year Ended June 30, 2017**

	Prior Periods	Current Year	Totals	Revised Authorized Costs
<b>Revenues and other Financing Sources</b>				
Bond proceeds and transfers	\$ 4,824,000.00		4,824,000.00	4,824,407.00
Total revenues	<u>4,824,000.00</u>	<u>-</u>	<u>4,824,000.00</u>	<u>4,824,407.00</u>
<b>Expenditures and other Financing Uses</b>				
Purchased professional and technical services	348,458.00		348,458.00	454,140.00
Legal services	17,581.00		17,581.00	1,507.00
Construction services	3,135,230.00		3,135,230.00	3,859,525.00
Furniture & equipment purchases	2,500.00		2,500.00	509,235.00
Total expenditures	<u>3,503,769.00</u>	<u>-</u>	<u>3,503,769.00</u>	<u>4,824,407.00</u>
<b>Other financing sources (uses):</b>				
Transfer to debt service fund	(798,939.00)	(188,816.26)	(987,755.26)	
Adjustment to prior year fund balance		(0.26)	(0.26)	
Total other financing sources (uses)	<u>(798,939.00)</u>	<u>(188,816.52)</u>	<u>(987,755.52)</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>521,292.00</u>	<u>(188,816.52)</u>	<u>332,475.48</u>	<u>-</u>
<b>Additional project information:</b>				
Project number	1940-060/055/120-09-2000			
Grant date	N/A			
Bond Authorization Date	9/29/09			
Bonds Authorized	4,824,000.00			
Bonds Issued	4,824,000.00			
Original Authorized Cost	4,824,407.00			
Additional Authorized Cost				
Revised Authorized Cost	4,824,407.00			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	72.63%			
Original target completion date	6/30/11			
Revised target completion date	6/30/12			



**PROPRIETARY FUNDS**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**HAMILTON TOWNSHIP SCHOOL DISTRICT**  
**Enterprise Funds**  
**Combining Schedule of Net Position**  
**June 30, 2017**

	Food Service	Non-Major Funds		2017
		Kids Corner Program	Community Education	
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 20,941.42	267,781.87	321,603.92	610,327.21
Accounts Receivable:				
State	993.24	746.56		1,739.80
Federal	57,004.50			57,004.50
Other	10,141.55	225.00		10,366.55
Interfund Receivable	250.00			250.00
Inventories	13,549.89			13,549.89
<b>Total Current Assets</b>	<b>102,880.60</b>	<b>268,753.43</b>	<b>321,603.92</b>	<b>693,237.95</b>
<b>Fixed Assets:</b>				
Equipment	411,203.19	2,352.72	38,708.09	452,264.00
Accumulated depreciation	(340,770.70)	(2,352.72)	(26,066.86)	(369,190.28)
<b>Total fixed assets</b>	<b>70,432.49</b>	<b>-</b>	<b>12,641.23</b>	<b>83,073.72</b>
<b>Total assets</b>	<b>173,313.09</b>	<b>268,753.43</b>	<b>334,245.15</b>	<b>776,311.67</b>
<b>LIABILITIES</b>				
<b>Current liabilities:</b>				
Interfund payable	88.53	-	-	88.53
Accounts payable	47,459.79	-	-	47,459.79
Unearned revenue		-	-	-
<b>Total current liabilities</b>	<b>47,548.32</b>	<b>-</b>	<b>-</b>	<b>47,548.32</b>
<b>Noncurrent liabilities:</b>				
Compensated absences	47,748.15			47,748.15
<b>Total noncurrent liabilities</b>	<b>47,748.15</b>	<b>-</b>	<b>-</b>	<b>47,748.15</b>
<b>Total liabilities</b>	<b>95,296.47</b>	<b>-</b>	<b>-</b>	<b>95,296.47</b>
<b>NET POSITION</b>				
Net investment in capital assets	70,432.49	-	12,641.23	83,073.72
Unrestricted	7,584.13	268,753.43	321,603.92	597,941.48
<b>Total net position</b>	<b>78,016.62</b>	<b>268,753.43</b>	<b>334,245.15</b>	<b>681,015.20</b>
<b>Total liabilities and net position</b>	<b>\$ 173,313.09</b>	<b>268,753.43</b>	<b>334,245.15</b>	<b>776,311.67</b>

**HAMILTON TOWNSHIP SCHOOL DISTRICT**  
**Enterprise Funds**  
**Combining Schedule of Revenues, Expenses**  
**and Changes in Fund Net Position**  
**For the Fiscal Year ended June 30, 2017**

	Food Service	Non-Major Funds		2017
		Kids Corner Program	Community Education	
<b>OPERATING REVENUES:</b>				
Local Sources:				
Daily sales- reimbursable programs				
School lunch and special milk program	\$ 271,306.91			271,306.91
Daily sales non- reimbursable programs	130,959.25			130,959.25
Special functions	37,316.53			37,316.53
Community/Kids Corner service activities		290,035.24	214,953.31	504,988.55
Miscellaneous	2,783.39			2,783.39
<b>Total Operating Revenues</b>	<b>442,366.08</b>	<b>290,035.24</b>	<b>214,953.31</b>	<b>947,354.63</b>
<b>OPERATING EXPENSES:</b>				
Cost of sales-reimbursable programs	429,372.40			429,372.40
Cost of sales-non-reimbursable programs	170,497.88			170,497.88
Salaries	662,782.35	177,331.26	162,998.15	1,003,111.76
Employee benefits	219,341.13	32,405.12	23,783.22	275,529.47
Supplies & Materials	46,270.24	22,680.05	22,583.83	91,534.12
Depreciation	20,487.33		3,658.58	24,145.91
Other expenses	13,305.89	144.00	17,805.48	31,255.37
<b>Total operating expenses</b>	<b>1,562,057.22</b>	<b>232,560.43</b>	<b>230,829.26</b>	<b>2,025,446.91</b>
<b>Operating income/(loss)</b>	<b>(1,119,691.14)</b>	<b>57,474.81</b>	<b>(15,875.95)</b>	<b>(1,078,092.28)</b>
<b>Nonoperating revenues:</b>				
State sources				
State school lunch program	16,043.53			16,043.53
Federal sources				
National school lunch program	758,676.82			758,676.82
National school breakfast program	177,516.67			177,516.67
Special milk program	451.41			451.41
Federal Equipment Grant				-
Food Distribution Program	96,029.00			96,029.00
Interest revenue	110.04	358.57	362.55	831.16
<b>Total nonoperating revenues</b>	<b>1,048,827.47</b>	<b>358.57</b>	<b>362.55</b>	<b>1,049,548.59</b>
<b>Net income/(loss)</b>	<b>(70,863.67)</b>	<b>57,833.38</b>	<b>(15,513.40)</b>	<b>(28,543.69)</b>
<b>Other financing sources (uses):</b>				
Adjustment for prior year rounding				
Less: Compensanted Absences	-			-
<b>Net position, July 1</b>	<b>148,880.29</b>	<b>210,920.05</b>	<b>349,758.55</b>	<b>709,558.89</b>
<b>Net position, June 30</b>	<b>\$ 78,016.62</b>	<b>268,753.43</b>	<b>334,245.15</b>	<b>681,015.20</b>

**HAMILTON TOWNSHIP SCHOOL DISTRICT**  
**Combining Statement of Cash Flows**  
**All Proprietary fund Types and Similar Trust Funds**  
**For the Fiscal Year Ended June 30, 2017**

	Food Service	Non-Major Funds		Total Enterprise
		Kids Corner Program	Community Education	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 443,559.54	289,294.22	215,595.81	948,449.57
Payments to employees	(662,782.35)	(177,331.26)	(162,998.15)	(1,003,111.76)
Payments for employee benefits	(220,864.92)	(32,405.12)	(23,783.22)	(277,053.26)
Payments to suppliers	(59,576.13)	(22,824.05)	(40,389.31)	(122,789.49)
Payments to cost of sales	(469,318.17)	-	-	(469,318.17)
Net cash provided/(used) for operating activities	<u>(968,982.03)</u>	<u>56,733.79</u>	<u>(11,574.87)</u>	<u>(923,823.11)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
State Sources	15,916.34	-	-	15,916.34
Federal Sources	928,144.43	-	-	928,144.43
Payments from other funds	88.53	-	-	88.53
Net cash provided by non-capital financing activities	<u>944,149.30</u>	<u>-</u>	<u>-</u>	<u>944,149.30</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:</b>				
Acquisition of capital assets	(2,440.00)	-	-	(2,440.00)
Net cash (used) by capital financing activities	<u>(2,440.00)</u>	<u>-</u>	<u>-</u>	<u>(2,440.00)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends	110.04	358.57	362.55	831.16
Net cash provided by investing activities	<u>110.04</u>	<u>358.57</u>	<u>362.55</u>	<u>831.16</u>
Net increase/(decrease) in cash and cash equivalents	(27,162.69)	57,092.36	(11,212.32)	18,717.35
Balances—beginning of year	48,104.11	210,689.51	332,816.24	591,609.86
Balances—end of year	<u>20,941.42</u>	<u>267,781.87</u>	<u>321,603.92</u>	<u>610,327.21</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income/(loss)	(1,119,691.14)	57,474.81	(15,875.95)	(1,078,092.28)
Adjustments to reconcile operating (loss) to net cash provided by/(used for) operating activities				
Depreciation and net amortization	20,487.33	-	3,658.58	24,145.91
Federal commodities	96,029.00	-	-	96,029.00
Decrease in inventories	813.76	-	-	813.76
(Increase)/decrease in other receivables	1,193.46	(741.02)	642.50	1,094.94
Increase in accounts payable	33,709.35	-	-	33,709.35
Increase in deferred revenue	-	-	-	-
(Decrease) in compensated absences	(1,523.79)	-	-	(1,523.79)
Total adjustments	<u>150,709.11</u>	<u>(741.02)</u>	<u>4,301.08</u>	<u>154,269.17</u>
Net cash provided/(used) for operating activities	<u>\$ (968,982.03)</u>	<u>56,733.79</u>	<u>(11,574.87)</u>	<u>(923,823.11)</u>

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**FIDUCIARY FUNDS**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}



**HAMILTON TOWNSHIP SCHOOL DISTRICT**  
**Fiduciary Fund**  
**Combining Statement of Fiduciary Net Position**  
**June 30, 2017**

H-1

	Unemployment Compensation	Private Purpose Scholarship Fund	Student Activity	Agency Fund	Total
ASSETS:					
Cash and cash equivalents	\$ 286,259.73	1,309.64	186,978.65	52,508.84	527,056.86
Total Assets	286,259.73	1,309.64	186,978.65	52,508.84	527,056.86
LIABILITIES AND NET POSITION:					
Liabilities:					
Payroll deductions and withholdings			-	52,508.84	52,508.84
Accounts payable					-
Due to student groups			186,728.65		186,728.65
Interfunds payable			250.00	-	250.00
Total Liabilities	-	-	186,978.65	52,508.84	239,487.49
Net Position:					
Reserved - Expendable Trust					286,259.73
Unemployment Scholarship	286,259.73	1,309.64			1,309.64
Total net position	286,259.73	1,309.64	-	-	287,569.37
Total liabilities and net position	\$ 286,259.73	1,309.64	186,978.65	52,508.84	527,056.86

**HAMILTON TOWNSHIP SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Combining Statement of Changes in Fiduciary Net Position**  
**For the Fiscal Year ended June 30, 2017**

H-2

	Unemployment Compensation	Private Purpose Scholarship Fund	Totals
<b>OPERATING REVENUES:</b>			
Contributions:			
Plan Member	\$ 82,190.49	-	82,190.49
Total operating revenues	82,190.49	-	82,190.49
Investment Earnings:			
Interest	400.15	15.64	415.79
Total Revenue	82,590.64	15.64	82,606.28
<b>OPERATING EXPENSES:</b>			
State of New Jersey:			
Unemployment claims	79,384.91	-	79,384.91
Total operating expenses	79,384.91	-	79,384.91
Operating Income	3,205.73	15.64	3,221.37
Change in net position	3,205.73	15.64	3,221.37
Net position, July 1	283,054.00	1,294.00	284,348.00
Net position, June 30	\$ 286,259.73	1,309.64	287,569.37

**HAMILTON TOWNSHIP SCHOOL DISTRICT**  
**Student Activity Agency Fund**  
**Schedule of Receipts and Disbursements**  
**For the Fiscal Year Ended June 30, 2017**

H-3

	Balance July 1, 2016	Cash Receipts	Cash Disbursements	Accounts Payable June 30, 2017	Balance June 30, 2017
Shaner	\$ 28,800.00	22,339.38	20,738.95		30,400.43
Hess	39,322.00	57,953.35	51,306.42		45,968.93
Davies	97,252.00	74,568.49	61,211.20		110,609.29
Total all schools	\$ 165,374.00	154,861.22	133,256.57	-	186,978.65

**HAMILTON TOWNSHIP SCHOOL DISTRICT**  
**Payroll Agency Fund**  
**Schedule of Receipts and Disbursements**  
**For the Fiscal Year ended June 30, 2017**

H-4

	Balance July 1, 2016	Additions	Deletions	Balance July 1, 2017
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 7,117.00	29,442,637.63	29,397,245.79	52,508.84
Total assets	<u>7,117.00</u>	<u>29,442,637.63</u>	<u>29,397,245.79</u>	<u>52,508.84</u>
<b>LIABILITIES:</b>				
Payroll deductions and withholdings	7,117.00	29,442,637.63	29,397,245.79	52,508.84
Interfund payable	-	-	-	-
Total liabilities	<u>7,117.00</u>	<u>29,442,637.63</u>	<u>29,397,245.79</u>	<u>52,508.84</u>

**LONG-TERM DEBT**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**HAMILTON TOWNSHIP SCHOOL DISTRICT**  
**Long-Term Debt**  
**Schedule of Serial Bonds**  
**June 30, 2017**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2016	Issued	Retired	Balance June 30, 2017
			Date	Amount					
Various School Improvements	7/15/2007	\$ 997,000.00	7/15/2017	117,000.00	4.375% \$	237,000.00		120,000.00	117,000.00
Various School Improvements	7/15/2008	998,000.00	7/15/2017	120,000.00	5.000%	353,000.00		115,000.00	238,000.00
			7/15/2018	118,000.00	5.000%				
Solar Roof Project	6/23/2010	4,824,000.00	2/1/2018	290,000.00	3.000%	3,574,000.00		280,000.00	3,294,000.00
			2/1/2019	300,000.00	3.000%				
			2/1/2020	310,000.00	3.125%				
			2/1/2021	325,000.00	3.250%				
			2/1/2022	350,000.00	3.350%				
			2/1/2023	400,000.00	3.500%				
			2/1/2024	425,000.00	3.550%				
2/1/2025	450,000.00	4.000%							
2/1/2026	444,000.00	4.000%							
Refunding School Bonds	2/21/2012	10,115,000.00	7/15/2017	2,485,000.00	4.000%	7,460,000.00		2,400,000.00	5,060,000.00
			7/15/2018	2,575,000.00	4.000%				
						\$ 11,624,000.00	-	2,915,000.00	8,709,000.00

**HAMILTON TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**For the Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 2,816,081.00	-	2,816,081.00	2,816,081.00	-
	<u>2,816,081.00</u>	<u>-</u>	<u>2,816,081.00</u>	<u>2,816,081.00</u>	<u>-</u>
State Sources:					
Debt Service Aid Type II	305,944.00	-	305,944.00	305,944.00	-
Total - State Sources	<u>305,944.00</u>	<u>-</u>	<u>305,944.00</u>	<u>305,944.00</u>	<u>-</u>
<b>Total Revenues</b>	<b><u>3,122,025.00</u></b>	<b><u>-</u></b>	<b><u>3,122,025.00</u></b>	<b><u>3,122,025.00</u></b>	<b><u>-</u></b>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	395,832.00	9.26	395,841.26	395,841.26	-
Redemption of Principal	2,915,000.00	-	2,915,000.00	2,915,000.00	-
Total Regular Debt Service	<u>3,310,832.00</u>	<u>9.26</u>	<u>3,310,841.26</u>	<u>3,310,841.26</u>	<u>-</u>
<b>Total expenditures</b>	<b><u>3,310,832.00</u></b>	<b><u>9.26</u></b>	<b><u>3,310,841.26</u></b>	<b><u>3,310,841.26</u></b>	<b><u>-</u></b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(188,807.00)	(9.26)	(188,816.26)	(188,816.26)	-
Other Financing Sources (Uses)					
Operating Transfers in:					
Adjustment to prior year fund balance			-	0.46	(0.46)
Unexpended balances on capital projects	188,807.00	9.26	188,816.26	188,816.26	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	-	0.00	0.46	(0.46)
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	<u>-</u>	<u>-</u>	<u>0.00</u>	<u>0.46</u>	<u>(0.46)</u>



## **Statistical Section**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

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

	2008	2009	2010	2011	2012	2013	2014 *	2015	2016	2017
<b>Governmental activities</b>										
Net investment in capital assets	\$ 17,086,683.00	19,733,282.00	18,677,705.00	24,280,837.00	27,437,989.00	30,280,616.00	33,340,202.00	36,460,816.00	38,315,255.00	39,623,996.34
Restricted	1,170,654.00	2,307,054.00	7,500,741.00	6,378,329.00	1,679,765.00	1,182,768.00	994,118.00	785,258.00	596,292.00	390,538.69
Unrestricted	(1,577,015.00)	(2,848,366.00)	(3,454,118.00)	(3,673,443.00)	2,588,721.00	2,915,284.00	(11,284,286.00)	(12,574,728.00)	(13,183,293.00)	(13,513,513.90)
<b>Total governmental activities net position</b>	<b>16,680,322.00</b>	<b>19,191,970.00</b>	<b>22,724,328.00</b>	<b>26,985,723.00</b>	<b>31,706,475.00</b>	<b>34,378,668.00</b>	<b>23,050,034.00</b>	<b>24,671,346.00</b>	<b>25,728,254.00</b>	<b>26,501,021.13</b>
<b>Business-type activities</b>										
Net investment in capital assets	50,465.00	63,429.00	128,504.00	157,187.00	141,535.00	136,895.00	125,573.00	114,061.00	104,780.00	83,073.72
Unrestricted	767,427.00	949,857.00	895,019.00	584,703.00	491,591.00	583,524.00	588,222.00	611,240.00	604,779.00	597,941.48
<b>Total business-type activities net position</b>	<b>817,892.00</b>	<b>1,013,286.00</b>	<b>1,023,523.00</b>	<b>741,890.00</b>	<b>633,126.00</b>	<b>720,419.00</b>	<b>713,795.00</b>	<b>725,301.00</b>	<b>709,559.00</b>	<b>681,015.20</b>
<b>District-wide</b>										
Net investment in capital assets	17,137,148.00	19,796,711.00	18,806,209.00	24,438,024.00	27,579,524.00	30,417,511.00	30,417,511.00	36,574,877.00	38,420,035.00	39,707,070.06
Restricted	1,170,654.00	2,307,054.00	7,500,741.00	6,378,329.00	1,679,765.00	1,182,768.00	1,182,768.00	785,258.00	596,292.00	390,538.69
Unrestricted	(809,588.00)	(1,898,509.00)	(2,559,099.00)	(3,088,740.00)	3,080,312.00	3,498,808.00	3,498,808.00	(11,963,488.00)	(12,578,514.00)	(12,915,572.42)
<b>Total district net position</b>	<b>\$ 17,498,214.00</b>	<b>20,205,256.00</b>	<b>23,747,851.00</b>	<b>27,727,613.00</b>	<b>32,339,601.00</b>	<b>35,099,087.00</b>	<b>35,099,087.00</b>	<b>25,396,647.00</b>	<b>26,437,813.00</b>	<b>27,182,036.33</b>

\* As Restated

Source: CAFR Schedule A-1

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	15,330,800.00	15,859,397.00	17,379,930.00	16,786,701.00	16,920,040.00	17,054,189.00	18,316,595.00	21,879,556.00	26,476,044.00	12,381,048
Special education	5,270,886.00	4,258,963.00	5,479,913.00	4,856,539.00	4,723,836.00	5,102,892.00	5,725,657.00	7,224,479.00	6,898,766.00	4,209,312
Other instruction	1,102,816.00	3,238,009.00	2,345,590.00	2,353,785.00	1,892,923.00	2,266,111.00	2,618,619.00	2,963,721.00	2,607,968.00	1,297,407
Nonpublic school programs					126,395.00	123,865.00	119,302.00			
Adult/continuing education programs	9,032.00	4,220.00	2,230.00	3,181.00						
Support Services:										
Tuition	404,945.00	617,299.00	715,666.00	774,043.00	1,157,145.00	1,429,508.00	915,419.00	810,923.00	821,090.00	782,961
Student & instruction related services	4,877,748.00	5,370,499.00	5,777,221.00	5,910,481.00	6,161,829.00	6,250,068.00	6,185,226.00	7,383,844.00	7,969,942.00	7,332,755
General administrative services					1,898,231.00	2,059,681.00	2,151,612.00	1,945,156.00	1,704,729.00	2,382,382
School administrative services	1,978,544.00	1,775,582.00	1,900,476.00	1,892,274.00	2,133,152.00	2,261,482.00	2,194,757.00	2,165,870.00	2,307,562.00	2,485,956
Business administrative services	1,561,247.00	1,707,381.00	1,707,498.00	1,617,512.00						
Plant operations and maintenance	4,294,022.00	4,652,468.00	4,190,828.00	3,993,638.00	4,644,765.00	4,769,850.00	5,139,699.00	4,534,636.00	4,360,663.00	5,921,624
Pupil transportation	3,139,552.00	3,451,981.00	3,491,091.00	2,896,958.00	4,154,109.00	3,983,584.00	4,102,574.00	2,919,775.00	3,160,197.00	2,858,938
Special Schools		31,024.00			43,649.00					
Charter Schools	53,888.00	40,670.00	131,633.00	141,170.00						
Interest on long-term debt	1,486,161.00	1,433,757.00	1,302,805.00	1,307,930.00	1,099,240.00	908,162.00	799,469.00	657,212.00	484,275.00	453,103
Capital Outlay						71,729.00	110,602.00			
Unallocated depreciation	904,174.00	983,511.00	1,019,027.00	1,122,235.00						
Total governmental activities expenses	40,413,815.00	43,424,761.00	45,443,908.00	43,656,447.00	44,956,314.00	46,287,111.00	48,379,531.00	52,485,172.00	56,791,236.00	40,105,487
Business-type activities:										
Food service	1,270,810.00	1,320,047.00	1,419,581.00	1,661,589.00	1,634,390.00	1,537,402.00	1,672,589.00	1,604,722.00	1,631,865.00	1,562,057
Child Care	229,936.00	233,964.00	249,103.00	229,209.00	243,779.00	222,639.00	234,745.00	236,908.00	216,305.00	232,560
Community Education	183,775.00	178,331.00	230,690.00	241,891.00	251,020.00	234,478.00	223,807.00	224,388.00	243,870.00	230,829
Total business-type activities expense	1,684,521.00	1,732,342.00	1,899,374.00	2,132,689.00	2,129,189.00	1,994,519.00	2,131,141.00	2,066,018.00	2,092,040.00	2,025,447
Total district expenses	42,098,336.00	45,157,103.00	47,343,282.00	45,789,136.00	47,085,503.00	48,281,630.00	50,510,672.00	54,551,190.00	58,883,276.00	42,130,933
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Business and other support services	83,851	62,311	43,091	89,163	28,596	4,130	9,564	2,495,094	80,880	225,239
Operating grants and contributions	11,769,960	8,142,997	8,862,900	7,757,625	5,044,483	5,488,348	5,166,972	9,811,929	13,578,322	(4,009,990)
Capital grants and contributions			94,268	77,449						
Total governmental activities program revenues	11,853,811	8,205,308	9,000,259	7,924,237	5,073,079	5,492,478	5,176,536	12,307,023	13,659,202	(3,784,751)

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Business-type activities:</b>										
Charges for services										
Food service	652,652.00	625,523.00	582,377.00	533,218.00	554,272.00	559,607.00	536,827.00	492,538.00	486,480.00	442,366.08
Child care	250,730.00	236,927.00	228,298.00	237,417.00	233,952.00	251,490.00	268,409.00	268,480.00	274,640.00	290,035.24
Community Education	210,905.00	227,608.00	247,947.00	243,885.00	296,406.00	291,292.00	243,520.00	240,084.00	228,969.00	214,953.31
Operating grants and contributions	794,791.00	877,155.00	848,349.00	829,714.00	934,099.00	982,796.00	1,075,077.00	1,084,759.00	1,085,433.00	1,048,717.43
Total business-type activities program revenues	1,909,078.00	1,967,213.00	1,906,971.00	1,844,234.00	2,018,729.00	2,085,185.00	2,123,833.00	2,085,861.00	2,075,522.00	1,996,072.06
Total district program revenues	1,376,289.00	1,017,521.00	10,907,230.00	9,768,471.00	7,091,808.00	7,577,663.00	7,300,369.00	14,392,884.00	15,734,724.00	11,788,678.87
<b>Net (Expense)/Revenue</b>										
Governmental activities	(28,560,004.00)	(35,219,453.00)	(36,443,649.00)	(35,732,210.00)	(39,883,235.00)	(40,794,633.00)	(43,202,995.00)	(40,178,149.00)	(43,132,034.00)	(43,890,237.46)
Business-type activities	224,557.00	234,871.00	7,597.00	(288,455.00)	(110,460.00)	90,666.00	(7,308.00)	19,843.00	(16,518.00)	(29,374.85)
Total district-wide net expense	(28,335,447.00)	(34,984,582.00)	(36,436,052.00)	(36,020,665.00)	(39,993,695.00)	(40,703,967.00)	(43,210,303.00)	(40,158,306.00)	(43,148,552.00)	(43,919,612.31)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	15,572,797.00	15,835,561.00	16,190,597.00	16,235,299.00	16,235,299.00	16,235,299.00	16,621,103.00	16,621,103.00	17,183,705.00	17,727,379.00
Taxes levied for debt service	2,801,501.00	2,864,492.00	2,930,426.00	3,155,022.00	3,373,688.00	3,054,898.00	3,054,898.00	3,004,249.00	2,932,768.00	2,816,081.00
Unrestricted grants and contributions	12,695,304.00	18,568,610.00	20,454,786.00	20,128,259.00	22,328,324.00	22,624,962.00	22,927,316.00	20,561,509.00	23,001,703.00	23,313,843.85
Federal and state aid restricted					1,867,094.00	1,328,380.00	1,325,441.00	1,325,434.00	831,737.00	305,944.00
Tuition	7,691.00	56,327.00	79,849.00	47,995.00						
Investment earnings	125,615.00	73,739.00	50,823.00	78,167.00	5,966.00	3,190.00	2,167.00	936.00	258.00	255.88
Miscellaneous income	250,930.00	282,371.00	269,525.00	354,526.00	952,802.00	232,993.00	116,740.00	300,474.00	247,826.00	499,500.60
Special items					(162,152.00)			(1,244.00)	(9,055.00)	0.20
Loss on disposal of fixed assets				(5,666.00)			(102.00)			
Transfers	83,940.00	50,000.00								
Total governmental activities	31,537,778.00	37,731,100.00	39,976,006.00	39,993,602.00	44,401,021.00	43,466,826.00	44,047,563.00	41,799,461.00	44,188,942.00	44,663,004.33
Business-type activities:										
Investment earnings	17,418.00	10,712.00	10,301.00	6,822.00	1,696.00	688.00	684.00	728.00	777.00	831.16
Loss on disposal of fixed assets	(2,187.00)	(190.00)	(7,662.00)			(4,071.00)		(9,065.00)		
Special items	(83,940.00)	(50,000.00)								
Transfers	(68,709.00)	(39,478.00)	2,639.00	6,822.00	1,696.00	(3,373.00)	684.00	(6,337.00)	777.00	831.16
Total business-type activities	31,469,069.00	37,691,622.00	39,978,645.00	40,000,424.00	44,402,717.00	43,463,453.00	44,046,247.00	41,791,124.00	44,189,719.00	44,663,835.49
<b>Change in Net Position</b>										
Governmental activities	2,977,774.00	2,511,647.00	3,532,357.00	4,261,392.00	4,517,786.00	2,872,193.00	844,566.00	1,621,312.00	1,056,908.00	772,766.87
Business-type activities	155,848.00	195,393.00	10,236.00	(281,633.00)	(108,764.00)	87,293.00	(6,624.00)	11,506.00	(15,741.00)	(28,543.69)
Total district	3,133,622.00	2,707,040.00	3,542,593.00	3,979,759.00	4,409,022.00	2,759,486.00	837,944.00	1,632,818.00	1,041,167.00	744,223.18

no

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General Fund</b>										
Restricted				4,853,563.00	3,248,550.00	3,177,726.00	2,345,899.00	2,168,534.00	3,006,115.00	3,487,259.57
Committed					3,184,364.00	2,609,044.00	1,730,310.00	971,193.00	521,451.00	796,220.52
Unassigned				(659,443.00)	(1,269,240.00)	(397,254.00)	(799,005.00)	(1,144,538.00)	(1,201,201.00)	(1,126,644.39)
Reserved	\$ 1,347,175.00	2,380,899.00	3,457,442.00							
Unreserved	(19,999.00)	(1,083,924.00)	(1,229,258.00)							
Total general fund	\$ 1,327,176.00	1,296,975.00	2,228,184.00	4,194,120.00	5,163,674.00	5,389,516.00	3,277,204.00	1,995,189.00	2,326,365.00	3,156,835.70
<b>All Other Governmental Funds</b>										
Restricted				1,282,878.00	1,568,173.00	1,131,766.00	942,959.00	785,099.00	596,292.00	390,538.23
Committed				244,666.00						
Assigned				(40,194.00)	55,795.00	51,000.00	51,000.00	-	-	-
Unassigned					(24,188.00)	(24,643.00)	(23,802.00)	(26,777.00)	(17,107.00)	(17,107.40)
Reserved	141,052.00	243,388.00	2,714,929.00							
Unreserved, reported in:										
Special revenue fund	(140,904.00)	(38,548.00)	(40,194.00)							
Capital projects fund	17,369.00	37,115.00	1,645,797.00							
Debt service fund	90.00	90.00	1.00			2.00	159.00	159.00	-	0.46
Total all other governmental funds	\$ 17,607.00	242,055.00	4,320,533.00	1,487,350.00	1,599,782.00	1,158,125.00	970,316.00	758,481.00	579,185.00	373,431.29

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

Source: CAFR Schedule B-1

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues</b>										
Tax levy	\$ 18,374,298.00	18,700,053.00	19,121,023.00	19,390,321.00	19,608,987.00	19,290,197.00	19,676,001.00	19,625,352.00	20,116,473.00	20,543,460
Tuition charges	7,691.00	56,327.00	79,849.00	47,995.00	28,596.00	4,130.00	9,564.00	3,500.00	80,880.00	225,239
Interest earnings	12,220.00	5,890.00	5,972.00	15,484.00	5,966.00	3,190.00	2,167.00	936.00	258.00	256
Miscellaneous	448,176.00	412,531.00	357,467.00	506,373.00	952,802.00	232,993.00	116,740.00	300,474.00	247,826.00	499,501
Local sources				20,000.00						
State sources	23,117,954.00	25,165,533.00	23,387,964.00	25,432,246.00	26,578,517.00	28,072,555.00	28,010,563.00	28,469,816.00	28,815,543.00	29,072,979
Federal sources	1,356,176.00	1,546,074.00	6,023,990.00	2,531,087.00	2,441,384.00	1,369,135.00	1,409,166.00	1,485,900.00	2,717,440.00	2,901,211
Total revenue	43,316,515.00	45,886,408.00	48,976,265.00	47,923,506.00	49,636,252.00	48,972,200.00	49,224,201.00	49,885,978.00	51,978,420.00	53,242,645
<b>Expenditures</b>										
Instruction										
Regular Instruction	11,721,893.00	14,705,721.00	13,369,212.00	12,671,148.00	13,111,734.00	12,671,495.00	13,730,451.00	13,286,056.00	13,636,531.00	14,023,737
Special education instruction	3,609,290.00	3,843,458.00	3,905,235.00	3,454,564.00	3,550,592.00	3,680,477.00	4,166,356.00	4,228,389.00	4,292,360.00	4,878,645
Other special instruction					1,312,282.00	1,468,432.00	1,759,603.00	1,582,254.00	1,490,658.00	1,382,365
Other instruction	753,004.00	3,041,384.00	1,667,284.00	1,660,692.00	113,804.00	164,747.00	138,254.00	150,832.00	130,815.00	128,906
Adult/continuing education programs	6,495.00	3,805.00	1,579.00	2,240.00						
Nonpublic programs				126,395.00			119,302.00			
Support Services:										
Tuition	404,945.00	617,299.00	715,666.00	774,043.00	813,610.00	1,006,563.00	649,955.00	810,923.00	780,737.00	782,961
Student & instruction related services	3,566,882.00	4,954,851.00	4,307,684.00	4,484,018.00	4,715,917.00	4,513,069.00	4,555,994.00	4,446,085.00	5,416,981.00	4,799,486
School administrative services	1,380,836.00	1,632,941.00	1,395,047.00	1,381,856.00	1,446,720.00	1,462,195.00	1,427,087.00	1,439,605.00	1,462,653.00	1,487,734
Other administrative services	1,226,616.00	1,623,792.00	1,399,651.00	1,300,778.00	1,401,521.00	1,461,606.00	1,565,488.00	1,423,811.00	1,462,392.00	1,406,749
Plant operations and maintenance	3,521,413.00	4,451,720.00	3,506,849.00	3,283,709.00	3,415,374.00	3,389,879.00	3,725,794.00	3,459,673.00	3,295,439.00	3,517,181
Pupil transportation	3,108,563.00	3,443,848.00	3,459,250.00	2,863,432.00	3,116,979.00	2,808,804.00	2,960,810.00	2,900,401.00	2,981,993.00	2,858,938
Unallocated employee benefits	8,624,167.00	2,414,733.00	8,901,451.00	9,100,911.00	9,839,180.00	11,293,206.00	11,423,292.00	11,961,485.00	12,571,770.00	13,721,863
Special Schools		28,424.00			43,649.00					
Charter Schools	53,888.00	40,670.00	131,633.00	141,170.00						
Capital outlay	1,344,302.00	1,342,393.00	1,300,963.00	3,195,043.00	739,402.00	511,718.00	677,764.00	1,126,771.00	341,685.00	318,520
Debt service:										
Principal	3,080,000.00	3,250,000.00	3,455,000.00	3,360,000.00	3,505,000.00	3,695,000.00	3,800,000.00	3,880,000.00	3,430,000.00	2,915,000
Interest and other charges	1,388,385.00	1,345,125.00	1,274,074.00	1,117,149.00	1,237,188.00	936,959.00	824,172.00	669,299.00	523,471.00	395,841
Total expenditures	43,790,679.00	46,740,164.00	48,790,578.00	48,790,753.00	48,489,347.00	49,188,015.00	51,524,322.00	51,365,584.00	51,817,485.00	52,617,928
Excess (Deficiency) of revenues over (under) expenditures	\$ (474,164.00)	(853,756.00)	185,687.00	(867,247.00)	1,146,905.00	(215,815.00)	(2,300,121.00)	(1,479,606.00)	160,935.00	624,717

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Other Financing sources (uses)</b>										
Capital leases (non-budgeted)	\$ 102,986.00									
Cancellation of prior year receivables/purchase orders	(8,866.00)				9,347.00			(14,244.00)	(9,055.00)	0.20
Debt service assessment					(52,266.00)					
Bond proceeds	997,000.00	998,000.00	4,824,000.00							
Transfer to capital projects					359,677.00	369,028.00	359,243.00	320,927.00	188,807.00	188,816.26
Transfers in	83,940.00	50,000.00			(381,677.00)	(369,028.00)	(359,243.00)	(320,927.00)	(188,807.00)	(188,816.26)
Transfers out					(64,919.00)	-	-	(14,244.00)	(9,055.00)	0.20
Total other financing sources (uses)	1,175,060.00	1,048,000.00	4,824,000.00	-	(64,919.00)	-	-	(14,244.00)	(9,055.00)	0.20
Net change in fund balances	\$ 700,896.00	194,244.00	5,009,687.00	(867,247.00)	1,081,986.00	(215,815.00)	(2,300,121.00)	(1,493,850.00)	151,880.00	624,716.99
Debt service as a percentage of noncapital expenditures	10.53%	10.12%	9.96%	9.82%	9.93%	9.52%	9.09%	9.06%	7.68%	6.33%

Source: CAFR Schedule B-2



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

Fiscal Year Ended June 30,	Interest on Investments	Refund of Prior Year Expenditures	Use of Facilities	Proceeds from Bond Escrow Issuance/Restruct.	Energy Rebate/ Sale of SREC's/	Misc.	Total
2008	125,615.00	30,788.00	83,851.00	214,208.00	-	5,934.00	460,396.00
2009	73,739.00	12,761.00	62,936.00	215,816.00	-	53,168.00	418,420.00
2010	44,851.00	13,495.00	43,091.00	198,127.00	-	63,875.00	363,439.00
2011	78,167.00	29,109.00	89,163.00	100,319.00	-	225,099.00	521,857.00
2012	25,594.00	9,259.00	95,716.00	17,395.00	680,723.00	124,115.00	952,802.00
2013	12,691.00	43.00	31,365.00	15,513.00	51,890.00	121,491.00	232,993.00
2014	9,586.00	7,740.00	37,450.00	-	-	61,964.00	116,740.00
2015	7,766.00	17,408.00	39,625.00	-	217,358.00	18,317.00	300,474.00
2016	7,433.00	19,811.00	19,683.00	-	197,872.00	3,027.00	247,826.00
2017	8,268.88	24,501.52	44,474.80	-	199,515.00	222,740.40	499,500.60

Source: District Records

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

Fiscal Year Ended June 30,	Assessed Value										Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment								
2008	69,523,200.00	860,675,600.00	7,318,600.00	1,964,200.00	286,822,700.00	15,077,100.00	44,823,300.00	1,286,204,700.00	3,742,079.00	1,289,946,779.00	1.45	2,755,119,134.00			
2009	68,670,500.00	882,041,900.00	7,359,500.00	1,857,200.00	282,155,300.00	15,196,700.00	56,945,500.00	1,314,226,600.00	4,028,166.00	1,318,254,766.00	1.45	2,745,220,254.00			
2010	64,734,600.00	895,118,800.00	7,016,300.00	1,843,300.00	269,334,500.00	15,076,200.00	56,945,500.00	1,310,069,200.00	4,177,676.00	1,314,246,876.00	1.45	2,653,286,355.00			
2011	121,238,800.00	1,618,991,400.00	12,246,700.00	1,895,486.00	505,541,800.00	25,366,500.00	106,584,800.00	2,391,865,486.00	7,628,595.00	2,399,494,081.00	0.82	2,609,111,189.00			
* 2012	112,511,900.00	1,628,180,200.00	11,964,600.00	1,874,686.00	494,835,500.00	25,056,500.00	106,584,800.00	2,381,008,186.00	7,388,392.00	2,388,396,578.00	0.81	2,429,207,259.97			
2013	99,901,600.00	1,618,394,900.00	11,854,900.00	1,866,086.00	496,187,500.00	25,056,500.00	103,361,000.00	2,356,622,486.00	6,442,727.00	2,363,065,213.00	0.83	2,414,987,443.03			
2014	91,181,800.00	1,558,340,300.00	11,866,300.00	1,884,986.00	481,205,900.00	22,256,500.00	102,611,000.00	2,269,346,786.00	5,660,600.00	2,275,007,386.00	0.86	2,286,669,399.94			
2015	72,039,700.00	1,425,100,400.00	10,403,700.00	1,866,764.00	463,333,600.00	20,819,200.00	96,686,600.00	2,085,370,686.00	6,518,081.00	2,091,888,767.00	0.94	2,201,524,696.91			
2016	70,820,600.00	1,425,931,400.00	11,216,500.00	1,900,358.00	463,053,000.00	20,419,200.00	89,686,600.00	2,090,249,964.00	6,475,735.00	2,096,725,699.00	0.98	2,255,513,875.86			
2017								2,083,027,658.00	7,715,481.00	2,090,743,139.00	1.03	2,249,078,247.63			

Source: District records Tax list summary & Municipal Tax Assessor

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

\* Reassessment occurs when ordered by the County Board of Taxation

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

**b** Tax rates are per \$100

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

Fiscal Year Ended June 30,	Township of Hamilton Board of Education			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Atlantic County	Greater Egg Harbor Regional	Municipal Local Purpose	
2008	1.228	0.223	1.451	0.625	0.759	0.903	3.738
2009	1.229	0.221	1.450	0.613	0.724	1.010	3.797
2010	1.228	0.222	1.450	0.644	0.673	1.307	4.074
2011	0.677	0.140	0.817	0.392	0.414	0.740	2.363
2012	0.680	0.128	0.808	0.379	0.428	0.740	2.355
2013	0.703	0.129	0.833	0.481	0.475	0.739	2.528
2014	0.731	0.134	0.863	0.475	0.519	0.770	2.627
2015	0.818	0.144	0.962	0.520	0.559	0.837	2.878
2016	0.840	0.140	0.980	0.495	0.593	0.850	2.918
2017	0.895	0.134	1.029	0.571	0.602	0.863	3.065

Source: District Records and Municipal Tax Collector

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

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

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

Taxpayer	2017				2008			
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value		
Benderson-Wainberg Associates	9,619,800	1	0.46%	53,821,200	2	4.17%		
Hamilton Mall Associates	94,844,300	2	4.54%	60,000,000	1	4.65%		
BFW/Pike Associates, LLC	50,869,700	3	2.43%	21,779,200	3	1.69%		
JSM at Timber Glen, LLC	38,460,800	4	1.84%	19,072,500	5	1.48%		
Greenwood ACRA, Inc./Racetrack				9,500,000	6	0.74%		
DD Residential, LP	32,215,800	5	1.54%					
RH Macy and Company, LLC	18,761,400	6	0.90%	11,755,400	4	0.91%		
Hometown Mays Landing MHC, L.L.C.	18,487,200	7	0.88%					
Wal-Mart Property Tax Department	18,157,800	8	0.87%	7,800,000	10	0.60%		
Sears Roebuck and Company	15,547,500	9	0.74%	9,497,800	7	0.74%		
Atlantic Southern Properties, Inc.				9,200,000	8	0.71%		
Allied Festival, Inc.				8,900,000	9	0.69%		
Joey T. LLC	14,000,000	10	0.67%					
<b>Total</b>	<b>310,964,300</b>		<b>14.20%</b>	<b>211,326,100</b>		<b>16.38%</b>		

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

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2008	18,374,298	18,374,298	100%	-
2009	18,700,053	18,700,053	100%	-
2010	19,121,023	19,121,023	100%	-
2011	19,390,321	19,390,321	100%	-
2012	19,608,987	19,608,987	100%	-
2013	19,290,197	19,290,197	100%	-
2014	19,676,001	19,676,001	100%	-
2015	19,625,352	19,625,352	100%	-
2016	20,116,473	20,116,473	100%	-
2017	20,543,460	20,543,460	100%	-

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

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

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

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Capital Leases	Capital Leases	Capital Leases			
2008	34,587,000	129,875			34,716,875	3.65%	1,426
2009	32,335,000	78,368			32,413,368	3.40%	1,332
2010	33,704,000	37,408			33,741,408	3.21%	1,268
2011	30,344,000	2,941			30,346,941	2.74%	1,135
2012	26,429,000	-			26,429,000	2.34%	983
2013	22,734,000	-			22,734,000	2.02%	843
2014	18,934,000	-			18,934,000	1.62%	703
2015	15,054,000	-			15,054,000	1.29%	562
2016	11,624,000	-			11,624,000	1.00%	439
2017	8,709,000	-			8,709,000	0.75%	329

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

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

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2008	34,587,000	-	34,587,000	2.68%	1,421
2009	32,335,000	-	32,335,000	2.45%	1,329
2010	33,704,000	-	33,704,000	2.56%	1,267
2011	30,344,000	-	30,344,000	1.26%	1,134
2012	26,429,000	-	26,429,000	1.11%	983
2013	22,734,000	-	22,734,000	0.96%	843
2014	18,934,000	-	18,934,000	0.83%	703
2015	15,054,000	-	15,054,000	0.72%	562
2016	11,624,000	-	11,624,000	0.55%	439
2017	8,709,000	-	8,709,000	0.42%	329

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

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

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

**HAMILTON TOWNSHIP SCHOOL DISTRICT**  
**Ratios of Overlapping Governmental Activities Debt**  
**As of June 30, 2017**  
*Unaudited*

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b> Township of Hamilton	\$ 13,494,969.16	100.00%	13,494,969
<b>Other debt</b>			
Greater Egg Harbor Regional High School District	52,466,000.00	38.14%	20,013,104
Atlantic County	152,426,901.32	6.17%	9,399,757
Subtotal, overlapping debt			42,907,831
<b>Township of Hamilton School District debt</b>	<u>8,709,000.00</u>	<u>100.00%</u>	<u>8,709,000</u>
<b>Total direct and overlapping debt</b>	<u>\$</u>		<u><u>51,616,831</u></u>

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

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

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



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

**Legal Debt Margin Calculation for Fiscal Year 2016**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	72,779,298	79,151,665	80,252,811	79,177,088	76,719,672	74,556,414	72,347,630	70,954,553	46,621,306	66,753,086
Total net debt applicable to limit	34,587,000	32,335,000	33,704,000	30,344,000	26,429,000	22,734,000	18,934,000	15,054,000	11,624,000	8,709,000
Legal debt margin	38,192,298	46,816,665	46,548,811	48,833,088	50,290,672	51,822,414	53,413,630	55,900,553	34,997,306	58,044,086
Total net debt applicable to the limit as a percentage of debt limit	47.52%	40.85%	42.00%	38.32%	34.45%	30.49%	26.17%	21.22%	24.93%	13.05%

Average equalized valuation of taxable property	2,225,102,875
Debt limit (3% of average)	66,753,086
Net bonded school debt	8,709,000
Legal debt margin	58,044,086

Equalized valuation basis							
	2016	2015	2014	2016	2015	2014	2017
	2,138,581,915	2,243,298,931	2,293,427,778	2,138,581,915	2,243,298,931	2,293,427,778	2,138,581,915
	6,675,308,624	6,675,308,624	6,675,308,624	6,675,308,624	6,675,308,624	6,675,308,624	6,675,308,624

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

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

Year	Population <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2008	24,340	951,840	39,106	6.00%
2009	24,326	952,436	39,153	10.70%
2010	26,603	1,052,016	39,545	10.90%
2011	26,749	1,105,750	41,338	11.90%
2012	26,899	1,127,794	41,927	12.90%
2013	26,960	1,123,127	41,659	11.50%
2014	26,932	1,167,125	43,336	9.60%
2015	26,787	1,170,458	43,695	9.60%
2016	26,499	1,157,874	43,695	8.60%
2017	26,499	1,157,874	43,695	6.80%

**Source:**

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

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

c Per Capita Income computed using Census Bureau midyear population estimates.

Estimates for 2010-2015 reflect county population estimates available as of March 2016.

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

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

Employer	2017			2008		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
	This information is not available for this district.					
	-		0%			-

GASB requires this table present the principal employers for the current year and nine years ago, however information from 2005 was not available. Also, the Township does not update this information on an annual basis, therefore the most recent information is reported.

Source: Township of Hamilton Tax Assessor

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

<b>Function/Program</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Instruction										
Regular	189.0	192.0	194.0	186.0	185.0	194.0	200.0	184.0	183.0	180.0
Special education	80.0	75.0	71.0	62.0	66.0	67.0	72.0	71.0	71.0	96.0
Other instruction	22.0	28.0	30.0	25.0	28.0	25.0	22.0	26.0	26.0	26.0
Nonpublic school programs	1.0	2.0	3.0	2.0	3.0	2.0	2.0	-	-	-
Adult/continuing education programs	1.0	-	-	-	-	-	-	-	-	-
Support Services:										
Student & instruction related services	56.0	83.0	93.0	84.0	86.0	81.0	71.0	78.0	74.0	53.0
General administrative services	5.0	5.0	5.0	5.0	4.0	5.0	5.0	4.0	4.0	4.0
School administrative services	28.0	21.0	22.0	20.0	18.0	22.0	21.0	20.0	20.0	21.0
Business administrative services	11.0	11.0	11.0	11.0	10.0	10.0	11.0	10.0	10.0	10.0
Plant operations and maintenance	36.0	48.0	41.0	38.0	40.0	37.0	38.0	34.0	34.0	34.0
Pupil transportation	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0	1.0	1.0
Food Service	28.0	20.0	29.0	22.0	23.0	25.0	27.0	22.0	22.0	22.0
Child Care	1.0	2.0	2.0	2.0	1.0	1.0	1.0	2.0	2.0	2.0
<b>Total</b>	<b>460.0</b>	<b>489.0</b>	<b>503.0</b>	<b>459.0</b>	<b>466.0</b>	<b>471.0</b>	<b>472.0</b>	<b>452.0</b>	<b>447.0</b>	<b>449.0</b>

**Source:** District Personnel Records

**HAMILTON TOWNSHIP SCHOOL DISTRICT**  
**Operating Statistics**  
**Last Ten Fiscal Years**  
*Unaudited*

Fiscal Year	Pupil/Teacher Ratio										
	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Elementary	Middle School	Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
2008	3,268	(1,945,545)	(595)	#DIV/0!	266	1:13.2	1:10.8	3,237	3,063	#DIV/0!	94.62%
2009	3,349	(2,312,559)	(691)	15.99%	288	1:12.6	1:10.0	3,204	3,026	-1.02%	94.44%
2010	3,295	(2,384,021)	(724)	4.78%	297	1:12.3	1:9.5	3,336	3,140	4.12%	94.12%
2011	3,200	(2,267,812)	(709)	-2.05%	284	1:12.2	1:9.6	3,209	3,026	-3.81%	94.30%
2012	3,147	(2,758,041)	(876)	23.67%	262	1:12.6	1:10.2	3,151	2,982	-1.81%	94.64%
2013	3,179	44,044,338	13,855	-1680.87%	255	1:12.9	1:10.7	3,079	2,909	-2.28%	94.48%
2014	3,114	46,222,386	14,843	7.14%	254	1:13.1	1:10.7	3,114	2,942	1.14%	94.48%
2015	3,034	45,689,514	15,059	1.45%	255	1:13.5	1:9.2	3,036	2,919	-2.50%	96.15%
2016	3,023	47,522,329	15,720	4.39%	254	1:13.5	1:9.2	2,994	2,884	-1.38%	94.66%
2017	3,035	48,988,567	16,141	2.68%	255	1:13.5	1:9.2	2,989	2,812	-0.17%	94.08%

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

Note: Enrollment based on annual October district count.

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

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

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

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>District Building</b>										
<b>Elementary</b>										
Joseph Shaner School (1957)										
Square Feet	78,921	78,921	78,921	78,921	78,921	78,921	78,921	78,921	78,921	78,921
Capacity (students)	639	639	639	639	639	639	639	639	639	639
Enrollment	617	624	744	756	619	639	640	632	586	600
George Hess Educational Complex (1992)										
Square Feet	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000
Capacity (students)	1,616	1,616	1,616	1,616	1,616	1,616	1,616	1,616	1,616	1,616
Enrollment	1,574	1,662	1,524	1,460	1,522	1,472	1,488	1,380	1,356	1,403
<b>Middle School</b>										
William Davies Middle School (1989; addition 2006)										
Square Feet	202,670	202,670	202,670	202,670	202,670	202,670	202,670	202,670	202,670	202,670
Capacity (students)	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120
Enrollment	1,077	1,063	1,027	993	1,006	987	986	1,022	1,035	1,048
<b>Other</b>										
J. Harold Duberson School (1927)										
(vacant as of 9/1/06)										
Square Feet	36,715	36,715	36,715	36,715	36,715	36,715	36,715	36,715	36,715	36,715
Capacity (students)	485	485	485	485	485	485	485	485	485	485
Enrollment	-	-	-	-	-	-	-	-	-	-
Number of Schools at June 30, 2016										
Elementary = 2										
Middle School = 1										
Other = 1										

**Source: District records, ASSA**

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

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

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

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

School Facilities	Project # (s)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Joseph C. Shaner School	N/A	\$ 109,463.00	364,250.00	111,630.00	95,979.00	92,881.00	106,825.00	121,096.00	96,949.00	123,521.00	127,606.92
George Hess Educational Complex	N/A	200,064.00	445,251.00	241,197.00	210,611.00	254,684.00	254,209.00	289,798.00	227,154.00	244,051.00	354,786.09
William Davies Middle School	N/A	266,749.00	451,423.00	206,833.00	197,547.00	234,082.00	222,625.00	247,971.00	214,287.00	218,273.00	224,577.18
Total School Facilities		576,276.00	1,260,924.00	559,660.00	504,137.00	581,647.00	583,659.00	658,865.00	538,390.00	585,845.00	706,970.19
Other Facilities		12,158.00	25,210.00	26,580.00	25,830.00	5,564.00	31,890.00	31,298.00	25,458.00	4,054.00	3,055.91
Grand Total		\$ 588,434.00	1,286,134.00	586,240.00	529,967.00	587,211.00	615,549.00	690,163.00	563,848.00	589,899.00	710,026.10

**HAMILTON TOWNSHIP SCHOOL DISTRICT**  
**Insurance Schedule**  
**June 30, 2017**  
**Unaudited**

	<u>Coverage</u>	<u>Deductible</u>
<b>Property, Inland Marine and Automobile Physical Damages</b>		
A. Limit of Liability	175,000,000	
ACCASBOJIF Self Insured Retention, per occurrence	250,000	
Members District Deductible, per occurrence		500
Perils Included	"All Risk"	
B. Property Valuation		
Buildings and Contents	Replacement Cost	
Contractors Equipment	Actual Cash Value	
Automobiles	Replacement Cost	
<b>Boiler and Machinery</b>		
A. Limit of Liability	125,000,000	
ACCASBOJIF Self Insured Retention	None	
Members District Deductible		1,000
<b>Crime</b>		
A. Limit of Liability	500,000	
ACCASBOJIF Self Insured Retention	250,000	
Members District Deductible		500
<b>General and Automobile Liability</b>		
A. Limit of Liability	20,000,000	
ACCASBOJIF Self Insured Retention	250,000	
Members District Deductible		None
<b>Workers' Compensation</b>		
A. Limit of Liability	Statutory	
ACCASBOJIF Self Insured Retention	250,000	None
Members District Deductible		
<b>Educator's Legal Liability</b>		
A. Limit of Liability	20,000,000	
ACCASBOJIF Self Insured Retention	175,000	
Members District Deductible		None
<b>Pollution Legal Liability/Mold Legal Liability</b>		
A. Limit of Liability	3,000,000	
ACCASBOJIF Self Insured Retention	None	
Members District Deductible - Pollution Incident		25,000
Members District Deductible - Mold Incident		100,000
<b>Cyber Liability</b>		
A. Limit of Liability	1,000,000	
ACCASBOJIF Self Insured Retention	None	
Members District Deductible		25,000



**HAMILTON TOWNSHIP SCHOOL DISTRICT**  
**Insurance Schedule**  
**June 30, 2017**  
***Unaudited***

	<u>Coverage</u>	<u>Deductible</u>
<b>Violent Malicious Acts</b>		
A. Limit of Liability	1,000,000	
ACCASBOJIF Self Insured Retention	None	
Members District Deductible		15,000
<b>Disaster Management Services</b>		
A. Limit of Liability	2,000,000	
ACCASBOJIF Self Insured Retention	None	
Members District Deductible		15,000

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

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

## **Single Audit Section**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}



# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

www.ford-scott.com

## K-1 INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Hamilton Township School District, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Hamilton Township School District's basic financial statements, and have issued our report thereon dated November 3, 2017.

### **Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

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

*Leon P. Costello*

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

November 3, 2017



# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

[www.ford-scott.com](http://www.ford-scott.com)

## K-2 INDEPENDENT AUDITOR'S REPORT

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

### Report on Compliance for Each Major Federal and State Program

We have audited the Hamilton Township School District, County of Atlantic, State of New Jersey compliance with the types of compliance requirements described in the *OMB Circular Uniform Guidance Compliance Supplement*, the New Jersey *OMB State Grant Compliance Supplement* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey that could have a direct and material effect on each of the Hamilton Township School District's major federal and state programs for the year ended June 30, 2017. The Hamilton Township School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Hamilton Township School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; *OMB Circular Uniform Guidance Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey 15-08 and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards and Circulars require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Hamilton Township School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Hamilton Township School District's compliance.

## ***Opinion on Each Major Federal and State Program***

In our opinion, the Hamilton Township School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2017.

## **Report on Internal Control Over Compliance**

Management of the Hamilton Township School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Hamilton Township School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular Uniform Guidance and NJ OMB 15-08 and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Hamilton Township School District's internal control over compliance.

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

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

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

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

***Leon P. Costello***

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

**November 3, 2017**



**HAMILTON TOWNSHIP SCHOOL DISTRICT**  
**Schedule of Expenditures of Federal Awards**  
**For the Fiscal Year ended June 30, 2017**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period	Balance at June 30, 2016	Carryover Amount	Cash Received	Pass Through	Direct	Total	(Accounts Receivable)	Unearned Revenue	Due to Grantor
<b>U. S. Department of Agriculture</b>														
<b>Passed-through State Department of Education:</b>														
Enterprise Fund:														
Food Distribution Program	10.555	171NJ304N1099	N/A	230,122.00	7/1/16 - 6/30/17	\$		96,029.00	(96,029.00)		(96,029.00)	-		
National School Breakfast Program	10.553	16161NJ304N1099	N/A	177,516.67	7/1/15 - 6/30/16	(9,206.18)		9,206.18				-		
National School Lunch Program	10.555	171NJ304N1099	N/A	744,326.00	7/1/16 - 6/30/17	(39,281.02)		39,281.02	(177,516.67)		(177,516.67)	(9,658.09)		
National School Lunch Program	10.555	16161NJ304N1099	N/A	758,676.82	7/1/15 - 6/30/16	(16.83)		711,355.72	(758,676.82)		(758,676.82)	(47,321.10)		
Special Milk Program	10.556	16161NJ304N1099	N/A	619.00	7/1/15 - 6/30/16			16.83				-		
Special Milk Program	10.556	171NJ304N1099	N/A	451.41	7/1/16 - 6/30/17			426.10	(451.41)		(451.41)	(25.31)		
Total U.S. Department of Agriculture														
						(48,504.03)	-	1,024,173.43	(1,032,673.90)	-	(1,032,673.90)	(57,004.50)	-	-
<b>U. S. Department of Health and Human Services</b>														
<b>Passed-through State Department of Health and Human Services:</b>														
General Fund:														
Medical Assistance Program (SEM)	93.778	1605NJ5MMP	N/A	95,636.00	7/1/15 - 6/30/16	(5,395.32)		5,395.32				-		
Medical Assistance Program (SEM)	93.778	1705NJ5MMP	N/A	9,783.98	7/1/16 - 6/30/17			9,783.98			(9,783.98)	-		
ARCA - Medical Assistance Program (SEM)	93.778	1705NJ5MMP	N/A	1,407,600.52	7/1/16 - 6/30/17			1,407,600.52	(1,407,600.52)		(1,407,600.52)	-		
Total General Fund														
						(5,395.32)	-	155,959.82	(150,544.50)	-	(150,544.50)	-	-	-
Special Revenue Fund:														
Title I, Part A	84.010A	S010A150030	NCLB-1310-15	398,130.00	7/1/14 - 6/30/15	(7.00)		7.00				-		
Title I, Part A	84.010A	S010A150030	NCLB-1310-16	552,453.00	7/1/15 - 6/30/16	(145,185.00)		146,721.00	(4,680.00)		(4,680.00)	(3,144.00)		
Title I, Part A	84.010A	S010A160030	NCLB-1310-17	648,902.00	7/1/16 - 6/30/17			459,007.00	(641,042.52)		(641,042.52)	(182,035.52)		
Total Title I, Part A														
						(145,192.00)	-	605,735.00	(645,722.52)	-	(645,722.52)	(185,179.52)	-	-
Title II, Part A	84.367A	S367A150029	NCLB-1310-16	64,173.00	7/1/15 - 6/30/16	(21,465.00)		21,465.00				-		
Title II, Part A	84.367A	S367A160029	NCLB-1310-17	63,545.00	7/1/16 - 6/30/17			50,700.00	(63,545.00)		(63,545.00)	(12,845.00)		
Total Title II, Part A														
						(21,465.00)	-	72,165.00	(63,545.00)	-	(63,545.00)	-	-	-
Title III, English Language Enhancement	84.365A	S365A150030	NCLB-1310-16	12,630.00	7/1/15 - 6/30/16	(6,273.00)		7,033.00	(2,697.00)		(2,697.00)	(1,937.00)		
Title III, English Language Enhancement	84.365A	S365A160030	NCLB-1310-17	19,665.00	7/1/16 - 6/30/17			6,084.00	(15,707.00)		(15,707.00)	(9,623.00)		
Title III, Immigrant	84.365A	S365A150030	NCLB-1310-16	4,226.00	7/1/15 - 6/30/16	(3,824.00)		4,337.00	(513.00)		(513.00)	-		
Title III, Immigrant	84.365A	S365A160030	NCLB-1310-17	16,434.00	7/1/16 - 6/30/17			17,484.00	(1,895.00)		(1,895.00)	-		
Total Title III														
						(10,097.00)	-	17,484.00	(20,812.00)	-	(20,812.00)	(13,455.00)	-	-
ID.E.A. Part B - Basic	84.027	H027A150100	IDEA2012	709,899.00	9/1/11 - 8/31/12	(8,809.00)		89,935.00				(8,809.00)		
ID.E.A. Part B - Basic	84.027	H027A150100	IDEA2016	622,256.00	7/1/15 - 6/30/16	(98,624.74)		703,413.00	(110.26)		(110.26)	(66,541.39)		
ID.E.A. Part B - Preschool	84.173	H173A160100	IDEA2017	772,889.00	7/1/16 - 6/30/17			31,829.00	(769,960.39)		(769,960.39)	-		
ID.E.A. Part B - Preschool	84.173	H173A160114	IDEA2016	31,869.00	7/1/15 - 6/30/16	(106,633.74)		935,163.00	(801,879.65)		(801,879.65)	(75,350.39)		
Total IDEA, Part B														
						(182,558.86)	-	267,253.00	(84,953.44)		(84,953.44)	(259.00)		
Race to the Top - Preschool Expansion	84.198B	B4198150020	N/A	1,287,383.00	7/1/15 - 6/30/16	(182,558.86)		872,032.00	(1,074,638.68)		(1,074,638.68)	(202,806.68)		
Race to the Top - Preschool Expansion	84.198B	B4198150020	N/A	1,486,883.00	7/1/16 - 6/30/17			1,139,285.00	(1,159,792.12)		(1,159,792.12)	(203,065.68)		
Total Special Revenue Fund														
						(467,946.30)	-	2,669,802.00	(2,691,751.29)	-	(2,691,751.29)	(489,895.59)	-	-
Total Federal Financial Awards														
						(521,845.65)	-	3,849,915.25	(3,874,969.69)	-	(3,874,969.69)	(546,900.09)	-	-

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

**HAMILTON TOWNSHIP SCHOOL DISTRICT  
Schedule of Expenditures of State Financial Assistance  
For the Fiscal Year Ended June 30, 2017**

K-4  
Schedule B

Federal Grantor/Pass-Through Grantor/ Program Title	Grant or State Project Number	Award Amount	Grant Period	Balance at June 30, 2016		Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years Balances	Balance at June 30, 2017		MEMO	
				Unearned Revenue (Accts Receivable)	Due to Grantor					(Accounts Receivable)	Unearned Revenue	Budgetary Receivable	Cumulative Total Expenditures
<b>State Department of Education</b>													
General Fund:													
State Aid Public Cluster													
Equalization Aid	17-485-034-5120-078	19,424,564.00	7/1/16-6/30/17				17,585,194.77	(19,424,564.00)				1,859,369.23	19,424,564.00
Special Education	17-485-034-5120-089	1,788,740.00	7/1/16-6/30/17				1,599,431.66	(1,788,740.00)				189,308.34	1,788,740.00
Categorical Security Aid	17-485-034-5120-084	767,425.00	7/1/16-6/30/17				693,965.10	(767,425.00)				73,459.90	767,425.00
District Adequacy Aid	17-485-034-5120-086	35,279.00	7/1/16-6/30/17				32,620.17	(35,279.00)				12,658.83	35,279.00
Per Pupil Growth Aid	17-485-034-5120-087	29,845.00	7/1/16-6/30/17				28,807.30	(29,845.00)				987.70	29,845.00
Professional Learning Community Aid	17-485-034-5120-101	29,100.00	7/1/16-6/30/17				26,314.47	(29,100.00)				2,785.53	29,100.00
Total State Aid Public Cluster							20,060,940.77	(22,184,498.00)				2,123,557.23	22,184,498.00
Categorical Transportation Aid	17-485-034-5120-014	764,014.00	7/1/16-6/30/17				690,890.63	(764,014.00)				73,123.37	764,014.00
Nonpublic School Transportation Aid	16-485-034-5120-014	15,312.00	7/1/15-6/30/16	(15,312.00)									15,312.00
Nonpublic School Transportation Aid	17-158-034-5120-014	17,158.00	7/1/16-6/30/17	(168,117.00)			166,117.00	(17,158.00)		(17,158.00)			17,158.00
Nonpublic School Transportation Aid	17-100-034-5120-013	193,383.00	7/1/16-6/30/17							(193,383.00)			193,383.00
Special Education Extracurricular Aid	17-100-034-5120-472	6,744.75	7/1/16-6/30/17							(6,744.75)			
Lead Water Testing for Schools Aid	16-485-034-5120-104	1,385,646.00	7/1/15-6/30/16	(61,071.27)			61,071.27						1,385,646.00
Reimbursed TPAF Social Security Contributions	17-485-034-5094-003	1,410,952.25	7/1/16-6/30/17				2,106,292.00	(1,410,952.25)		(106,112.92)			1,410,952.25
On-behalf Teacher's Pension & Annuity Fund	17-485-034-5094-002	2,106,292.00	7/1/16-6/30/17				1,755,020.00	(2,106,292.00)					2,106,292.00
On-behalf Teacher's Pension & Annuity Fund - Post Retirement Medical	17-485-034-5094-001	1,755,020.00	7/1/16-6/30/17				4,830.00	(1,755,020.00)					1,755,020.00
On-behalf Teacher's Pension & Annuity Fund - Non-Contributory Insurance	17-485-034-5094-004	4,830.00	7/1/16-6/30/17	(242,500.27)			26,165,303.00	(4,830.00)		(323,398.67)			2,196,690.60
Total General Fund				(242,500.27)			26,165,303.00	(28,442,892.00)				2,196,690.60	30,003,222.25
Special Revenue Fund:													
Preschool Education Aid	17-485-034-5120-086	188,611.38	7/1/16-6/30/17				188,611.38	(188,611.38)				17,107.40	188,611.38
New Jersey Nonpublic Aid:													
Textbook Aid	17-100-034-5120-064	9,995.00	7/1/15-6/30/16			122.00	9,995.00	(9,995.00)	(122.00)				9,995.00
Auxiliary Services:													
Compensatory Education	17-100-034-5120-067	71,485.00	7/1/16-6/30/17				71,485.00	(71,485.00)		(913.50)			71,485.00
English As A Second Language	17-100-034-5120-067	3,654.00	7/1/16-6/30/17				2,740.50	(2,740.50)					2,740.50
Handicapped Services:													
Examination and Classification	17-100-034-5120-066	9,371.00	7/1/16-6/30/17				8,111.25	(9,371.00)		(1,259.75)			8,111.25
Concise Speech	16-100-034-5120-066	13,885.00	7/1/15-6/30/16			2,508.00	15,019.50	(13,885.00)	(2,508.00)				13,377.00
Investment Services	17-100-034-5120-066	11,814.00	7/1/16-6/30/17				11,814.00	(11,814.00)		(4,417.50)			11,814.00
Supplemental Instruction	16-100-034-5120-066	9,603.00	7/1/15-6/30/16			577.00			(577.00)				9,226.00
Nursing	16-100-034-5120-070	14,220.00	7/1/15-6/30/16			386.00	14,027.44	(14,027.44)		(642.56)			14,027.44
Security Aid	17-100-034-5120-509	8,150.00	7/1/16-6/30/17				8,142.00	(8,142.00)		(8.00)			8,150.00
Technology	16-100-034-5120-373	4,238.00	7/1/16-6/30/17				4,238.00	(4,238.00)					4,238.00
Total Special Revenue Fund				-		3,593.00	333,384.07	(333,384.07)	(3,593.00)	(7,241.31)		17,107.40	370,579.07
Capital Projects Fund:													
NJ Economic Development Authority	GS-0830	8,329,210.00	7/1/02-6/30/03	(374,845.00)			374,814.45		30.55				8,262,021.00
Total Capital Projects Fund				(374,845.00)			374,814.45		30.55				8,262,021.00
Debt Service Fund:													
Debt Service Aid Type II	16-495-034-5120-017	305,944.00	7/1/16-6/30/17				305,944.00	(305,944.00)					305,944.00
Total Debt Service Fund							305,944.00	(305,944.00)					305,944.00
<b>State Department of Agriculture</b>													
Enterprise Fund:													
Child Nutrition Cluster:													
Nutrition Cluster	15-100-010-3380-067	16,043.53	7/1/15-6/30/16	(866.05)			866.05	(16,043.53)		(893.24)			16,043.53
Nutrition Cluster	16-100-010-3380-067	16,043.53	7/1/15-6/30/16	(866.05)			15,916.34	(16,043.53)		(893.24)			16,043.53
Total Child Nutrition Cluster				(866.05)			15,916.34	(16,043.53)		(893.24)			16,043.53
Total Enterprise Fund				(616,211.32)		3,593.00	27,195,361.86	(29,089,263.60)	(3,562.45)	(31,163.32)		7,241.31	38,957,809.85
Total State Financial Assistance													

The accompanying notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this statement

**Hamilton Township Board of Education  
Notes to the Schedules of Financial Assistance  
June 30, 2017**

NOTE 1 - GENERAL

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

NOTE 2 - BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular 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% de minimis indirect cost rate.

NOTE 3 - RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from budgetary basis to GAAP basis is \$(2,498.60) for the general fund and \$52,172.75 for the special revenue fund. See the following schedule for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

**{This space intentionally left blank}**

**Hamilton Township Board of Education**  
**Notes to the Schedules of Financial Assistance**  
**June 30, 2017**

	<u>General fund</u>	<u>Special Revenue fund</u>	<u>Debt service fund</u>	<u>Food service fund</u>	<u>Total</u>
<b>State Assistance:</b>					
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of State Financial Assistance	\$ 28,442,892.00	333,384.07	305,944.00	16,043.53	29,098,263.60
Difference – budget to "GAAP"					
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	2,194,192.00	17,107.00			2,211,299.00
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(2,196,690.60)	(17,107.40)			(2,213,798.00)
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(6,742.00)			(6,742.00)
Total State revenue as reported on the statement of revenues, expenditures and changes in fund balances	<u>\$ 28,440,393.40</u>	<u>326,641.67</u>	<u>305,944.00</u>	<u>16,043.53</u>	<u>29,089,022.60</u>

**Hamilton Township Board of Education  
Notes to the Schedules of Financial Assistance  
June 30, 2017**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service Fund</u>	<u>Total</u>
<b>Federal Assistance:</b>				
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of Federal Awards	\$ 150,544.50	2,691,751.29	1,032,673.90	3,874,969.69
Difference - budget to "GAAP" Grant accounting budgetary basis differs from "GAAP" in that encumbrances are recognized as expenditures, and the related revenue is recognized.		58,915.15		58,915.15
Total Federal revenue as reported on the statement of revenue, expenditures, and changes in fund balance	<u>\$ 150,544.50</u>	<u>2,750,666.44</u>	<u>1,032,673.90</u>	<u>3,933,884.84</u>

**NOTE 4 - RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5 - OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. The amounts reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the district for the year ended June 30, 2017. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2017.

**HAMILTON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**Part I -- Summary of Auditor's Results**

**Financial Statement Section**

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

**Federal Awards Section**

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
	Child Nutrition Cluster
10.553/171NJ304N1099	National School Breakfast Program
10.555/171NJ304N1099	National School Lunch Program
10.556/171NJ304N1099	Special Milk Program for Children

Dollar threshold used to distinguish between Type A and Type B programs:		\$750,000		
<hr/>				

Auditee qualified as low-risk auditee?	X	yes	no		n/a
--	---	-----	----	--	-----

**HAMILTON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

*Part I -- Summary of Auditor's Results*

**State Awards Section**

Internal Control over major programs:

1) Material weakness(es) identified? \_\_\_\_\_ yes     X     no  
 2) Significant deficiency(ies) identified \_\_\_\_\_ yes     X     no

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

\_\_\_\_\_ Unmodified \_\_\_\_\_

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular 15-08?

\_\_\_\_\_ yes     X     no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
_____	State Aid Public Cluster: _____
<u>495-034-5120-078</u>	<u>Equalization Aid</u>
<u>495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>495-034-5120-084</u>	<u>Categorical Security Aid</u>
<u>495-034-5120-096</u>	<u>Under Adequacy Aid</u>
<u>495-034-5120-098</u>	<u>PARCC Readiness Aid</u>
<u>495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>495-034-5120-101</u>	<u>Professional Learning Community Aid</u>
<u>495-034-5120-014</u>	<u>Categorical Transportation Aid</u>
<u>495-034-5094-005</u>	<u>Reimbursed TPAF Social Security Contributions</u>

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

\_\_\_\_\_ \$756,964 \_\_\_\_\_

Auditee qualified as low-risk auditee?

    X     yes \_\_\_\_\_ no \_\_\_\_\_

**HAMILTON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

***Part 2 -- Schedule of Financial Statement Findings***

None

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

None

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**STATUS OF PRIOR YEAR FINDINGS**

None