

Comprehensive Annual Financial Report

of the

Hamilton Township School District

County of Mercer

Hamilton, New Jersey

For the Fiscal Year Ended June 30, 2017

Prepared by

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

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INTRODUCTORY SECTION



HAMILTON TOWNSHIP SCHOOL DISTRICT

OFFICE OF THE SUPERINTENDENT OF SCHOOLS

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November 30, 2017

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

Dear Board Members:

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

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

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

This Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this letter of transmittal, the District's organizational chart and a list of principal officials. The financial section includes the general purpose

financial statements and schedules, as well as the auditor’s report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year comparative basis. The single audit section includes the auditor’s report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations. The District is required to undergo an annual single audit in conformity with the provisions of the Division of Finance, Department of Education, State of New Jersey, the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards (Uniform Guidance) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the State of New Jersey *OMB Circular 15-08 “Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.”* Information related to this single audit, including the auditor’s report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, is included in the single audit section of this report.

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

1) REPORTING ENTITY AND ITS SERVICES: The Hamilton Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). The Hamilton Township Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels pre-K through 12. These include regular and vocational as well as special education for handicapped youngsters. The District completed the 2016-17 fiscal year with an average daily enrollment of 11,599. The following details the changes in the student enrollment of the District over the last ten years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2016-17	11,598.6	-0.64%
2015-16	11,673.1	-1.97%
2014-15	11,907.9	-1.32%
2013-14	12,067.1	-0.15%
2012-13	12,085.2	-1.96%
2011-12	12,327.4	-1.55%
2010-11	12,521.6	-1.49%
2009-10	12,711.5	-1.10%
2008-09	12,853.9	-0.45%
2007-08	12,911.7	1.51%

2) MAJOR INITIATIVES:

DISTRICT

The District continued implementation of an \$18M Energy Savings Improvement Program to provide needed upgrades to the District's infrastructure and energy management systems. Boilers were replaced at Alexander Elementary School, Lalor Elementary School, Langtree Elementary School, Sunnybrae Elementary School, Wilson Elementary School, Yardville Elementary School, and Hamilton West High School. Univents were replaced at Crockett Middle School and digital controls and lighting upgrades continued districtwide. In addition, new roofs were installed at Nottingham High School (partial) and the Maintenance/Operations building. Roofs were recoated at University Heights and Wilson Elementary Schools. All drinking water sources were tested for lead and remediation was completed at all sources testing above the EPA standard prior to the start of the 2016-17 school year. Windows were replaced at Alexander Elementary School, the track was replaced at Nottingham High School, and a new playground was installed at Mercerville Elementary School.

Through the efforts of the Department of Student Services and Programs, the district recouped \$1,042,531 in Extraordinary Aid.

The following educational initiatives took place during the 2016-2017 School Year:

English Language Arts

- Implementation of Foundations Phonics program for Kindergarten;
- Expansion of Reading Recovery for intervention;
- Implementation of K-8 diagnostic assessment (iReady);
- Revision of standards-based report card;
- Re-allocation of Basic Skills staff for equitable services;
- Revised supplemental instructional program to meet targeted needs – Middle School;
- Purchased and implemented new textbooks at high school level to align to NJ Student Learning Standards;
- Selection of new novels and purchase of additional copies of existing titles;
- Development of MS Enriched English/Language Arts Class.

English as a Second Language

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

Mathematics

- Revision of elementary instructional schedule - Increased daily minutes for math instruction;
- Implementation of Elementary Math Workshop model;
- Purchase of K-5 curricular materials for special education students and corresponding teacher training;

- Middle School and High School teachers received professional development on PARCC testing (practice tests, test blueprints, evidence tables);
- Implementation of double period for at-risk high school Algebra I students;
- Development of a Math 12 class for struggling students;

World Language

- Implementation of American Sign Language (K-5);
- Application for bi-literacy certification for high school students;

Science

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

Social Studies

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

Technology & Staff Evaluation

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

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

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

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

(4) BUDGETARY CONTROLS: In addition to internal accounting controls, the district maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Education. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements which are accounted for in the capital projects fund. The original and final budget for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2015.

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

6) FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the district continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund, special revenue fund, capital projects fund and debt service fund revenues for the fiscal year ended June 30, 2017 and the amount and percentage of increase in relation to prior year revenues.

	Revenue	Percentage of Total	(Decrease)/ Increase From 2016	Percentage Decrease/ Increase
Local Sources	\$ 112,949,301	51.89%	\$ 2,925,206	2.59%
State Sources	98,666,802	45.33%	3,437,404	3.48%
Federal Sources	6,046,490	2.78%	(312,804)	-5.17%
Total	<u>\$ 217,662,593</u>	<u>100.00%</u>	<u>\$ 6,049,806</u>	

The following schedule presents a summary of general fund, special revenue fund, capital projects fund and debt service fund expenditures for the fiscal year ended June 30, 2017 and the percentage of increases and decreases in relation to prior year amounts.

	Expenditure	Percentage of Total	(Decrease)/ Increase From 2016	Percentage Decrease/ Increase
Current Expenditures:				
Instruction	\$ 76,512,404	33.22%	\$ 1,723,702	2.25%
Support Services & Undistributed Costs	131,960,693	57.29%	10,687,547	8.10%
Special Revenue:				
Instruction	5,588,021	2.43%	(748,199)	-13.39%
Support Services & Undistributed Costs	1,578,914	0.69%	457,029	28.95%
Debt Service:				
Principal	4,000,000	1.74%	50,000	1.25%
Interest	951,045	0.41%	51,991	5.47%
Capital Outlay	9,763,188	4.24%	(5,522,972)	-56.57%
Total	<u>\$ 230,354,265</u>	<u>100.00%</u>	<u>\$ 6,699,098</u>	

7) **DEBT ADMINISTRATION:** On June 30, 2017, the District reported outstanding principal debt of \$31,515,000 of general obligation bonds.

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

9) **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision hazard and theft insurance on property, contents and fidelity bonds.


10) **OTHER INFORMATION:**

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board of Education selected the accounting firm of Suplee, Clooney & Company. In addition to meeting the requirements set forth in the state statutes, the audit also was designed to meet the requirements of the Single Audit Act and the related Uniform Guidance and New Jersey OMB's Circular 15-08. The auditor's report of the CAFR is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.


11) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Hamilton Township Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our business office staff.

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

Respectfully submitted,



Scott Rocco
Superintendent of Schools



Katherine Attwood
School Business Administrator

HAMILTON TOWNSHIP SCHOOL DISTRICT

Hamilton, New Jersey

ROSTER OF OFFICIALS

June 30, 2017

Members of the Board of Education

Term Expires

Pamela Kelly, President

2019

Susan Lombardo, Vice President

2017

Anthony Celentano

2019

Michelle Episcopo

2018

Dr. Susan Ferrara

2018

Richard Kanka

2018

Jennifer Kraemer

2017

Christopher Scales

2017

Jessica Young

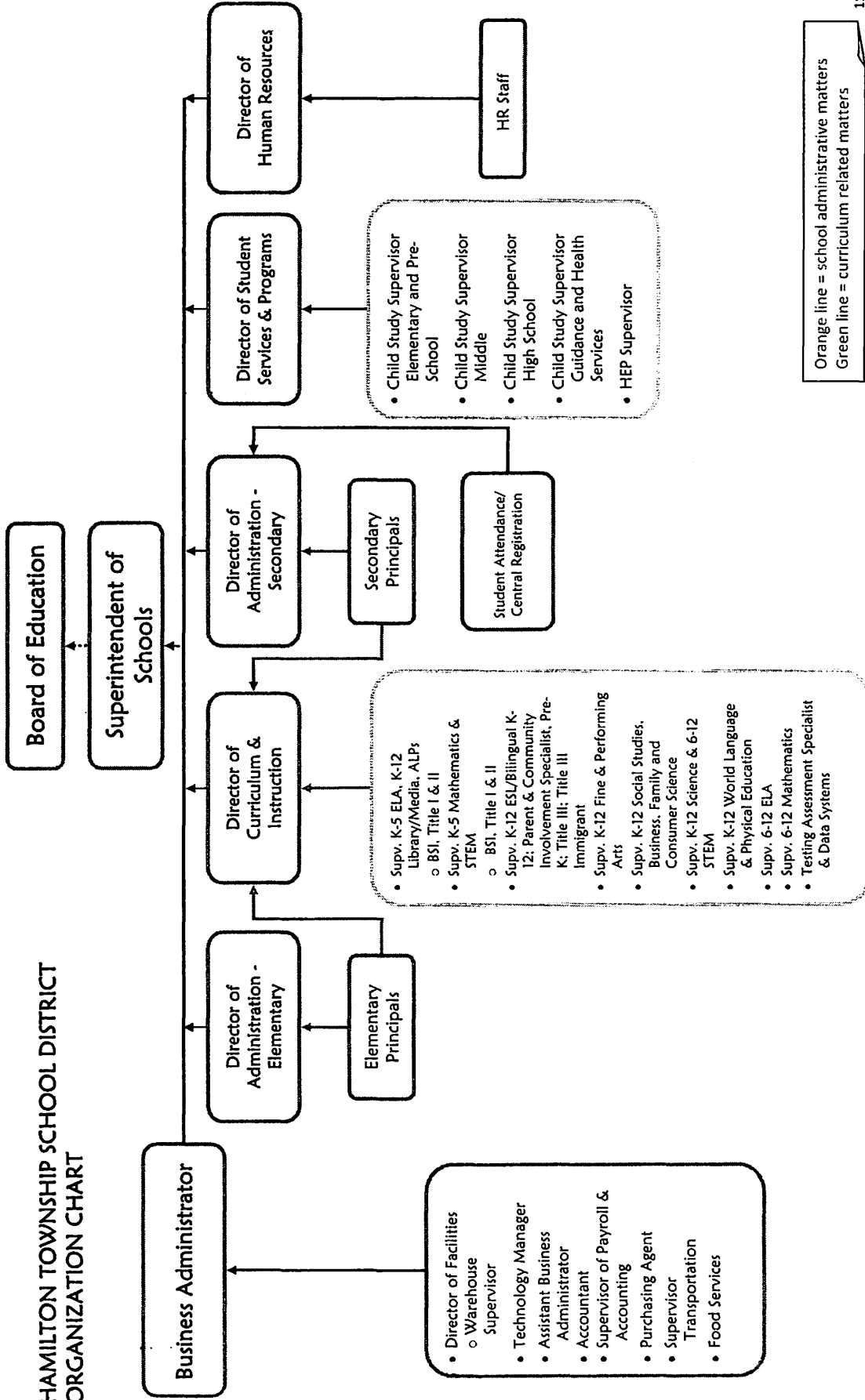
2019

Other Officials

Dr. Scott Rocco, Superintendent of Schools

Katherine Attwood, Business Administrator/Board Secretary

HAMILTON TOWNSHIP SCHOOL DISTRICT ORGANIZATION CHART



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

HAMILTON TOWNSHIP SCHOOL DISTRICT

CONSULTANTS AND ADVISORS

AUDIT FIRM

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Suplee, Clooney & Company
308 East Broad Street
Westfield, New Jersey 07090

ATTORNEY

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

ARCHITECT

Scott Downie, AIA, LEEDap
Spiezle Architectural Group
1395 Yardville Hamilton Square Road
Suite 2A
Hamilton, New Jersey 08691

OFFICIAL DEPOSITORY

The Bank of Princeton
Princeton, New Jersey

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FINANCIAL SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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

SUPLEE, CLOONEY & COMPANY

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

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

Opinion

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information in Exhibit C-1 through C-3 and the schedules related to accounting and reporting for pensions in Exhibit L-1 through L-4 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

SUPLEE, CLOONEY & COMPANY

Other Information


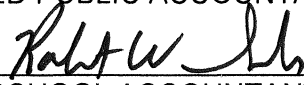
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hamilton Township School District's basic financial statements. The accompanying supplementary information schedules such as the combining and individual fund financial statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by the Uniform Guidance, New Jersey's OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

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


CERTIFIED PUBLIC ACCOUNTANTS

PUBLIC SCHOOL ACCOUNTANT NO. 948

November 30, 2017

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

HAMILTON TOWNSHIP SCHOOL DISTRICT
Hamilton, New Jersey
Mercer County

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
June 30, 2017

UNAUDITED

This section of the district's annual financial report presents a discussion and analysis of the district's financial performance during the fiscal year ending June 30, 2017. It should be read in conjunction with the transmittal letter at the front of this report and the district's financial statements, which immediately follow this section.

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

FINANCIAL HIGHLIGHTS

The key financial highlights for the 2016-2017 fiscal year include the following:

In the District-Wide statements, net position of governmental activities decreased \$7,323,621 which represents a 49% decrease from fiscal year 2016. This decrease was due primarily to an increase in the Net Pension Liability.

The Board realized a positive change in net position in the District's food service program in the amount of \$4,736 resulting in total net position of \$1,333,752 for the fiscal year ended June 30, 2017.

Governmental funds reported a total fund balance of \$21,567,964 which is a 28% decrease from last year's total governmental fund balance. This decrease was the result of expenditures from Capital Projects Fund as well as an increase in Health Benefit costs. The general or operating fund balance was reported at \$14,895,056 of which \$9,020,252 was appropriated toward the 2017-18 budget. Total expenditures for all governmental funds was \$230,354,266. Total revenues, including the proceeds from capital leases were \$222,146,593 resulting in a deficit of revenues under expenditures of \$8,255,281 for the year. Revenues increased \$8,033,803 over last year and included \$104,713,292 in state and federal aid and \$111,165,617 in local taxes.

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

Figure A-1
Organization of the School District Annual Financial Report

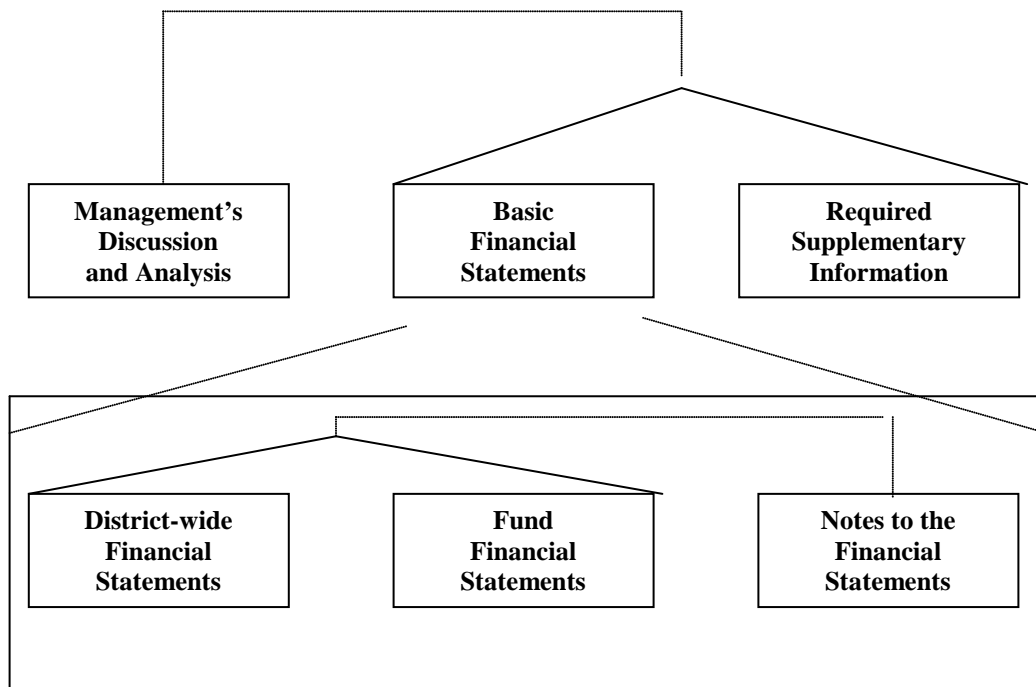


Figure A-2 summarizes the major features of the district’s financial statements, including the portion of the district’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and the contents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

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

District-wide Statements

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

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

- Over time, increases or decreases in the district's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the district's overall health, you need to consider that the school district's goal is to provide services to students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the quality of the education provided and the safety of the of the schools to assess the overall health of the district.

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

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

Fund Financial Statements

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

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

The district has three kinds of funds:

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The school district's Governmental Activities net position was a deficit \$21,989,954 at June 30, 2017 representing a decrease of 49% over fiscal year 2016. This amount included an unrestricted deficit amount of \$59,384,965. This large deficit is the result of the accrual of the District's share of the Net Pension Liability required by GASB 68 which reduced the unrestricted portion of Net Position by \$62,002,503. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the school district's ability to use those assets for day-to-day operations. Our analysis below focuses on the net position (Figure A-3) and change in net position (Figure A-4) of the school district's governmental activities.

**Figure A-3
Net Position**

	2017			2016 (as restated)		
	Governmental Activities	Business Activities	Total	Governmental Activities	Business Activities	Total
ASSETS						
Current & Other Assets	\$30,244,765	\$2,736,484	\$32,981,249	\$35,128,600	\$2,285,593	\$37,414,193
Capital Assets	78,064,434	351,401	78,415,835	71,980,436	300,002	72,280,438
TOTAL ASSETS	108,309,199	3,087,885	111,397,084	107,109,036	2,585,595	109,694,631
DEFERRED OUTFLOWS OF RESOURCES:						
Loss on Refunding of Long Term Debt	1,641,796		1,641,796	1,963,486		1,963,486
Premium on Refunding of Long Term Debt	1,014,260		1,014,260	1,231,139		1,231,139
Pension Related	30,575,833		30,575,833	13,765,634		13,765,634
TOTAL DEFERRED OUTFLOWS	33,231,890		33,231,890	16,960,259		16,960,259
LIABILITIES						
Long-Term Liabilities	143,154,418	286	143,154,704	121,955,968	2,633	121,958,601
Other Liabilities	19,703,225	1,753,847	21,457,072	14,913,575	1,253,945	16,167,520
TOTAL LIABILITIES	162,857,643	1,754,133	164,611,776	136,869,543	1,256,578	138,126,121
DEFERRED INFLOWS OF RESOURCES:						
Pension Related				1,047,084		1,047,084
Gain on Refunding Bonds	673,400		673,400	819,000		819,000
	673,400		673,400	1,866,084		1,866,084
NET POSITION						
Net investment in capital assets	26,309,244	351,401	26,660,645	22,672,579	300,002	22,972,581
Restricted:	11,085,767		11,085,767	10,696,362		10,696,362
Unrestricted:						
Pension related (deficit)	(62,002,503)		(62,002,503)	(55,101,342)		(55,101,342)
Other	2,617,538	982,351	3,599,889	7,066,069	1,029,015	8,095,084
TOTAL NET POSITION	(\$21,989,954)	\$1,333,752	(\$20,656,202)	(\$14,666,332)	\$1,329,017	(\$13,337,315)

The unrestricted net position of governmental activities is broken into two elements. The deficit of \$62,002,503 represents the effect of the required accrual of the District's share of the Net Pension Liability the remainder of \$2,617,538 represents the accumulated results of all past years' operations.

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

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

	2017			2016		
	<u>Governmental Activities</u>	<u>Business Activities</u>	<u>Total</u>	<u>Governmental Activities</u>	<u>Business Activities</u>	<u>Total</u>
Revenues:						
Program Revenues:						
Operating Grants & Contributions	\$68,389,102	\$2,370,372	\$70,759,474	\$52,512,774	\$2,339,220	\$54,851,994
Charges for Services		864,848	864,848		901,625	901,625
General Revenues						
Property Taxes	111,165,617		111,165,617	107,543,062		107,543,062
Grants (includes State Aid) and Entitlements	74,492,137		74,492,137	74,226,078		74,226,078
Other Revenues	1,647,104	8,829	1,655,933	2,451,537	8,248	2,459,785
Disposal of Capital Assets	(11,488)	(3,088)	(14,576)			
	255,682,472	3,240,961	258,923,433	236,733,451	3,249,093	239,982,544
Expenses:						
Instruction	159,723,600		159,723,600	143,642,877		143,642,877
Support Services & Undistributed Costs	98,517,637		98,517,637	86,310,604		86,310,604
Interest on Long-Term Debt	1,243,324		1,243,324	1,059,091		1,059,091
Unallocated Depreciation	3,521,532		3,521,532	3,701,331		3,701,331
Business-Type		3,236,226	3,236,226		3,057,843	3,057,843
Total Expenses	263,006,093	3,236,226	266,242,319	234,713,904	3,057,843	237,771,747
Change in Net Position	(7,323,621)	4,735	(7,318,886)	2,019,547	191,250	2,210,797
Net Position July 1,	(14,666,333)	1,329,017	(13,337,316)	(16,685,880)	1,137,767	(15,548,113)
Net Position June 30,	(21,989,954)	1,333,752	(20,656,202)	(14,666,333)	1,329,017	(13,337,316)

As reported in the Statement of Activities, expenditures for governmental activities this year totaled \$255,682,472. These costs were financed by \$111,165,617 in local property school taxes, \$142,881,239 in operating grants and federal and state aid, and \$1,647,104 in miscellaneous income.

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

Figure A-5

	Total Cost of Services <u>2017</u>	Total Cost of Services <u>2016</u>	Net Cost of Services <u>2017</u>	Net Cost of Services <u>2016</u>
Instruction	159,723,600	\$143,642,877	\$110,008,749	\$105,031,065
Support Services & Undistributed Cos	98,517,637	86,310,604	79,843,386	72,409,643
Unallocated Benefits				
Interest on Long-Term Debt	1,243,324	1,200,529	1,243,324	1,200,529
Business-Type	3,236,226	3,057,843	1,006	(183,002)
Other	3,521,532	3,701,331	3,521,532	3,701,331
Total Expenses	<u>\$266,242,319</u>	<u>\$237,913,185</u>	<u>\$194,617,997</u>	<u>\$182,159,566</u>

Financial Analysis of the District's Funds

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

As the school district completed this year, our governmental funds reported a combined fund balance of \$21,567,964 which represents a decrease of \$8,255,281 from the previous year.

General Fund Budgetary Highlights

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

Actual revenues reflect a positive variance of \$22,754,029. This is due primarily to two factors:

1. The State reimbursement in the amount of \$5.9 million for social security contributions and \$16.3 million on behalf of contributions for TPAF pension and post retirement medical. This is always a non-budgeted item that the State requires be included in the final audit.
2. Miscellaneous revenue in excess of projection.

Actual expenditures reflect a negative variance of \$12,014,785 million This again is primarily due to the State requirement to include social security contributions and on behalf of TPAF pension and post retirement medical benefits contributions in the audit.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2017, the school district had \$78,064,434 invested in a broad range of capital assets, including land, buildings, building improvements, other improvements, construction in progress, vehicles, furniture and equipment. This amount represents a net increase (including additions, deductions and depreciation) of \$6,083,998 or 8.45% from fiscal year 2016.

Figure A-6

	Net Investment in Capital Assets	
	Governmental Activities	
	<u>2017</u>	<u>2016</u>
Land	\$1,248,202	\$1,248,202
Construction in Progress	33,750,310	24,585,974
Buildings & Improvements	38,850,526	41,650,521
Furniture, Equipment & Vehicles	4,215,396	4,495,769
	<u>\$78,064,434</u>	<u>\$71,980,436</u>

This year's net additions are reported at \$9,617,018. Depreciation totaled \$3,521,532.

Long-Term Debt

At the end of this year, the school district has \$151,106,528 outstanding, as detailed below, versus \$128,499,950 last year – a net increase of 18%. The great majority of the increase is attributable to the Net Pension Liability which increased 37%. Bonds Payable decreased 11%. The long-term debt consisted of the following:

	Balance	Balance
	June 30,	June 30,
	<u>2017</u>	<u>2016</u>
Compensated Absences	\$3,382,462	\$3,136,401
Bonds Payable	31,515,000	35,515,000
Unamortized Bond Premium	1,014,260.23	1,231,137
Net Pension Liability	89,843,367	65,124,980
Capital Leases Payable	25,351,439	23,492,432
	<u>\$151,106,528</u>	<u>\$128,499,950</u>

The school district's general obligation bond rating continues to be AA. The state limits the amount of general obligation debt that cities can issue to 4.0% of the average state equalized assessed value of the taxable property within the school district's corporate limits. The school district's outstanding general obligation debt of \$31,515,000 is significantly below the statutorily-imposed limit.

FACTORS AFFECTING THE DISTRICT'S FUTURE

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

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2017

DISTRICT-WIDE FINANCIAL STATEMENTS

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2017

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS:			
Cash and cash equivalents	\$22,373,843	\$2,264,689	\$24,638,531
Receivables, net	3,921,520	413,661	4,335,181
Inventory	260,753	58,134	318,887
Restricted assets:			
Cash and cash equivalents	3,688,649		3,688,649
Capital assets:			
Land and Construction in progress	34,998,512		34,998,512
Other Capital Assets net of depreciation	43,065,922	351,401	43,417,323
Total Assets	108,309,199	3,087,885	111,397,084
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions	30,575,833		30,575,833
Related to loss on Refunding Bonds	1,641,796		1,641,796
Related to Premium on Refunding Bonds	1,014,260		1,014,260
Total Deferred Outflow of Resources	33,231,890		33,231,890
LIABILITIES:			
Accounts payable	11,178,813	7,876	11,186,689
Interfunds payable		719,768	719,768
Payable to state government	139,114		139,114
Unearned revenue	93,843	40,240	134,083
Accrued Interest Payable	339,345		339,345
Accrued Liability for Insurance Claims		985,963	985,963
Noncurrent liabilities:			
Due within one year:			
Bonds and capital leases payable	7,952,110		7,952,110
Due beyond one year:			
Net Pension Liability	89,843,367		89,843,367
Compensated absences payable	3,382,462	286	3,382,748
Bonds and capital leases payable	49,928,589		49,928,589
Total liabilities	162,857,643	1,754,133	164,611,776
DEFERRED INFLOWS OF RESOURCES:			
Gain on Refunding Bonds	673,400		673,400
	673,400		673,400
NET POSITION:			
Net investment in capital assets	26,309,244	351,401	26,660,645
Restricted for:			
Capital Projects	2,432,334		2,432,334
Debt service fund (deficit)	(241,623)		(241,623)
Other purposes	8,895,056		8,895,056
Unrestricted (deficit)	(59,384,965)	982,351	(58,402,614)
Total net position	(\$21,989,954)	\$1,333,752	(\$20,656,202)

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
JUNE 30, 2017

Functions/Programs	Expenses	Indirect Cost Allocation	Charges for Services	Programs Revenues Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 72,818,812	\$ 30,543,174	\$	\$ 32,385,445	\$ (70,976,542)	\$	\$ (70,976,542)
Special	27,530,841	17,955,805		13,959,194	(31,527,452)		(31,527,452)
Other Instruction	7,793,358	3,081,609		3,370,212	(7,504,755)		(7,504,755)
Support services:							
Tuition	10,989,290	(10,989,290)					
Student and instruction related services	29,155,726	10,506,294		12,963,950	(26,698,070)		(26,698,070)
General administrative services	1,780,241	113,567			(1,893,807)		(1,893,807)
School administrative services	11,440,629	4,621,475		4,886,204	(11,175,900)		(11,175,900)
Central services/Admin information technology	4,682,872	932,652			(5,615,524)		(5,615,524)
Plant operations and maintenance	20,483,631	3,601,787			(24,085,418)		(24,085,418)
Pupil transportation	11,042,119	156,644		824,097	(10,374,666)		(10,374,666)
Unallocated benefits	60,523,718	(60,523,718)			(0)		(0)
Interest on Long-Term Debt	1,243,324				(1,243,324)		(1,243,324)
Unallocated depreciation	3,521,532				(3,521,532)		(3,521,532)
Total governmental activities	<u>263,006,093</u>	<u>(10,989,290)</u>	<u>68,389,102</u>	<u>68,389,102</u>	<u>(194,616,991)</u>	<u>(1,006)</u>	<u>(194,616,991)</u>
Business-type activities							
Food Service	3,236,226		864,848	2,370,372		(1,006)	(1,006)
Total business-type activities	<u>3,236,226</u>		<u>864,848</u>	<u>2,370,372</u>		<u>(1,006)</u>	<u>(1,006)</u>
Total primary government	<u>\$ 266,242,319</u>	<u>\$</u>	<u>\$ 864,848</u>	<u>\$ 70,759,474</u>	<u>\$ (194,616,991)</u>	<u>\$ (1,006)</u>	<u>\$ (194,617,997)</u>
General Revenues:							
Taxes:							
Property taxes, levied for general purposes, net					\$ 106,214,572	\$	\$ 106,214,572
Taxes levied for debt service					4,951,045		4,951,045
Federal and state aid not restricted					74,372,884		74,372,884
Federal and state aid restricted					119,253		119,253
Miscellaneous income					1,647,103.54	8,829	1,655,933
Disposal of capital asset (net)					(11,488)	(3,088)	(14,576)
Total general revenues and special items					<u>187,293,370</u>	<u>5,741</u>	<u>187,299,111</u>
Change in Net Position					(7,323,621)	4,735	(7,318,886)
Net Position - beginning (as restated)					(14,666,333)	1,329,017	(13,337,316)
Net Position ending					<u>(21,989,954)</u>	<u>1,333,752</u>	<u>(20,656,202)</u>

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

MAJOR FUND FINANCIAL STATEMENTS

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS:					
Cash and cash equivalents	\$ 14,302,339	\$	\$ 7,973,782	\$ 97,722	\$ 22,373,843
Receivables from other governments	1,416,881	654,491	538,563		2,609,934
Other receivables	637,059		2,277		639,336
Interfund Accounts Receivable	1,683,839	238,855			1,922,694
Inventory	260,753				260,753
Restricted cash and cash equivalents	3,688,649				3,688,649
Total assets	\$ 21,989,520	\$ 893,346	\$ 8,514,622	\$ 97,722	\$ 31,495,210
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	6,753,812	683,979	1,006,053		8,443,844
Intergovernmental accounts payable		139,114			139,114
Interfund payables	317,062		933,382		1,250,444
Unearned revenue	23,590	70,253			93,843
Total liabilities	7,094,464	893,346	1,939,435		9,927,245
Fund balances:					
Nonspendable:					
Inventory	260,753				260,753
Restricted:					
Capital reserve account	3,207,046				3,207,046
Maintenance reserve account	481,603				481,603
Reserved Excess Surplus designated for subsequent years expenditures	3,020,432				3,020,432
Reserve for Excess surplus	1,925,222				1,925,222
Capital Projects			4,735,703		4,735,703
Debt Service				97,722	97,722
Committed for:					
For Encumbrances			1,839,484		1,839,484
Assigned:					
Subsequent Year's Expenditures	6,000,000				6,000,000
Total fund balances	14,895,056		6,575,187	97,722	21,567,964
Total liabilities and fund balances	\$ 21,989,520	\$ 893,346	\$ 8,514,622	\$ 97,722	\$ 31,495,210

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

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

Total Fund Balances (Brought Forward)	,\$	21,567,964
<p>Amounts Reported for Governmental Activities in the Statement of Net Position (A-1) are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
Cost of Assets	,\$ 147,914,787	
Accumulated Depreciation	<u>(69,850,353)</u>	78,064,434
<p>Long term liabilities, including bonds payable, and other related amounts that are not due and payable in the current period and therefore are not reported as liabilities in the funds.</p>		
Net Pension Liability	(89,843,367)	
Compensated Absences	(3,382,462)	
Bonds Payable	(31,515,000)	
Deferred Amount on Gain on Refunding Bonds	(1,014,260)	
Capital Leases	<u>(25,351,439.00)</u>	(151,106,528)
<p>Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.</p>		
Pensions:		
Deferred Outflows		
Pension related	30,575,833	
Loss on Refunding Bonds	1,641,796	
Premium on Refunding Bonds	<u>1,014,260</u>	33,231,890
Deferred Inflows:		
Gain on Refunding Bonds	<u>(673,400)</u>	(673,400)
<p>Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.</p>		
Accounts Payable - Pension Related	(2,734,969)	
Accrued Interest Payable	<u>(339,345)</u>	<u>(3,074,314)</u>
Net Position of Governmental Activities	\$	<u><u>(21,989,954)</u></u>

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

HAMILTON TOWNSHIP BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local sources:					
Local tax levy	\$ 106,214,572			\$ 4,951,045	\$ 111,165,617
Tuition from Individuals	92,201				92,201
Interest Earned on Capital Reserve	53,197				53,197
Interest Earned on Maintenance Reserve	7,989				7,989
Unrestricted Miscellaneous Revenue	1,535,543	88,972	5,782		1,630,297
Total - local sources	107,903,502	88,972	5,782	4,951,045	112,949,301
State sources	97,208,373	1,449,195	9,234		98,666,802
Federal sources	307,703	5,738,787			6,046,490
Total revenues	205,419,578	7,276,955	15,016	4,951,045	217,662,594
EXPENDITURES:					
Current expense:					
Regular instruction	54,178,780				54,178,780
Special instruction	16,665,073	5,588,021			22,253,095
Other Instruction	5,668,551				5,668,551
Support services:					
Tuition	10,989,290				10,989,290
Student & instruction related services	20,398,925	1,578,914			21,977,840
General administrative services	2,336,424				2,336,424
School administrative services	7,639,289				7,639,289
Central service/Admin information technology	3,328,584				3,328,584
Plant operations and maintenance	16,170,335				16,170,335
Pupil transportation	10,820,190				10,820,190
Unallocated benefits	60,277,657				60,277,657
Debt Service:					
Principal				4,000,000	4,000,000
Interest				951,045	951,045
Capital outlay	3,344,980	110,019	6,308,189		9,763,188
Total expenditures	211,818,077	7,276,955	6,308,189	4,951,045	230,354,266
Excess (deficiency) of revenues over (under) expenditures	(6,398,500)		(6,293,172)		(12,691,672)
Other financing sources (uses):					
Transfers In/out	935,703		(935,703)		
Accounts Receivable Cancelled			(47,609)		(47,609)
Capital leases (non-budgeted)			4,484,000		4,484,000
Total other financing sources/(uses)	935,703		3,500,688		4,436,391
Net change in fund balances	(5,462,797)		(2,792,484)		(8,255,281)
Fund balances, July 1, 2016	\$ 20,357,852	\$ -0-	\$ 9,367,671	\$ 97,722	\$ 29,823,245
Fund balances, June 30, 2017	\$ 14,895,056	\$ -0-	\$ 6,575,187	\$ 97,722	\$ 21,567,964

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Total net change in fund balances - governmental funds (from B-2)		(8,255,281)
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation expense		(3,521,532)
Capital outlays	9,763,188	
Less: Capital Outlays not capitalized	<u>(146,170)</u>	9,617,018
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
Bonds Paid by Budget		4,000,000
<p>Proceeds from debt issues are a financing source in governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position.</p>		
Capital lease proceeds - Current Year		(4,484,000)
<p>Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
Payment of capital lease payable		2,624,993
<p>In the statement of activities, interest on long-term debt is accrued, regardless of when due. In governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.</p>		
		29,981
<p>Bond Issue costs are reported in the Governmental Funds as expenditures in the year the bonds are issued. However, on the Statement of Activities the costs are amortized over the life of the Bonds.</p>		
		(176,090)
<p>District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.</p>		
District pension contributions	2,694,912	
Less: Pension expense	<u>(9,596,073)</u>	(6,901,161)
<p>In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-). When the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p>		
		<u>(246,061)</u>
Change in net position of governmental activities (A-2)		<u><u>(7,323,621)</u></u>

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

OTHER FUNDS

HAMILTON TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
JUNE 30, 2017

	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>GOVERNMENTAL ACTIVITIES</u>
	<u>ENTERPRISE FUND</u>	<u>INTERNAL SERVICE FUND</u>
	<u>MAJOR FUND</u>	<u>WORKERS'</u>
	<u>FOOD SERVICE FUND</u>	<u>COMPENSATION FUND</u>
ASSETS:		
Current assets:		
Cash and cash equivalents	\$1,278,726	\$985,963
Accounts receivable		
State	9,174	
Federal	362,260	
Other	22,837	
Inventories	58,134	
	<hr/>	<hr/>
Total current assets	1,750,521	985,963
	<hr/>	<hr/>
Noncurrent assets:		
Furniture, machinery and equipment	1,027,857	
Less accumulated depreciation	(676,456)	
	<hr/>	<hr/>
Total noncurrent assets	351,401	
	<hr/>	<hr/>
Total assets	2,101,922	985,963
	<hr/>	<hr/>
LIABILITIES:		
Current liabilities:		
Interfund payable	719,768	
Accounts payable	7,876	
Unearned revenue	40,240	
Claims payable		985,963
Noncurrent liabilities:		
Compensated absences	286	
	<hr/>	<hr/>
Total liabilities	768,170	985,963
	<hr/>	<hr/>
NET POSITION:		
Net investment in capital assets	351,401	
Unrestricted	982,351	
	<hr/>	<hr/>
Total net position	\$1,333,752	
	<hr/> <hr/>	<hr/> <hr/>

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>BUSINESS-TYPE ACTIVITIES</u>
	<u>ENTERPRISE FUND</u>
	<u>MAJOR FUND</u>
	<u>FOOD SERVICE FUND</u>
OPERATING REVENUES:	
Charges for services:	
Daily sales - reimbursable programs	\$580,230
Daily sales - non-reimbursable programs	284,618
	864,848
Total operating revenues	864,848
OPERATING EXPENSES:	
Salaries	1,068,330
Employee benefits	252,020
Management and consultant fees	35,881
Supplies and materials	183,643
Administrative Expense	178,013
Insurance	42,482
Depreciation	24,283
Cost of sales - reimbursable	1,100,422
Cost of sales - non-reimbursable	100,149
Direct expense	251,003
	3,236,226
Total operating expenses	3,236,226
Operating income (loss)	(2,371,378)
NONOPERATING REVENUES (EXPENSES):	
State sources	
State school lunch program	39,846
Federal sources:	
National school lunch program	1,699,907
National school breakfast program	334,699
Healthy Hunger-Free Kids Act	43,218
Special Milk	1,918
Fresh Fruit and Vegetable	49,686
Food Distribution Program	187,556
NSLP Equipment Assistance	13,542
Interest & Investment Revenue	8,829
Disposal of capital asset (net)	(3,088)
	2,376,113
Total Nonoperating Revenues/(Expenses)	2,376,113
Excess (deficiency) of revenues over (under) expenditures	4,735
Total net position - beginning	1,329,017
Total net position - ending	\$1,333,752

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>GOVERNMENTAL ACTIVITIES</u>
	<u>ENTERPRISE FUND</u>	<u>INTERNAL SERVICE FUND</u>
	<u>MAJOR FUND</u>	<u>WORKERS'</u>
	<u>FOOD SERVICE FUND</u>	<u>COMPENSATION FUND</u>
Cash flows from operating activities:		
Receipts from customers	\$867,689	
Payments to employees	(1,944,680)	
Payments to employee benefits	(254,367)	
Payments to suppliers	(1,068,329)	(33,493)
Net cash provided by (used for) operating activities	(2,399,687)	(33,493)
Cash flows from noncapital financing activities:		
Federal and State sources	2,198,471	
Transfers to other funds	715,969	
Net cash provided by noncapital financing activities	2,914,440	
Cash flows from capital and related financing activities:		
Acquisition of Capital Assets	(61,159)	
Net cash provided by (used for) capital and related financing activities	(61,159)	
Cash Flows From Investing Activities:		
Interest on Deposits	8,829	
Net Cash Provided/(Used) by Investing Activities	8,829	
Net increase (decrease) in cash and cash equivalents	462,423	(33,493)
Cash and cash equivalents, July 1, 2016	816,303	1,019,456
Cash and cash equivalents, June 30, 2017	<u>\$1,278,726</u>	<u>\$985,963</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities		
Operating income (loss)	(\$2,371,378)	
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	24,283	
Federal commodities	187,556	
(Increase) decrease in inventories	(36,938)	
(Increase) decrease in other accounts receivable	(679)	
Increase (decrease) in accounts payable	(222,335)	
Increase (decrease) in compensated absences	(2,347)	
Increase (decrease) in unearned revenue	22,151	
Increase (decrease) in claims payable		(33,493)
Total Adjustments	(28,309)	(33,493)
Net cash provided by (used for) operating activities	<u>(\$2,399,687)</u>	<u>(\$33,493)</u>

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	PRIVATE PURPOSE		AGENCY FUNDS		JUNE 30 2017
	UNEMPLOYMENT COMPENSATION TRUST	SCHOLARSHIP	PAYROLL AGENCY	STUDENT ACTIVITY	
ASSETS:					
Cash and cash equivalents	\$ 2,373,943	\$ 170,834	\$ 246,998	\$ 593,922	\$ 3,385,697
Interfunds Receivable		77,953			77,953
Total assets	2,373,943	248,787	246,998	593,922	3,463,650
LIABILITIES:					
Payroll Deductions and Withholdings			171,748		171,748
Accounts Payable	51,435				51,435
Interfund Payable			30,435		30,435
Due to Employees			44,815		44,815
Due to Student Groups				593,922	593,922
Total liabilities	51,435		246,998	593,922	892,355
NET POSITION:					
Held in Reserve for Unemployment Claims	2,322,508				2,322,508
Reserved for Scholarships		248,787			248,787
Total net position	\$ 2,322,508	\$ 248,787	\$	\$	2,571,295

HAMILTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>UNEMPLOYMENT COMPENSATION TRUST</u>	<u>PRIVATE PURPOSE SCHOLARSHIP</u>	<u>TOTAL</u>
ADDITIONS:			
Contributions:			
Plan Members	\$ 359,166	\$	\$ 359,166
Investment Earnings:			
Interest Earned	<u>18,466</u>	<u>1,699</u>	<u>20,165</u>
Total Additions	<u>377,632</u>	<u>1,699</u>	<u>379,331</u>
DEDUCTIONS:			
Unemployment Claims	318,342		318,342
Scholarships Awarded		<u>12,600</u>	<u>12,600</u>
Total deductions	<u>318,342</u>	<u>12,600</u>	<u>330,942</u>
Change in net position	59,290	(10,901)	48,389
Net position beginning of year	<u>2,263,218</u>	<u>259,688</u>	<u>2,522,906</u>
Net position end of year	<u>\$ 2,322,508</u>	<u>\$ 248,787</u>	<u>\$ 2,571,295</u>

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

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

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

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

Basis of Presentation

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

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

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

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

Governmental Funds

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

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

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Proprietary Funds

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

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

Fiduciary Funds

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

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

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

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting-Measurement Focus

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

District-wide, Proprietary, and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation for expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval. In accordance with P.L. 2011, c. 202, which became effective January 17, 2012, the District elected to move the April 2013 school Board election to the date of the November general election thereby eliminating the vote on the annual base budget. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(f)1. Expenditures may not legally exceed budgeted appropriations at the line item level. All budget amendments and transfers must be approved by School Board resolution. Budget amendments during the year ended June 30, 2017 totaled \$2,138,157.

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

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control (Continued)

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

Encumbrance Accounting

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

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

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

Interfunds

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

Inventories and Prepaid Expenses

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

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

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

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

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

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

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

Compensated Absences

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

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences (Continued)

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

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

Fund Equity

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

Unearned Revenue

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

Accrued Liabilities and Long-Term Obligations

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

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

Fund Balance Restrictions

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

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

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

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

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Restrictions (Continued)

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District’s policy, amounts may be assigned by the Business Administrator. The District reports Year End Encumbrances and Designated for Subsequent Years Expenditures as Assigned Fund Balance.

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

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

Revenues Exchange and Non-exchange Transactions

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

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues Exchange and Non-exchange Transactions (Continued)

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

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

Operating Revenues and Expenses

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

Allocation of Indirect Expenses

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

Extraordinary and Special Items

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

Management Estimates

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting and Financial Reporting for Pensions

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

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

Deferred Outflows/Inflows of Resources

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

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

Deposits

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

The Township of Hamilton School District had the following cash and cash equivalents at June 30, 2017:

<u>Fund Type</u>	<u>Amount</u>
Cash in Bank:	
Governmental Funds	\$ 31,872,590
Proprietary Funds	1,882,702
Fiduciary Funds	<u>5,223,635</u>
Total Cash in Bank	\$ 38,978,927
Less: Reconciling Items	<u>(7,266,049)</u>
Reconciled Balance	<u>\$ 31,712,878</u>

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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

Deposits

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2017, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank of \$38,978,927, \$300,457 was covered by Federal Depository Insurance; \$31,651,026 was covered under the provisions of NJGUDPA; and \$7,027,444 was held in escrow with fiscal agents

Investments

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

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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

Investments (Continued)

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

As of June 30, 2017 the District had no investments.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 3: CAPITAL ASSETS

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

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions &</u> <u>Transfers</u>	<u>Ending</u> <u>Balance</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$1,248,202			\$1,248,202
Construction in Progress	<u>24,585,974</u>	<u>9,164,336</u>		<u>33,750,310</u>
Total Capital Assets not being depreciated	<u>25,834,176</u>	<u>9,164,336</u>		<u>34,998,512</u>
Buildings & Building Improvements	99,323,699	51,555		99,375,254
Machinery & Equipment	<u>13,254,049</u>	<u>401,127</u>	<u>(114,155)</u>	<u>13,541,021</u>
Totals at historical cost	<u>112,577,748</u>	<u>452,682</u>	<u>(114,155)</u>	<u>112,916,275</u>
Gross Assets (Memo only)	<u>138,411,924</u>	<u>9,617,018</u>	<u>(114,155)</u>	<u>147,914,787</u>
Less: Accumulated Depreciation				
Buildings & Building Improvements	(57,673,178)	(2,851,550)		(60,524,728)
Machinery & Equipment	<u>(8,758,310)</u>	<u>(669,982)</u>	<u>(102,667)</u>	<u>(9,325,625)</u>
Total Depreciation	<u>(66,431,488)</u>	<u>(3,521,532)</u>	<u>(102,667)</u>	<u>(69,850,353)</u>
Total capital assets being depreciated, net of depreciation	<u>46,146,260</u>	<u>(3,068,850)</u>	<u>(11,488)</u>	<u>43,065,922</u>
Total Governmental Fund Activities	<u><u>\$71,980,436</u></u>	<u><u>\$6,095,486</u></u>	<u><u>(\$11,488)</u></u>	<u><u>\$78,064,434</u></u>

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 3: CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions & Transfers</u>	<u>Ending Balance</u>
Proprietary Activities:				
Machinery & Equipment	<u>\$962,276</u>	<u>\$78,769</u>	<u>\$13,188</u>	<u>\$1,027,857</u>
Totals at historical cost	<u>962,276</u>	<u>78,769</u>	<u>13,188</u>	<u>1,027,857</u>
Less: Accumulated Depreciation				
Machinery & Equipment	<u>(662,274)</u>	<u>(24,283)</u>	<u>(10,101)</u>	<u>(676,456)</u>
Total Depreciation	<u>(662,274)</u>	<u>(24,283)</u>	<u>(10,101)</u>	<u>(676,456)</u>
Total Proprietary Fund Activities	<u><u>\$300,002</u></u>	<u><u>\$54,486</u></u>	<u><u>\$3,087</u></u>	<u><u>\$351,401</u></u>

Depreciation expense was charged to functional expenses areas of the

District for Governmental Funds as follows:

Direct Expense of various functions	<u>(\$3,521,532)</u>
	<u><u>(\$3,521,532)</u></u>

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 4: LONG-TERM LIABILITIES

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

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

The following is a summary of transactions that affect long-term liabilities for the year ended June 30, 2017:

Governmental Funds:

	Balance June 30, <u>2016</u>	<u>Additions</u>	<u>Reductions</u>	Balance June 30, <u>2017</u>	Amounts due Within <u>one year</u>
Bonds Payable	\$35,515,000		\$4,000,000	\$31,515,000	\$4,025,000
Unamortized Bond Premium	1,231,137		216,877	1,014,260	210,326
Compensated Absences	3,136,401	246,061		3,382,462	
Capital Leases Payable	23,492,432	4,484,000	2,624,993	25,351,439	3,716,784
Net Pension Liability	<u>65,124,980</u>	<u>24,718,387</u>		<u>89,843,367</u>	
Balance June 30, 2017	<u>\$128,499,950</u>	<u>\$29,448,448</u>	<u>\$6,841,870</u>	<u>\$151,106,528</u>	<u>\$7,952,110</u>

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Debt Service Requirements:

The annual requirements to amortize all debt outstanding as of June 30, 2017, including interest payments on issued debt, are as follows:

Fiscal Year	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
June 30,			
FY2018	\$4,025,000	\$886,658	\$4,911,658
FY2019	4,265,000	779,095	5,044,095
FY2020	4,440,000	641,495	5,081,495
FY2021	4,670,000	499,395	5,169,395
FY2022	4,760,000	350,995	5,110,995
FY2023	3,040,000	196,835	3,236,835
FY2024	3,115,000	122,938	3,237,938
FY2025	3,200,000	42,000	3,242,000
	<u>\$31,515,000</u>	<u>\$3,519,410</u>	<u>\$35,034,410</u>

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

<u>Issue</u>	<u>Amount Outstanding June 30, 2017</u>
\$28,275,000.00 in Refunding School Bonds dated December 4, 2012, due in remaining annual installments ranging between \$2,320,000.00 and \$3,200,000.00 beginning August 15, 2017 and ending August 15, 2024 with interest from 1.50% to 2.63%	\$22,915,000.00
\$9,910,000.00 in Refunding School Bonds dated November 20, 2015, due in remaining annual installments ranging between \$410,000.00 and \$1,790,000.00 beginning February 15, 2018 and ending February 15, 2022 with interest from 4.00% to 5.00%	<u>8,600,000</u>
	<u>\$31,515,000</u>

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Refunding School Bonds

2006 Refunding

The district issued \$87,650,000.00 in Refunding School bonds to advance refund \$83,425,000.00 of the districts previously issued and outstanding school bonds. The reacquisition price exceeded the net carrying amount by \$4,225,000.00. This amount is being amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. The current year portion charged to the Statement of Activities was \$201,190.48 leaving a balance of \$1,641,796 which is reflected on the Statement of Net Position as a Deferred Outflow. Under the escrow agreement, the escrow is irrevocably pledged to the payment of principal and interest on the refunded bonds. As a result, the \$83,425,000.00 of the refunded obligations are considered to be defeased and the liability for those bonds has been removed from the financial statements.

2015 Refunding

In October 2015, the District issued \$9,010,000 of refunding bonds to provide resources to refund a portion of the District's outstanding debt. As a result, \$9,920,000 of refunded bonds are considered defeased and the liability has been removed from the basic financial statement. This advance refunding was undertaken to reduce the total debt service payments over the next seven years by \$819,372 and resulted in a net present value savings of \$782,057. As of June 30, 2015, \$9,920,000 of the defeased debt remains outstanding. The difference between the re-acquisition price of the defeased debt of \$10,220,778 and the net carrying value amount of the old bonds of \$9,920,000 is being amortized over the remaining life of the defeased debt. The current year portion of the gain on the refunding charged to the Statement of Activities was \$145,600 leaving a balance of \$673,400 which is reflected on the Statement of Net Position as a Deferred Inflow.

Bonds Authorized But Not Issued

As of June 30, 2017, the District had no Bonds Authorized but not issued.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Capital Leases Payable

The District is leasing technology equipment and energy improvements totaling \$31,014,740 under capital leases. This capital leases are for terms of five years, with the exception of the Energy Saving Improvement Program lease which carries a term of 15 years. The following is a schedule of the future minimum lease payments under the capital lease and the present value of the net minimum lease payments at June 30, 2017:

Fiscal Year Ended	Governmental
<u>June 30,</u>	<u>Funds</u>
2018	\$4,297,332
2019	3,296,483
2020	2,676,477
2021	2,163,875
2022-2026	6,305,167
2027-2031	6,226,002
2032-2035	<u>5,506,270</u>
Total Minimum Lease Payments	30,471,606
Less: Amount Representing Interest	<u>5,120,167</u>
Present Value of Lease Payments	<u><u>\$25,351,439</u></u>

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 5: PENSION PLANS

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

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

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

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 5: PENSION PLANS (CONTINUED)

Significant Legislation

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

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

Funding Changes

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

COLA Suspension

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

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

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

Contribution Requirements The contribution policy is set by N.J.S.A. 43:15A and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 5: PENSION PLANS (CONTINUED)

Contribution Requirements (Continued)

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

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

Three Year Trend Information for PERS

<u>Year Ended</u> <u>June 30,</u>	<u>Annual</u> <u>Pension Cost</u> <u>(APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2017	\$2,694,912.00	100%	-0-
2016	\$2,494,210.00	100%	-0-
2015	\$2,306,826.00	100%	-0-

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

<u>Year Ended</u> <u>June 30,</u>	<u>Annual</u> <u>Pension Cost</u> <u>(APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2017	\$8,597,651.00	100%	-0-
2016	\$6,062,825.00	100%	-0-
2015	\$4,021,118.00	100%	-0-

In accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District for the years ended June 30, 2017, 2016 and 2015 \$5,967,462. \$5,642,642 and \$5,896,653 respectively for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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

Public Employees Retirement System (PERS)

At June 30, 2017, the District reported a liability of \$89,843,367 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 July 1, 2015 which was rolled forward to June 30, 2016. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2016, the District's proportion was 0.303343165 percent, which was an increase of 0.0132344239 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2016, the District recognized pension expense of \$9,640,884. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Differences between expected and actual experience	-	\$1,670,814
Changes of assumptions	-	18,610,747
Net difference between projected and actual earnings on pension plan investments	-	3,425,809
Changes in proportion and differences between District contributions and proportionate share of contributions	-	4,133,494
District contributions subsequent to the measurement date	-	2,734,969
	<u>-</u>	<u>2,734,969</u>
	<u>-</u>	<u>\$30,575,833</u>

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

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

Public Employees Retirement System (PERS) (Continued)

The \$2,734,969 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2018, the plan measurement date is June 30, 2016) will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended <u>June 30</u>	<u>Amount</u>
2016	\$6,362,166
2017	\$6,362,166
2018	\$7,142,716
2019	\$6,013,159
Thereafter	\$1,960,657

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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

Actuarial Assumptions

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

Inflation	3.08 Percent
Salary Increases	
Through 2026	1.65-4.15 Percent (based on age)
Thereafter	2.65-5.15 Percent (based on age)
Investment Rate of Return	7.65 Percent

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 the experience deviates, the larger the impact on future financial statements.

Mortality Rates

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 2013 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).

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016 and 7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment 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 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Real Rate of Return</u>
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 U.S. Equities	26.00%	8.53%
Developed Foreign Markets	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Returns	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%
	<u>100.00%</u>	

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 3.98% and 4.90% as of June 30, 2016 and 2015, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and 7.90%, and a municipal bond rate of 2.85% and 3.80% as of June 30, 2016 and 2015, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employer contributed 100% of their 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 collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the participating employers as of June 30, 2016 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate: The following presents the collective net pension liability of the participating employers as of June 30, 2016 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2016		
	1% Decrease	At Current Discount Rate	1% Increase
	<u>4.39%</u>	<u>5.39%</u>	<u>6.39%</u>
District's proportionate share of the pension liability	\$110,092,559	\$89,843,367	\$73,125,903

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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

Public Employees Retirement System (PERS) (Continued)

Pension Plan Fiduciary Net Position.

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

Teachers Pensions and Annuity Fund (TPAF)

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

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2017 was as follows:

Net Pension Liability:	
Districts proportionate share	-0-
State's proportionate share associated with the District	<u>\$625,373,799</u>
	<u>\$625,373,799</u>

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 June 30, 2015. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2016, the proportion of the TPAF net pension liability associated with the District was .7949697212% which was a decrease of .0023161066 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized on-behalf pension expense and revenue of \$46,988,139 in the government-wide financial statements for contributions provided by the State. This pension expense and revenue was based on the pension plans June 30, 2016 measurement date.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date 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 actuarial assumptions, applied to all periods in the measurement:

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

Mortality Rate

Pre-retirement, post-retirement and disabled 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.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions (Continued)

Long-Term Expected Rate of Return (Continued)

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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%
High Yield Bonds	2.00%	4.70%
US Equities Markets	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%
Farmlands	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%
	<u>100.00%</u>	

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 3.22% and 4.13% as of June 30, 2016 and 2015, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and 7.90, and a municipal bond rate of 2.85% and 3.80% as of June 30, 2016 and 2015, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 30% 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 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 Net Pension Liability to Changes in the Discount Rate

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

Pension Plan Fiduciary Net Position.

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 7: GASB 45 – OTHER POST-RETIREMENT BENEFITS

For eligible retired employees, the School District participates in the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. 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 the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2016 there were 110,512 retirees receiving for 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 premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

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

The State will set the contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 8: LITIGATION

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

In FY2017 a claim brought by various retirees of the Board alleging that cash payments for prescription coverage for the retirees and their dependents had not been paid in 2013, 2014 and 2015 was settled, pending Court approval. The settlement provides for back pay to the retirees in the amount of \$4 million, payable in two installments of \$2 million during the 2017-18 school year. Thereafter, there will be 10 payments of \$1.3 million with the first payment beginning in the 2018-19 school year. As of June, 30 2017 the District has accrued a liability for the \$4 million payout. Succeeding payments will be provided for in future budgets.

NOTE 9: CONTINGENCIES

The District receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2016-2017 fiscal year were subject to the Uniform Guidance and New Jersey OMB Circular 15-08 which mandates that grant revenues and expenditures be audited in conjunction with the District's annual audit if expenditures for federal or state programs exceed \$750,000.00 Findings and questioned costs, if any, relative to federal and state financial assistance programs are discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. The District's management does not believe any such audit would result in material amounts of disallowed costs.

NOTE 10: RISK MANAGEMENT

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

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 10: RISK MANAGEMENT (CONTINUED)

Worker's Compensation Insurance

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

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

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

Established reserves are subject to change as facts and circumstances relating to claims dictate, and no provision is made for estimated losses relating to claims incurred but not reported. At June 30, 2017 the District, based upon the plan administrator's estimate, has established a reserve for reported claims in the amount of \$985,963.

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

<u>Year Ended</u> <u>June 30,</u>	<u>Interest</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2017	\$18,466	\$359,166	\$318,342	\$2,322,508
2016	17,946	293,738	289,953	2,263,218
2015	17,137	302,261	206,321	2,241,487

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 11: COMPENSATED ABSENCES

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

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

The liability for vested compensated absences of the governmental fund types are recorded in the district - wide statement of net position. As of June 30, 2017, a liability existed for compensated absences for governmental fund-types and business fund-types in the district- wide statement of net position of \$3,382,462. And \$287 respectively.

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 12: FUND BALANCE APPROPRIATED

General Fund The table below reflects the District's Fund Balance at June 30, 2017 on both a GAAP (Exhibit B-1) and Budgetary (Exhibit C-1) basis including the required adjustment related to the last state aid payment which under GAAP is not recognized:

	<u>Budgetary</u> <u>Basis</u>	<u>Adjustment</u>	<u>GAAP</u> <u>Basis</u>
Non-Spendable			
Inventory	\$ 260,753	\$	\$ 260,753
Restricted:			
Excess Surplus:			
Designated for Subsequent			
Year's Expenditures	3,020,252		3,020,252
Current Year	2,597,431	(672,029)	1,925,402
Maintenance Reserve	481,603		481,603
Capital Reserve	3,207,046		3,207,046
Assigned:			
Designated for Subsequent			
Year's Expenditures	6,000,000		6,000,000
Encumbrances	1,825,291	(1,825,291)	
Unassigned	<u>4,296,419</u>	<u>(4,296,419)</u>	<u> </u>
	<u>\$ 21,688,794</u>	<u>\$ (6,793,739)</u>	<u>\$ 14,895,055</u>

Debt Service Fund Debt Service Fund Balance at June 30, 2017 of \$97,722 is restricted in accordance with N.J.S.A. 18A:7F-41c(2).

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 13: CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS

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

General Fund Expenditures:		
Fiscal Year Ended, June 30 2017		\$211,818,077.42
Less:		
Reimb. TPAF Social Security Contributions	\$5,967,461.60	
Reimb. TPAF Pension Contributions	<u>16,351,633.00</u>	
		<u>22,319,094.60</u>
Adjusted General Fund Expenditures		\$189,498,982.82
Excess Surplus Percentage		<u>2.00%</u>
		\$3,789,980.00
Increased by:		
Extraordinary Aid (unbudgeted)	\$442,531.00	
Non-Public Transportation Aid (unbudgeted)	<u>63,908.00</u>	
		<u>506,439.00</u>
Maximum Unreserved/Undesignated General Fund Balance		\$4,296,419.00
Actual Unassigned General Fund Balance		<u>6,893,670.00</u>
Excess Surplus		<u><u>\$2,597,251.00</u></u>
Recapitulation of Excess Surplus, June 30, 2017:		
Restricted for Excess Surplus - Designated for Subsequent Year's Expenditure		\$3,020,432.00
Restricted for Excess Surplus		<u>2,597,251.00</u>
		<u><u>\$5,617,683.00</u></u>

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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

Based on the preceding calculation, as of June 30, 2017, \$3,020,432 is reported as Restricted Fund Balance Excess Surplus and is required to be appropriated for property tax relief in the 2017-18 budget. \$2,597,251 is reported as Restricted Fund Balance Excess Surplus Designated for Subsequent Year's Expenditure and is required to be appropriated for property tax relief in the 2018-19 budget.

NOTE 14: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2017:

<u>Fund</u>	<u>Interfund Balance</u>	
	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 1,683,839.00	\$ 317,062.00
Special Revenue Fund	238,855.00	
Capital Projects Fund		933,382.00
Enterprise Fund		719,768.00
Fiduciary Fund	77,953.00	30,435.00
	\$ 2,000,647.00	\$ 2,000,647.00

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

NOTE 15: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Township of Hamilton Board of Education in the FY2001 school year for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 15: CAPITAL RESERVE ACCOUNT (CONTINUED)

The activity of the capital reserve for the July 1, 2016 to June 30, 2017 fiscal year is as follows:

Balance, July 1, 2016 (Budgetary Basis)		\$	4,018,594.00
Interest Earnings			53,197.00
Deposits:			
Board Resolution dated 06/28/17	500,000.00		
Unexpended Appropriations	773,413.00		
			1,273,413.00
			5,345,204.00
Withdrawals:			
Board Resolution dated 07/27/16	\$ 18,170.00		
Board Resolution dated 07/27/16	50,000.00		
Board Resolution dated 03/20/17	487,000.00		
Board Resolution dated 03/20/17	57,500.00		
Board Resolution dated 03/20/17	97,000.00		
Board Resolution dated 05/09/17	227,274.00		
Board Resolution dated 05/09/17	766,714.00		
Board Resolution dated 05/24/17	66,500.00		
Board Resolution dated 05/24/17	368,000.00		
			2,138,158.00
Balance, June 30, 2017 (Budgetary Basis)		\$	3,207,046.00

NOTE 16: MAINTENANCE RESERVE ACCOUNT

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

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

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 16: MAINTENANCE RESERVE ACCOUNT (CONTINUED)

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

At June 30, 2017, the balance of the Maintenance Reserve Account was within the statutory limitations.

The activity of the maintenance reserve for the July 1, 2016 to June 30, 2017 fiscal year is as follows:

Balance, July 1, 2016 (Budgetary Basis)	\$	373,614.00
Interest Earnings		7,989.00
Deposits:		
Board Resolution dated 06/28/17	\$	<u>100,000.00</u>
		<u>100,000.00</u>
Balance, June 30, 2017 (Budgetary Basis)	\$	<u><u>481,603.00</u></u>

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 17: INVENTORY

Inventory in the General Fund at June 30, 2017 consisted of the following:

Paper, Custodial, Maintenance, Computer and General School Supplies	<u>\$260,753.</u>
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Inventory in the Food Service Fund at June 30, 2017 consisted of the following:

Food and Supplies	<u>\$58,134.</u>
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The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Act Amendment of 1996) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

NOTE 18: DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. 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:

Ameriprise	Metropolitan Life
Axa Equitable	Oppenheimer
Lincoln Investment	The Legend Group/NEA Valuebuilder
Mass Mutual (Hartford)	Thrivent .

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 19: TAX ABATEMENTS

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

The District has identified several agreements that have been entered into by Hamilton Township that require disclosure under this statement. The gross dollar amount, on an accrual basis, by which the District's property tax revenues were potentially reduced during the reporting period as a result of tax abatement agreements totaled \$440,928. It is important to note that the District Tax Levy is guaranteed to be paid in full by the municipalities and that the District collected its full tax levy for FY2017.

The property owner under the terms of these agreements are required to pay the municipalities an annual service charge in lieu of taxes. In certain cases, a portion of this fee is remitted to the school district. During FY2017 the District received \$381,470 under the terms of the agreements

NOTE 20: SUBSEQUENT EVENTS

The Board of Education has evaluated subsequent events occurring after the financial statement date through November 30, 2017 which is the date the financial statements were available to be issued. The District has determined that there are no material subsequent events that need to be disclosed with the exception of the following

On September 26, 2017 the District's voters approved a referendum authorizing the issuance of \$55,000,000.00 of Bonds and Notes to provide for capital improvements and repairs at various district schools.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 21: PRIOR PERIOD ADJUSTMENTS

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

	Governmental <u>Activities</u>
Beginning Net Position 06/30/16	\$ (14,807,770.65)
Adjustments:	
Net investment in capital assets	<u>141,438.00</u>
Beginning Net Position 06/30/16 (As restated)	\$ <u><u>(14,666,332.65)</u></u>

Net position was restated to properly reflect the District's Premium on Refunding Bonds.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

HAMILTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>ADOPTED</u> <u>BUDGET</u>	<u>TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FAVORABLE/</u> <u>(UNFAVORABLE)</u>
REVENUES					
Local sources:					
Local tax levy	\$ 106,214,572	\$	106,214,572	106,214,572	\$ 22,201
Tuition from Individuals	70,000		70,000		
Adult Education Testing				53,197	53,197
Interest Earned on Capital Reserve				7,989	7,989
Interest Earned on Maintenance Reserve				1,535,543	(230,200)
Unrestricted Miscellaneous Revenue	1,765,743		1,765,743		
Total-local sources	<u>108,050,315</u>		<u>108,050,315</u>	<u>107,903,502</u>	<u>(146,813)</u>
State sources:					
Equalization Aid	64,409,125		64,409,125	64,409,125	
Categorical Special Education Aid	7,629,324		7,629,324	7,629,324	
Categorical Transportation Aid	824,097		824,097	824,097	
Categorical Security Aid	630,559		630,559	630,559	
PARCC Readiness Aid	120,020		120,020	120,020	
Per Pupil Growth Aid	120,020		120,020	120,020	
Under Adequacy Aid	40,007		40,007	40,007	
Professional Learning Community Aid	114,950		114,950	114,950	
Extraordinary Aid	600,000		600,000	1,042,531	442,531
Other State Aid				63,908	63,908
On-behalf TPAF Non-Contributory Insurance (non-budgeted)				311,513	311,513
On-behalf TPAF Pension (non-budgeted)				8,597,651	8,597,651
On-behalf TPAF Long-Term Disability (non-budgeted)				19,109	19,109
On-behalf TPAF Post Retirement Contributions (non-budgeted)				7,423,360	7,423,360
Reimbursed TPAF Social Security Contributions (non-budgeted)				5,967,462	5,967,462
Total - state sources	<u>74,488,102</u>		<u>74,488,102</u>	<u>97,313,636</u>	<u>22,825,534</u>
Federal sources:					
Medicaid reimbursement	232,394		232,394	307,703	75,309
Total - federal sources	<u>232,394</u>		<u>232,394</u>	<u>307,703</u>	<u>75,309</u>
Total revenues	<u>182,770,811</u>		<u>182,770,811</u>	<u>205,524,841</u>	<u>22,754,030</u>

HAMILTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	ADOPTED BUDGET	TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
EXPENDITURES					
CURRENT EXPENSE:					
Instruction - regular programs:					
Salaries of teachers:					
Kindergarten	2,607,958 \$	246,439 \$	2,854,397	2,830,925	\$ 23,472
Grades 1-5	16,896,696	(377,205)	16,519,491	16,451,111	68,380
Grades 6-8	12,115,247	37,217	12,152,464	12,095,355	57,109
Grades 9-12	17,090,883	204,253	17,295,136	17,270,721	24,415
Total Salaries of teachers:	48,710,784	110,704	48,821,488	48,648,112	173,376
Regular Programs - Home Instruction:					
Salaries of teachers	245,000	(27,500)	217,500	217,381	119
Purchased professional educational services	178,000	(12,500)	165,500	127,583	37,917
Total Regular Programs - Home Instruction:	423,000	(40,000)	383,000	344,964	38,036
Regular programs - undistributed instruction:					
Other salaries for instruction	656,592	(262,869)	393,723	344,762	48,961
Purchased professional educational services	642,374	118,008	760,382	719,076	41,306
Purchased technical services	37,700	6,550	44,250	36,017	8,233
Other purchased services(400-500 series)	2,089,309	321,131	2,410,440	2,218,994	191,445
General supplies	1,950,825	(124,397)	1,826,427	1,502,377	324,050
Textbooks	387,854	13,304	401,158	342,432	58,726
Other Objects	32,890	4,429	37,319	22,044	15,275
Total Regular programs - undistributed instruction	5,797,544	76,156	5,873,699	5,185,703	687,996
Total Regular Programs - Instruction	54,931,328	146,860	55,078,188	54,178,780	899,408

HAMILTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	ADOPTED BUDGET	TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Special education:					
Learning and / or Language Disabilities:					
Salaries of teachers	\$ 2,241,656	\$ 70,496	\$ 2,312,152	\$ 2,286,760	\$ 25,392
Other salaries for instruction	762,119	(5,537)	756,582	737,771	18,811
General supplies	33,160	(8,158)	25,002	17,313	7,689
Total Learning and / or Language Disabilities	3,036,935	56,801	3,093,736	3,041,844	51,892
Visual Impairments:					
General Supplies	600	(600)			
Total Visual Impairments	600	(600)			
Auditory Impairments					
Purchased professional educational services	900	(900)			
Purchased technical services	740	(740)			
General Supplies	8,600	(8,600)			
Total Auditory Impairments	10,240	(10,240)			
Behavioral Disabilities:					
Salaries of teachers	1,432,433	(103,974)	1,328,459	1,318,829	9,630
Other salaries for instruction	781,059	(97,566)	683,493	660,230	23,263
Purchased professional educational services		3,180	3,180	3,180	
Purchased Technical Services	2,775		2,775		2,775
General Supplies	21,318	(10,487)	10,831	9,615	1,216
Textbooks	1,500		1,500		1,500
Total Behavioral Disabilities:	2,239,085	(208,847)	2,030,238	1,991,854	38,384
Multiple Disabilities:					
Salaries of teachers	1,246,165	(280,792)	965,373	958,658	6,715
Other salaries for instruction	640,321	13,210	653,531	650,669	2,862
Purchased professional services	250		250		250
General supplies	16,680	1,269	17,949	15,738	2,212
Other objects		162	162		
Total Multiple Disabilities:	1,903,416	(266,151)	1,637,265	1,625,227	12,038

HAMILTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	ADOPTED BUDGET	TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Resource room/resource center:					
Salaries of teachers	\$ 6,485,792	\$ 370,507	\$ 6,856,299	\$ 6,852,503	\$ 3,797
Other salaries for instruction	483,032	356,443	839,475	823,415	16,060
Purchased professional educational services	11,500	900	12,400	4,940	7,460
Purchased technical services	9,000	740	9,740		9,740
Other Purchased Services	2,000	(2,000)			
General supplies	44,010	11,042	55,052	46,693	8,359
Total Resource room/resource center	7,035,334	737,632	7,772,966	7,727,551	45,415
Autism:					
Salaries of teachers	416,005	149,962	565,967	565,381	586
Other salaries for instruction	296,930	145,027	441,957	433,929	8,028
General supplies	18,800	73	18,873	15,821	3,052
Total Autism	731,735	295,062	1,026,797	1,015,131	11,666
Preschool disabilities-part -time:					
Salaries of teachers	583,339	(212,000)	371,339	368,070	3,269
Other salaries for instruction	566,830	(220,482)	346,348	336,146	10,202
General supplies	10,000		10,000	8,426	1,574
Total Preschool disabilities-part -time	1,160,169	(432,482)	727,687	712,641	15,046
Preschool disabilities-full -time:					
Salaries of teachers		280,680	280,680	280,309	371
Other salaries for instruction		286,999	286,999	270,516	16,483
Total Preschool disabilities-full -time		567,679	567,679	550,824	16,855
Total special education	16,117,514	738,855	16,856,369	16,665,073	191,296

HAMILTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	ADOPTED BUDGET	TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Basic skills/remedial:					
Salaries of teachers	\$ 2,326,490	\$ (5,408)	2,321,082	2,269,368	\$ 51,714
Purchased professional - educational services	4,050		4,050		4,050
General Supplies	12,000		12,000	11,543	457
Total basic skills/remedial	<u>2,342,540</u>	<u>(5,408)</u>	<u>2,337,132</u>	<u>2,280,911</u>	<u>56,221</u>
Bilingual education:					
Salaries of teachers	778,769	21,924	800,693	799,653	1,040
Purchased professional educational services	6,000	(5,000)	1,000		1,000
General supplies	4,000	5,000	9,000	4,471	4,529
Total bilingual education	<u>788,769</u>	<u>21,924</u>	<u>810,693</u>	<u>804,124</u>	<u>6,569</u>
School sponsored cocurricular activities:					
Salaries	605,000	44,233	649,233	642,968	6,265
Purchased Services		3,906	3,906		3,906
Supplies and materials	30,303	(475)	29,828	18,764	11,064
Other objects	24,050	(6,486)	17,564	13,723	3,841
Total school sponsored cocurricular activities	<u>659,353</u>	<u>41,178</u>	<u>700,531</u>	<u>675,455</u>	<u>25,076</u>
School sponsored athletics:					
Salaries	1,045,000	69,359	1,114,359	1,089,300	25,059
Purchased Services	9,500	1,993	11,493	5,854	5,639
Supplies and Materials	169,089	(4,567)	164,522	157,500	7,022
Other Objects	292,256	21,132	313,388	274,432	38,955
Total school sponsored athletics	<u>1,515,845</u>	<u>87,917</u>	<u>1,603,762</u>	<u>1,527,086</u>	<u>76,676</u>
Alternative Education:					
Salaries	150,000		150,000	145,899	4,101
Other salaries of instruction	68,849	1,385	70,234	70,234	
General supplies	4,300		4,300	1,273	3,027
Textbooks	1,113		1,113		1,113
Total instructional alt ed programs	<u>224,262</u>	<u>1,385</u>	<u>225,647</u>	<u>217,406</u>	<u>8,242</u>

HAMILTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	ADOPTED BUDGET	TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Alternative Education Program Support:					
Salaries	\$ 116,688	\$ 13,180	\$ 129,868	\$ 127,816	\$ 2,052
Purchased Services (400-500 series)	22,231	(18,398)	3,833	3,833	3,833
Total instructional alternative programs support	138,919	(5,218)	133,701	127,816	5,886
Total instructional alternative ed program	363,181	(3,832)	359,349	345,221	14,127
Other instructional programs					
Salaries	7,800	(3,225)	4,575	4,575	429
Purchased Services	84,300	(66,457)	17,843	17,414	460
Supplies and materials	510	(50)	460	500	500
Other objects	500		500	500	1,389
Total other instructional programs	93,110	(69,732)	23,378	21,989	
Community service programs/operations					
Salaries		6,017	6,017	5,730	287
Supplies and materials		192	192	192	0
Other objects	9,750	(1,192)	8,558	7,843	715
Total other instructional programs	9,750	5,017	14,767	13,765	1,002
Total other instructional programs	2,641,239	60,547	2,701,786	2,583,516	118,270
Total - instruction	76,821,390	962,778	77,784,167	76,512,404	1,271,763

HAMILTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	ADOPTED BUDGET	TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Undistributed expenditures:					
Instruction:					
Tuition to other LEA's within the state-regular	\$ 317,470	\$ (156,380)	\$ 161,090	\$ 100,277	\$ 60,814
Tuition to other LEA's within the state-special	49,730	197,830	247,560	247,534	26
Tuition to county vocational school district-regular	466,700	202,550	669,250	667,750	1,500
Tuition to county vocational school district-special	300,500	48,000	348,500	311,250	37,250
Tuition to CSSD and regional day schools	5,313,876	(1,222,136)	4,091,740	3,367,887	723,853
Tuition to private schools for the disabled w/ state	4,470,957	(561,040)	3,909,917	3,828,531	81,386
Tuition-state facilities	157,158		157,158	157,158	
Tuition-other	569,870	121,301	691,171	691,171	
Transfer of Funds to Charter Schools	1,463,174	206,000	1,669,174	1,617,732	51,442
Total undistributed expenditures - instruction	<u>13,109,435</u>	<u>(1,163,875)</u>	<u>11,945,560</u>	<u>10,989,290</u>	<u>956,270</u>
Attendance and social work services:					
Salaries	1,011,779	(93,573)	918,206	908,075	10,131
Unused Vacation Payment to Terminated/Retired Staff		776	776	776	
Purchased professional and technical services	2,400	252	2,652	2,608	45
Other purchased services (400-500) series	7,620		7,620	3,620	4,000
Supplies and Materials	5,000	(252)	4,748	2,097	2,651
Total attendance and social work services	<u>1,026,799</u>	<u>(92,797)</u>	<u>934,002</u>	<u>917,176</u>	<u>16,827</u>
Health services:					
Salaries	2,038,493	17,159	2,055,652	2,039,170	16,482
Purchased professional and technical services	126,455	32,637	159,092	128,925	30,167
Other Purchased Services (400-500 series)	2,000	(2,000)			
Supplies and materials	46,549	(8,862)	37,687	25,127	12,560
Total health services	<u>2,213,497</u>	<u>38,934</u>	<u>2,252,431</u>	<u>2,193,222</u>	<u>59,209</u>

HAMILTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	ADOPTED BUDGET	TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Other support services - student related services:					
Salaries	1,821,556 \$	2,104 \$	1,823,660	1,812,567 \$	11,093
Purchased professional - Education services	456,000	221,767	677,767	647,699	30,068
Supplies and materials	30,000	(17,200)	12,800	9,032	3,768
Total other support services - students related services	2,307,556	206,671	2,514,227	2,469,298	44,929
Other support services- Students- Extra Services					
Salaries	931,115	(214,450)	716,665	707,639	9,026
Purchased professional - Education services	1,075,000	221,910	1,296,910	1,197,047	99,863
Total other support services- Students- Extra Services	2,006,115	7,460	2,013,575	1,904,686	108,889
Undist. Expenditures - Guidance:					
Salaries of other professional staff	3,588,674	(55,085)	3,533,589	3,504,432	29,157
Salaries of secretarial and clerical assistants	546,503	7	546,510	525,903	20,607
Purchased Professional - Educational Services	58,900	(4,652)	54,248	51,268	2,980
Other Purchased Services (400-500 series)	2,000	(2,000)			
Supplies and Materials	12,856	1,503	14,359	7,859	6,501
Other objects	5,420	3,500	8,920	4,800	4,120
Total Undist. Expenditures - Guidance	4,214,353	(56,726)	4,157,627	4,094,262	63,364
Undist. Expenditures - Child Study Team					
Salaries of other professional staff	4,409,770	(4,747)	4,405,023	4,401,172	3,851
Salaries of secretarial and clerical assistants	705,053	(70,054)	634,999	613,563	21,436
Unused Vacation Payment		15,252	15,252	15,252	
Purchased Professional - Educational Services	397,225	411,781	809,006	768,194	40,812
Purchased Professional and technical Services	15,266	(10,000)	5,266	1,356	3,910
Other Purchased Serv (400-500 series)	35,000	(11,484)	23,516	14,309	9,207
Supplies and Materials	30,000	2,185	32,185	32,116	69
Other objects	300		300	300	
Total Undist. Expenditures - Child Study Team	5,592,614	332,933	5,925,547	5,846,263	79,285

HAMILTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	ADOPTED BUDGET	TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Improvement of instruction services:					
Salaries of Supervisors of Instruction	\$ 1,026,711	\$ 13,959	\$ 1,040,670	\$ 1,040,670	
Salaries of other professional staff	146,394	1,500	147,894	147,894	
Salaries of secretarial and clerical assistants	313,107	(26,975)	286,132	286,074	58
Salaries of facilitators, math & literacy coaches	174,580	(111,378)	63,202	63,202	86
Unused Vacation Payment		23,725	23,725	23,638	
Purchased Prof. Educational Services	1,000	(1,000)			
Other purchased prof. and tech. Services	6,100	(6,100)			
Other Purchased Services (400-500)	32,358	(4,900)	27,458	20,207	7,251
Supplies and Materials	89,825	(1,000)	88,825	47,087	41,738
Total improvement of instruction services:	<u>1,790,075</u>	<u>(112,169)</u>	<u>1,677,906</u>	<u>1,565,571</u>	<u>112,334</u>
Educational media services/school library:					
Salaries	1,183,249	(16,689)	1,166,560	1,159,183	7,377
Other purchased prof. and tech. Services	106,485	(525)	105,960	88,170	17,790
Supplies and Materials	102,279	25	102,304	66,519	35,785
Total educational media services/school library	<u>1,392,013</u>	<u>(17,189)</u>	<u>1,374,824</u>	<u>1,313,871</u>	<u>60,952</u>
Instructional Staff Training Services:					
Salaries of other professional staff	5,000	5,000	5,000	3,713	1,288
Purchased professional - Education services	50,000	(16,500)	33,500	32,520	980
Other purchased services (400-500 series)	77,652	(17,174)	60,478	44,403	16,075
Supplies and materials	22,100	180	22,280	10,190	12,090
Other objects	3,750		3,750	3,750	
Total instructional staff training services:	<u>153,502</u>	<u>(28,494)</u>	<u>125,008</u>	<u>94,576</u>	<u>30,433</u>

HAMILTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	ADOPTED BUDGET	TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Support services general administration:					
Salaries	\$ 342,023	\$ (31,500)	\$ 310,523	\$ 310,295	\$ 228
Legal services	250,000		250,000	224,398	25,602
Audit Fees	75,000	(14,000)	61,000	60,150	850
Architectural/Engineering Services	256,224		256,224	189,023	67,201
Other purchased professional services	349,906	(73,990)	275,916	213,931	61,985
Communications/telephone	337,960	(32,000)	305,960	274,397	31,563
BOE Other purchased services(580-585)	3,500		3,500		3,500
Other purchased services	721,249	85,250	806,499	778,218	28,281
General supplies	23,433	(6,750)	16,683	14,898	1,785
BOE in-house training/meeting supplies	2,500		2,500	220	2,280
Judgements		258,551	258,551	222,192	36,359
Miscellaneous expenditures	7,000	18,490	25,490	20,639	4,851
BOE membership dues and fees	28,500		28,500	28,063	437
Total support services general administration	2,397,295	204,051	2,601,347	2,336,424	264,923
Support services school administration:					
Salaries of principals/asst. principals	5,432,855	(32,159)	5,400,696	5,399,147	1,550
Salaries of secretarial and clerical assistants	1,993,144	10,617	2,003,761	1,971,594	32,167
Unused Vacation Payment		123,671	123,671	123,671	
Purchased Professional and Technical Services	17,488	1,184	18,672	13,255	5,417
Other Purchased Services (400-500 series)	62,895	11,357	74,252	40,528	33,724
Supplies and Materials	83,764	1,245	85,009	61,817	23,192
Other objects	27,596	5,500	33,096	29,278	3,818
Total support services school administration	7,617,742	121,415	7,739,157	7,639,289	99,868

HAMILTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	ADOPTED BUDGET	TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Central Services:					
Salaries	\$ 1,571,954	\$ 29,215	\$ 1,601,169	\$ 1,474,256	\$ 126,913
Unused Vacation Payment		861	861	861	
Purchased technical services	300	4,530	4,830	4,461	369
Misc. purchased services (400-500 series)	131,413	1,552	132,965	98,132	34,834
Supplies and materials	26,800	(1,162)	25,638	15,775	9,863
Interest on Current Loans	25,000	(1,500)	23,500	23,500	
Miscellaneous Expenditures	71,300		71,300	66,184	5,116
Total central services	1,826,767	33,496	1,860,263	1,659,669	200,594
Administrative Information. Technology					
Salaries	1,067,057	12,219	1,079,276	1,079,276	0
Purchased technical services	451,489	(5,000)	446,489	445,933	556
Other Purchased Services (400- 500 series)	96,850	(6,599)	90,251	83,010	7,241
Supplies and Materials	63,000	(649)	62,351	60,396	1,955
Other Objects	300		300	300	
Total Administrative Information. Technology	1,678,696	(29)	1,678,667	1,668,915	9,752
Required Maintenance for School Facilities:					
Salaries	2,194,174	14,559	2,208,733	2,185,484	23,249
Cleaning, Repair and Maintenance Services	784,414	36,623	821,037	642,319	178,718
General supplies	522,581	(2,245)	520,336	399,244	121,091
Other objects	1,100	500	1,600	995	605
Total Required Maintenance for School Facilities	3,502,269	49,437	3,551,706	3,228,043	323,663

HAMILTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	ADOPTED BUDGET	TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Custodial Services:					
Salaries	\$ 5,824,705	\$ (45,030)	\$ 5,779,675	\$ 5,770,726	\$ 8,949
Salaries of Non-Instructional Aides	728,493	(25,751)	702,742	686,248	16,493
Unused Vacation Payment		71,306	71,306	71,306	
Purchased professional and technical services	37,500	6,000	43,500	41,619	1,881
Cleaning, repair and maint. services	637,300	(30,115)	607,185	467,261	139,924
Rental of Land/Building - Other than Lease purch. Agreement	120,000		120,000	92,661	27,339
Lease purchase pymnts - Energy Savings Impr. Programs	1,352,930		1,352,930	1,352,930	
Other purchased property services	350,427	24,300	374,727	247,484	127,243
Insurance	271,607		271,607	233,622	37,985
Miscellaneous Purchased Services(580-590)	10,000	(6,000)	4,000	201	3,799
General supplies	483,700	(20,000)	463,700	342,575	121,125
Energy (Natural Gas)	874,826	148,489	1,023,315	776,316	246,999
Energy (Electricity)	1,432,122	202,825	1,634,947	1,388,676	246,271
Energy (Gasoline)	74,250		74,250	41,621	32,629
Other objects	18,800	(500)	18,300	16,815	1,485
Total Custodial Services	12,216,660	325,524	12,542,184	11,530,061	1,012,122
Care & Upkeep of Grounds					
Salaries	658,459	(2,322)	656,137	654,222	1,915
Cleaning, Repair and Maintenance Services	71,000	18,000	89,000	56,399	32,601
General supplies	127,807	(9,116)	118,691	101,929	16,762
Total Care and Upkeep of Grounds	857,266	6,562	863,829	812,551	51,278
Security					
Salaries	439,299	(275)	439,024	433,287	5,738
Purchased Professional & Technical Services (300-500)	162,600	3,760	166,360	163,799	2,561
Other Objects	7,300		7,300	2,595	4,705
Total Security	609,199	3,485	612,684	599,681	13,004
Total operation and maintenance of plant services	17,185,394	385,008	17,570,403	16,170,335	1,400,067

HAMILTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>ADOPTED</u> <u>BUDGET</u>	<u>TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FAVORABLE/</u> <u>(UNFAVORABLE)</u>
Student transportation services:					
Salaries of Non-Instructional Aides	\$ 214,456	\$	214,456	214,456	\$ 0
Salaries for pupil transportation (between home and school)-regular	215,279	1,907	217,186	203,996	13,190
Salaries for pupil transportation (between home and school)-Special Ed	6,050		6,050	6,050	0
Other Purchased Prof. & Technical Serv	13,000		13,000	8,537	4,463
Cleaning, Repair, & Main Serv	300,000		300,000	275,496	24,504
Contract Svcs. - Aid in Lieu of Payments - Nonpublic Students	3,396,268	12,450	3,408,718	3,362,780	45,938
Contract Svcs. - (Bet. Home & Sch) - Vendors	614,449	96,449	710,898	612,759	98,140
Contract Svcs. - (Other than bet. Home & Sch) - Vendors					
Contract Svcs. - (Bet. Home & Sch) - Joint Agreements	4,387,550	722,940	5,110,490	4,994,800	115,690
Contract Svcs. - (Sp Ed Svcs) - Vendors		18,135	18,135	18,135	
Contract Svcs. - (Sp Ed Svcs) - Joint Agreements	800,000	318,860	1,118,860	1,090,300	28,560
Contract Svcs. - (Sp Ed Students) - ESC & CTSA	1,000		1,000	1,000	0
Misc Purchased Serv- Transportation	2,000		2,000	1,899	101
General Supplies	37,000		37,000	30,006	6,994
Transportation Supplies	1,410		1,410	977	433
Other Objects	9,988,462	1,170,741	11,159,203	10,820,190	339,013
Total student transportation services					
Unallocated Benefits - Employee Benefits:					
Group Insurance	169,780		169,780	140,930	28,850
Social Security Contributions	2,409,320	(93,100)	2,316,220	2,223,221	92,999
T.P.A.F. Contributions	250	650	900	864	36
Other retirement contributions - regular	2,666,641	80,648	2,747,289	2,745,215	2,074
Workers Compensation	806,073	(650)	805,423	766,390	39,033
Health Benefits	36,426,189	(1,779,221)	34,646,968	31,597,121	3,049,847
Tuition Reimbursements	265,200		265,200	264,972	228
Other Employee Benefits	572,000		572,000	219,850	352,150
Total Unallocated Benefits - Employee Benefits:	43,315,453	(1,791,673)	41,523,780	37,958,562	3,565,218
Total personal services	43,315,453	(1,791,673)	41,523,780	37,958,562	3,565,218

HAMILTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	ADOPTED BUDGET	TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
On-behalf TPAF Non-Contributory Insurance (non-budgeted)	\$	\$		311,513	\$ (311,513)
On-behalf TPAF Pension (non-budgeted)				8,597,651	(8,597,651)
On-behalf TPAF Long-Term Disability (non-budgeted)				19,109	(19,109)
On-behalf TPAF Post Retirement Contributions (non-budgeted)				7,423,360	(7,423,360)
Reimbursed TPAF Social Security Contributions (non-budgeted)				5,967,462	(5,967,462)
Total Undistributed Expenditures	117,815,769	(762,242)	117,053,527	131,960,693	(14,907,166)
TOTAL EXPENDITURES - CURRENT EXPENSE FUND 11	194,637,158	200,536	194,837,694	208,473,097	(13,635,403)
CAPITAL OUTLAY:					
Equipment:					
Grades 9 - 12	10,000	28,163	38,163	34,138	4,025
School Sponsored Athletics		3,820	3,820	3,820	
Multiple Disabilities		10,900	10,900	8,634	2,266
Undist. Expend. - Required Main for School Fac.		18,765	18,765	18,764	1
Undist. Expend. - Custodial Services		9,116	9,116	9,116	
Total Equipment	10,000	70,764	80,764	74,472	6,292
Facilities acquisition and construction services:					
Architect/Engineering Services		6,300	6,300	6,300	
Construction services	2,797,687	1,934,678	4,732,365	3,118,038	1,614,327
Lease Purchase Agreements-Principal	325,000	(325,000)			
Assessment for Debt Service on SDA Funding	146,170		146,170	146,170	
Total facilities acquis. and const. services	3,268,857	1,615,978	4,884,835	3,270,508	1,614,327
TOTAL CAPITAL OUTLAY	3,278,857	1,686,741	4,965,599	3,344,980	1,620,619

HAMILTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	ADOPTED BUDGET	TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
TOTAL EXPENDITURES	197,916,015	1,887,278	199,803,293	211,818,077	(12,014,785)
Excess (deficiency) of revenues over (under) expenditures	(15,145,204)	(1,887,278)	(17,032,482)	(6,293,237)	10,739,245
Other financing sources					
Transfer of funds	\$			935,703	\$ 935,703
Total other financing sources				935,703	935,703
Excess of Revenues and other Financing Sources Over Expenditures and Other Expenditures and other Financing Sources	(15,145,204)	(1,887,278)	(17,032,482)	(5,357,534)	11,674,948
Fund balances, July 1	27,046,328		27,046,328	27,046,328	
Fund balances, June 30	11,901,124	(1,887,278)	10,013,846	21,688,794	\$ 11,674,948
Recapitulation:					
Non-Spendable:				\$ 260,753	
Inventory					
Restricted:					
Excess Surplus -Designated for Subsequent Year's Expenditures				3,020,432	
Excess Surplus - Current Year				2,597,251	
Maintenance Reserve				481,603	
Capital Reserve				3,207,046	
Assigned:					
Designated for Subsequent Year's Expenditures				6,000,000	
Encumbrances				1,825,291	
Unassigned				4,296,419	
				21,688,795	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				(6,793,739)	
Fund Balance per Governmental Funds (GAAP)				14,895,056	
				\$	\$

HAMILTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
State sources	\$ 1,491,995.00	\$ 94,216.25	\$ 1,586,211.25	\$ 1,449,195.31	\$ (137,015.94)
Federal sources	4,882,111.00	1,814,173.00	6,696,284.00	5,734,263.40	(962,020.60)
Other sources	<u> </u>	<u>139,894.93</u>	<u>139,894.93</u>	<u>90,555.87</u>	<u>(49,339.06)</u>
Total revenues	<u>6,374,106.00</u>	<u>2,048,284.18</u>	<u>8,422,390.18</u>	<u>7,274,014.58</u>	<u>(1,148,375.60)</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers	868,358.00	(238,259.56)	630,098.44	579,177.42	50,921.02
Other salaries for instruction	94,360.00	97,372.56	191,732.56	189,288.56	2,444.00
Purchased professional - technical services	17,701.00	7,764.00	25,465.00	19,896.00	5,569.00
Purchased professional - educational services	1,178,211.00	264,360.45	1,442,571.45	1,274,018.88	168,552.57
Tuition	2,750,719.00	347,815.00	3,098,534.00	3,098,534.00	
Supplies and materials	135,192.00	395,135.87	530,327.87	333,966.96	196,360.91
Textbooks	105,159.00	(9,880.00)	95,279.00	88,529.92	6,749.08
Miscellaneous Expenditures	<u> </u>	<u>2,462.42</u>	<u>2,462.42</u>	<u>1,669.56</u>	<u>792.86</u>
Total instruction	<u>5,149,700.00</u>	<u>866,770.74</u>	<u>6,016,470.74</u>	<u>5,585,081.30</u>	<u>431,389.44</u>
Support services:					
Salaries of Other professional staff	312,741.00	315,713.00	628,454.00	606,660.51	21,793.49
Other Salaries					
Personal services - employee benefits	242,118.00	73,661.00	315,779.00	311,552.15	4,226.85
Purchased professional - technical services	556,547.00	443,212.00	999,759.00	483,993.23	515,765.77
Contracted services(btw home & school) - Vendors		2,300.00	2,300.00	2,284.80	15.20
Contracted services(other than btw home & school - Vendors		5,111.28	5,111.28	560.66	4,550.62
Contracted services(other than btw home & school - Grant Agreements		3,600.00	3,600.00	1,274.52	2,325.48
Travel	80,000.00	(3,309.73)	76,690.27	51,124.29	25,565.98
Supplies and materials	<u>33,000.00</u>	<u>113,911.64</u>	<u>146,911.64</u>	<u>121,464.12</u>	<u>25,447.52</u>
Total support services	<u>1,224,406.00</u>	<u>954,199.19</u>	<u>2,178,605.19</u>	<u>1,578,914.28</u>	<u>599,690.91</u>
Facilities acquisition and construction services:					
Instructional equipment		224,319.25	224,319.25	107,024.00	117,295.25
Non-Instructional equipment		<u>2,995.00</u>	<u>2,995.00</u>	<u>2,995.00</u>	
Total facilities acquisition and construction serv.		<u>227,314.25</u>	<u>227,314.25</u>	<u>110,019.00</u>	<u>117,295.25</u>
Total expenditures	<u>6,374,106.00</u>	<u>2,048,284.18</u>	<u>8,422,390.18</u>	<u>7,274,014.58</u>	<u>1,148,375.60</u>
Excess (deficiency) of revenues over (under) expenditures					

HAMILTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$205,524,840.86	\$7,274,014.58
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Add prior year encumbrances		23,806.00
Less current year encumbrances		(20,866.00)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year	(6,793,739.00)	
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	6,688,476.00	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$205,419,577.86</u>	<u>\$7,276,954.58</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	\$211,818,077.42	\$7,274,014.58
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Add prior year encumbrances		23,806.00
Less current year encumbrances		(20,866.00)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$211,818,077.42</u>	<u>\$7,276,954.58</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.3033493165%	0.2901148926%	0.2798236728%	0.2730809259%
District's proportionate share of the net pension liability (asset)	\$89,843,367	\$65,124,980	\$52,390,645	\$52,191,191
District's covered-employee payroll	19,844,925	18,447,735	19,754,726	19,395,974
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	452.73%	353.02%	265.21%	269.08%
Plan fiduciary net position as a percentage of the total pension liability	40.14%	47.92%	52.08%	48.72%

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

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

	<u>Last Ten Years</u>			
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 2,694,912	2,494,210 \$	2,306,826 \$	2,057,609
Contributions in relation to the contractually required contribution	<u>2,694,912</u>	<u>2,494,210</u>	<u>2,306,826</u>	<u>2,057,609</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>- \$</u>	<u>- \$</u>	<u>-</u>
District's covered-employee payroll	20,287,601	19,844,925	18,447,735	19,754,726
Contributions as a percentage of covered-employee payroll	13.28%	12.57%	12.50%	10.42%

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

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.7949697212%	0.7972858278%	0.78906660282%	0.7844176179%
State's proportionate share of the net pension liability (asset) associated with the District	\$625,373,799	\$503,918,690	\$421,730,111	\$396,438,495
District's covered-employee payroll	78,460,870	79,224,264	79,538,226	77,482,940
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0%	0%	0%	0%
Plan fiduciary net position as a percentage of the total pension liability	22.33%	28.71%	33.64%	33.76%

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

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT
SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSION (GASB 68)
NOTE TO RSI III
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Public Employees Retirement System

Change in benefit terms: None

Change in assumptions: The discount rate changed from 4.90% to 3.98% as of
June 30, 2016.

Teacher Pension and Annuity Fund

Change in benefit terms: None

Change in assumptions: The discount rate changed from 4.13% to 3.22% as of
June 30, 2016.

OTHER SUPPLEMENTARY INFORMATION

**SPECIAL REVENUE FUND
DETAIL STATEMENTS**

HAMILTON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>TITLE I A</u>	<u>TITLE I A</u>	<u>TITLE III</u>	<u>TITLE III IMMIGRANT</u>	<u>IDEA PART B</u>	<u>IDEA PRESCHOOL</u>	<u>CARL D PERKINS</u>
REVENUES:							
State sources	\$ 1,725,219.46	\$ 268,814.15	\$ 50,205.17	\$ 39,607.56	\$ 3,409,091.06	\$ 95,347.63	\$ 48,954.37
Federal sources							
Local sources							
Total revenues	\$ 1,725,219.46	\$ 268,814.15	\$ 50,205.17	\$ 39,607.56	\$ 3,409,091.06	\$ 95,347.63	\$ 48,954.37
EXPENDITURES:							
Instruction:							
Salaries of teachers	\$ 565,241.42	\$	\$ 11,177.00	\$ 2,759.00	\$	\$	\$
Other salaries for instruction	189,288.56						
Purchased professional - technical services	33,486.50				3,043,534.00	5,311.75	19,896.00
Purchased professional - educational services	75,468.26		34,137.56	19,352.70	55,772.33	35,035.88	26,397.74
Tuition							
Supplies and materials							
Textbooks							
Other Objects							
Total support services	\$ 863,484.74		\$ 45,314.56	\$ 22,111.70	\$ 3,099,306.33	\$ 95,347.63	\$ 46,293.74
Support services:							
Salaries of Other professional staff	\$ 541,286.01	\$ 64,086.75					\$ 1,287.75
Other Salaries							
Personal services - employee benefits	305,485.06	4,902.63	855.04	211.06			98.36
Purchased professional - technical services	4,553.50	153,155.00	1,500.00	15,000.00	309,784.73		
Contracted Services:							
(btw home & school) - Vendors	359.76			2,284.80			
(other than btw home & school - Vendors							
(other than btw home & school-Grant Agreements							
Travel	10,050.39	38,807.75	2,266.15				1,274.52
Supplies and materials		7,862.02	269.42				
Total support services	\$ 861,734.72	\$ 268,814.15	\$ 4,890.61	\$ 17,495.86	\$ 309,784.73		\$ 2,660.63
Facilities acquisition and construction serv:							
Instructional equipment							
Non - instructional equipment							
Total facilities acquisition and construction serv.							
Total expenditures	\$ 1,725,219.46	\$ 268,814.15	\$ 50,205.17	\$ 39,607.56	\$ 3,409,091.06	\$ 95,347.63	\$ 48,954.37

HAMILTON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	SIMULATOR	TRANSPORTATION	NON-PUBLIC NJ CH 192 COMPENSATORY EDUCATION	ENGLISH AS SECOND LANGUAGE	CORRECTIVE SPEECH	NON-PUBLIC NJ CH 193 SUPPLEMENTAL INSTRUCTION	EXAMINATION AND CLASSIFICATION
REVENUES:							
State sources	\$	70,626.00 \$	530,042.22 \$	18,661.64 \$	108,416.20 \$	164,057.32 \$	192,551.00
Federal sources							
Local sources							
Total revenues	\$	70,626.00 \$	530,042.22 \$	18,661.64 \$	108,416.20 \$	164,057.32 \$	192,551.00
EXPENDITURES:							
Instruction:							
Salaries of teachers	\$	\$	\$	\$	\$	\$	\$
Other salaries for instruction							
Purchased professional - technical services							
Purchased professional - educational services		70,626.00	530,042.22	18,661.64	108,416.20	164,057.32	192,551.00
Tuition							
Supplies and materials							
Textbooks							
Other Objects							
Total instruction		70,626.00	530,042.22	18,661.64	108,416.20	164,057.32	192,551.00
Support services:							
Salaries of Other professional staff							
Other Salaries							
Personal services - employee benefits							
Purchased professional - technical services							
Contracted Services:							
(btw home & school) - Vendors							
(other than btw home & school - Vendors							
(other than btw home & school-Grant Agreements							
Travel							
Supplies and materials							
Total support services							
Facilities acquisition and construction serv:							
Instructional equipment	97,024.00						
Non - instructional equipment							
Total facilities acquisition and construction serv.	97,024.00						
Total expenditures	\$	70,626.00 \$	530,042.22 \$	18,661.64 \$	108,416.20 \$	164,057.32 \$	192,551.00

HAMILTON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	NONPUBLIC TEXTBOOKS	NON-PUBLIC HOME INSTRUCTION	NONPUBLIC TECHNOLOGY	NONPUBLIC NURSING	NONPUBLIC SECURITY AID	PTA DONATION	SAFETY GRANT
REVENUES:							
State sources	\$ 88,529.92	\$ 1,376.25	\$ 42,639.73	\$ 149,490.00	\$ 82,805.03	\$ 26,297.81	\$ 20,866.00
Federal sources							
Local sources							
Total revenues	<u>\$ 88,529.92</u>	<u>\$ 1,376.25</u>	<u>\$ 42,639.73</u>	<u>\$ 149,490.00</u>	<u>\$ 82,805.03</u>	<u>\$ 26,297.81</u>	<u>\$ 20,866.00</u>
EXPENDITURES:							
Instruction:							
Salaries of teachers	\$	\$	\$	\$	\$	\$	\$
Other salaries for instruction							
Purchased professional - technical services				149,490.00			
Purchased professional - educational services		1,376.25					
Tuition						26,297.81	
Supplies and materials			42,639.73				
Textbooks	88,529.92						
Other Objects							
Total instruction	<u>\$ 88,529.92</u>	<u>\$ 1,376.25</u>	<u>\$ 42,639.73</u>	<u>\$ 149,490.00</u>		<u>\$ 26,297.81</u>	
Support services:							
Salaries of Other professional staff							
Other Salaries							
Personal services - employee benefits							
Purchased professional - technical services							
Contracted Services:							
(btw home & school) - Vendors							
(other than btw home & school - Vendors							
(other than btw home & school-Grant Agreements							
Travel							
Supplies and materials					82,805.03		20,866.00
Total support services					<u>\$ 82,805.03</u>		<u>\$ 20,866.00</u>
Facilities acquisition and construction serv:							
Instructional equipment							
Non - instructional equipment							
Total facilities acquisition and construction serv.							
Total expenditures	<u>\$ 88,529.92</u>	<u>\$ 1,376.25</u>	<u>\$ 42,639.73</u>	<u>\$ 149,490.00</u>	<u>\$ 82,805.03</u>	<u>\$ 26,297.81</u>	<u>\$ 20,866.00</u>

HAMILTON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	OCHO Project	FIRST DAY OF SCHOOL FOUNDATION	ATHLETIC EQUIPMENT	LOWES	OTHER LOCAL	2017
REVENUES:						
State sources	\$	\$	\$	\$	\$	1,449,195.31
Federal sources	5,309.74	9,661.65	10,000.00	4,065.11	14,355.56	5,734,263.40
Local sources						90,555.87
Total revenues	\$ 5,309.74	\$ 9,661.65	\$ 10,000.00	\$ 4,065.11	\$ 14,355.56	\$ 7,274,014.58
EXPENDITURES:						
Instruction:						
Salaries of teachers	\$	\$	\$	\$	\$	579,177.42
Other salaries for instruction						189,288.56
Purchased professional - technical services						19,896.00
Purchased professional - educational services						1,274,018.88
Tuition						3,098,534.00
Supplies and materials	5,309.74			4,065.11	9,490.10	333,966.96
Textbooks						88,529.92
Other Objects					1,669.56	1,669.56
Total instruction	5,309.74			4,065.11	11,159.66	5,585,081.30
Support services:						
Salaries of Other professional staff						606,660.51
Other Salaries						311,552.15
Personal services - employee benefits						483,993.23
Purchased professional - technical services					200.90	2,284.80
Contracted Services:						560.66
(btw home & school) - Vendors						1,274.52
(other than btw home & school - Vendors						51,124.29
(other than btw home & school-Grant Agreements						121,464.12
Travel		9,661.65				
Supplies and materials						
Total support services		9,661.65			200.90	1,578,914.28
Facilities acquisition and construction serv:						
Instructional equipment			10,000.00			107,024.00
Non - instructional equipment					2,995.00	2,995.00
Total facilities acquisition and construction serv.			10,000.00		2,995.00	110,019.00
Total expenditures	\$ 5,309.74	\$ 9,661.65	\$ 10,000.00	\$ 4,065.11	\$ 14,355.56	\$ 7,274,014.58

**CAPITAL PROJECTS FUND
DETAIL STATEMENTS**

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2017

Revenues and Other Financing Sources:		
Miscellaneous	\$	1,500
Interest		4,282
		<hr/>
Total revenues		5,782
		<hr/>
Expenditures and Other Financing Uses:		
Purchased professional and technical services		11,899
Equipment		1,799,684
Construction services		(13,607)
		<hr/>
Total expenditures		1,797,976
		<hr/>
Excess (deficiency) of revenues over (under) expenditures		(1,792,193)
Other financing sources (uses):		
Transfers out - Interest		(4,282)
Transfers out - Projects Cancelled		(931,421)
Accounts Receivable Cancelled		(47,609)
Capital Lease Proceeds		4,484,000
		<hr/>
Total other financing sources (uses)		3,500,688
		<hr/>
Net change in fund balance		1,708,495
		<hr/>
Fund balance - beginning		3,610,524
		<hr/>
Fund balance - ending	\$	5,319,019
		<hr/> <hr/>
Fund Balance - budgetary basis	\$	5,319,019
Current Year Encumbrances		1,839,484
Less: ROD Grants not recognized under GAAP		(583,316)
		<hr/>
Fund Balance - GAAP basis (B-1)	\$	6,575,187
		<hr/> <hr/>
Expenditures - budgetary basis	\$	1,797,976
Add: prior year encumbrances		6,349,697
		<hr/>
		8,147,673
Less:		
Current year encumbrances		1,839,484
		<hr/>
Expenditures - GAAP basis (B-2)	\$	6,308,189
		<hr/> <hr/>

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
SAYEN ELEMENTARY SCHOOL - ROOF REPLACEMENT PROJECT
FOR THE YEAR ENDED JUNE 30, 2017

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

Additional project information:

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
HAMILTON EAST-STEINERT HIGH SCHOOL - PARTIAL ROOF REPLACEMENT
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - ROD Grant	\$ 340,149 \$	\$	340,149 \$	340,149
Transfer from capital reserve	510,223	(199,542)	310,681	510,223
Total reserve	850,372	(199,542)	650,830	850,372
Expenditures and Other Financing Uses:				
Purchased professional and technical services	41,364		41,364	
Construction services	609,466		609,466	
Total expenditures and other financing uses	650,830	0	650,830	0
Excess (deficiency) of revenues over (under) expenditures	\$ 199,542 \$	(199,542)	0 \$	850,372

Additional project information:

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
RICHARD C. CROCKETT MIDDLE SCHOOL - ROOF REPLACEMENT PROJECT
FOR THE YEAR ENDED JUNE 30, 2017

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

Additional project information:

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
ALEXANDER ELEMENTARY SCHOOL - PARTIAL ROOF REPLACEMENT PROJECT
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - ROD Grant	\$ 288,814	\$	288,814	288,814
Transfer from capital reserve	433,221	(96,769)	336,452	433,221
Total reserve	722,035	(96,769)	625,266	722,035
Expenditures and Other Financing Uses:				
Purchased professional and technical services	34,274		34,274	93,387
Construction services	590,992		590,992	628,648
Total expenditures and other financing uses	625,266		625,266	722,035
Excess (deficiency) of revenues over (under) expenditures	\$ 96,769	\$ (96,769)	\$	

Additional project information:

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
H.E.P. AT WILLEY SCHOOL - WINDOW REPLACEMENT PROJECT
FOR THE YEAR ENDED JUNE 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources - ROD Grant	\$ 52,422	\$	\$ 52,422	\$ 52,422
Transfer from capital outlay	146,229	(13,257)	132,972	146,230
Total reserve	198,651	(13,257)	185,394	198,652
Expenditures and Other Financing Uses:				
Purchased professional and technical services	14,288		14,288	14,289
Construction services	160,415		160,415	173,672
Cancellation of project	10,691		10,691	10,691
Total expenditures and other financing uses	185,394		185,394	198,652
Excess (deficiency) of revenues over (under) expenditures	\$ 13,257	\$ (13,257)		

Additional project information:

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
MORGAN ELEMENTARY SCHOOL - ROOF REPLACEMENT PROJECT
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - ROD Grant	\$ 218,236 \$	\$	218,236 \$	218,236
Transfer from capital reserve	388,223	(82,103)	306,120	388,223
Total reserve	606,459	(82,103)	524,356	606,459
Expenditures and Other Financing Uses:				
Purchased professional and technical services	42,260		42,260	42,260
Construction services	482,096		482,096	564,199
Total expenditures and other financing uses	524,356		524,356	606,459
Excess (deficiency) of revenues over (under) expenditures	\$ 82,103 \$	(82,103) \$		

Additional project information:

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
YARDVILLE HEIGHTS ELEMENTARY SCHOOL - WINDOW REPLACEMENT PROJECT
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - ROD Grant	\$ 189,374 \$	\$	189,374 \$	189,374
Transfer from capital reserve	265,626	(50,321)	215,305	265,626
Total reserve	455,000	(50,321)	404,679	455,000
Expenditures and Other Financing Uses:				
Purchased professional and technical services	30,821		30,821	30,821
Construction services	373,858		373,858	424,179
Total expenditures and other financing uses	404,679		404,679	455,000
Excess (deficiency) of revenues over (under) expenditures	\$ 50,321 \$	(50,321) \$	\$	

Additional project information:

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
GRICE MIDDLE SCHOOL - ROOF REPLACEMENT PROJECT
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - ROD Grant	\$ 585,950	\$	\$ 585,950	\$ 585,950
Transfer from prior ROD grants	650,000		650,000	650,000
Transfer from capital outlay	277,019	(120,072)	156,947	277,019
<u>Total reserve</u>	<u>1,512,969</u>	<u>(120,072)</u>	<u>1,392,897</u>	<u>1,512,969</u>
Expenditures and Other Financing Uses:				
Purchased professional and technical services	92,797		92,797	92,797
Construction services	1,300,100		1,300,100	1,420,172
<u>Total expenditures and other financing uses</u>	<u>1,392,897</u>	<u>0</u>	<u>1,392,897</u>	<u>1,512,969</u>
<u>Excess (deficiency) of revenues over (under) expenditures</u>	<u>\$ 120,072</u>	<u>\$ (120,072)</u>	<u>\$ 0</u>	<u>\$ 0</u>

Additional project information:

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
ROBINSON ELEMENTARY SCHOOL - ROOF REPLACEMENT PROJECT
FOR THE YEAR ENDED JUNE 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources - ROD Grant	\$ 235,517	\$	235,517	235,517
Transfer from capital reserve	500,000	(189,650)	310,350	500,000
Transfer from capital outlay	122,981	(122,981)		122,981
Total reserve	858,498	(312,631)	545,867	858,498
Expenditures and Other Financing Uses:				
Purchased professional and technical services	61,166		61,166	49,214
Construction services	484,701		484,701	809,284
Total expenditures and other financing uses	545,867		545,867	858,498
Excess (deficiency) of revenues over (under) expenditures	\$ 312,631	\$ (312,631)	\$	

Additional project information:

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
VARIOUS PROJECTS FUNDED BY CAPITAL RESERVE
FOR THE YEAR ENDED JUNE 30, 2017

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

Additional Project Information

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

Percentage completion
 Revised target completion date

100.00%
 2015-2016

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
UNIVERSITY HEIGHTS/H.D. MORRISON ELEMENTARY SCHOOL IMPROVEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
SDA Grant	\$ 169,887	\$	\$ 169,887	169,887
Transfer from capital reserve	254,830		254,830	254,830
Total reserve	424,717		424,717	424,717
Expenditures and Other Financing Uses:				
Purchased professional and technical services	29,024		29,024	30,024
Construction services	319,877	(1,212)	318,665	394,693
Total expenditures and other financing uses	348,901	(1,212)	347,689	424,717
Excess (deficiency) of revenues over (under) expenditures	\$ 75,816	\$ 1,212	\$ 77,028	

Additional project information:

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
GEORGE E. WILSON ELEMENTARY SCHOOL IMPROVEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
SDA Grant	169,887	\$	169,887 \$	169,887
Transfer from capital reserve	254,830		254,830	254,830
Total reserve	424,717		424,717	424,717
Expenditures and Other Financing Uses:				
Purchased professional and technical services	24,799		24,799	24,799
Construction services	290,064	(2,063)	288,001	399,918
Total expenditures and other financing uses	314,863	(2,063)	312,800	424,717
Excess (deficiency) of revenues over (under) expenditures	\$ 109,854	\$ 2,063	\$ 111,917	

Additional project information:

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

Percentage of Original Authorized Cost

Percentage completion

Original target completion date

Revised target completion date

98.00%

2014-2015

2015-2016

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
ENERGY SAVINGS IMPROVEMENT PROGRAM - LEASE PURCHASE
FOR THE YEAR ENDED JUNE 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Lease Proceeds	\$ 18,962,000	\$	18,962,000	18,962,000
Total reserve	18,962,000	0	18,962,000	18,962,000
Expenditures and Other Financing Uses:				
Purchased professional and technical services	4,474,675		4,474,675	4,480,713
Construction services	14,469,209	(10,332)	14,458,877	14,481,287
Total expenditures and other financing uses	18,943,884	(10,332)	18,933,552	18,962,000
Excess (deficiency) of revenues over (under) expenditures	\$ 18,116	\$ 10,332	\$ 28,448	0

Additional project information:

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
EDUCATIONAL EQUIPMENT - LEASE PURCHASE
FOR THE YEAR ENDED JUNE 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Expenditures and Other Financing Uses:				
Purchased professional and technical services	\$ 305,795	\$	\$ 305,795	\$ 305,795
Supplies & Materials	2,604,359		2,604,359	2,604,359
Equipment	154,804		154,804	154,804
Total expenditures and other financing uses	3,064,958	0	3,064,958	3,064,958
Other financing sources				
Capital lease proceeds	3,065,000		3,065,000	3,065,000
Other financing sources	3,065,000	0	3,065,000	3,065,000
Excess (deficiency) of revenues over (under) expenditures	\$ 42	\$ 0	\$ 42	\$ 42

Additional project information:

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
TECHNOLOGY EQUIPMENT LEASE PURCHASE
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Expenditures and Other Financing Uses:				
Purchased professional and technical services	\$ 8,936	\$	8,936	23,936
Equipment	<u>1,022,128</u>	<u>265,806</u>	<u>1,287,934</u>	<u>2,476,064</u>
Total expenditures and other financing uses	<u>1,031,064</u>	<u>265,806</u>	<u>1,296,870</u>	<u>2,500,000</u>
Other financing sources				
Capital lease proceeds	<u>2,500,000</u>		<u>2,500,000</u>	<u>2,500,000</u>
Other financing sources	<u>2,500,000</u>		<u>2,500,000</u>	<u>2,500,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,468,936</u>	<u>\$ (265,806)</u>	<u>\$ 1,203,130</u>	

Additional project information:

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
TECHNOLOGY EQUIPMENT LEASE PURCHASE - FY2017
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Expenditures and Other Financing Uses:				
Purchased professional and technical services	\$	5,244 \$	5,244 \$	5,244
Equipment		1,306,604	1,306,604	1,514,756
Total expenditures and other financing uses	0	1,311,848	1,311,848	1,520,000
Other financing sources				
Capital lease proceeds		1,520,000	1,520,000	1,520,000
Other financing sources	0	1,520,000	1,520,000	1,520,000
Excess (deficiency) of revenues over (under) expenditures	\$ 0	\$ 208,152	\$ 208,152	0

Additional project information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,520,000
Additional Authorized Cost	-0-
Revised Authorized Cost	1,520,000
Percentage of Original Authorized Cost	100.00%
Percentage completion	14.00%
Original target completion date	2017-2018
Revised target completion date	2017-2018

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
TECHNOLOGY EQUIPMENT LEASE PURCHASE - FY2017 II
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Expenditures and Other Financing Uses:				
Purchased professional and technical services	\$	6,655 \$	6,655 \$	10,000
Equipment		227,274	227,274	2,954,000
Total expenditures and other financing uses	0	233,929	233,929	2,964,000
Other financing sources				
Capital lease proceeds		2,964,000	2,964,000	2,964,000
Other financing sources	0	2,964,000	2,964,000	2,964,000
Excess (deficiency) of revenues over (under) expenditures	\$	2,730,071 \$	2,730,071 \$	0

Additional project information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	1,521,500
Additional Authorized Cost	-0-
Revised Authorized Cost	1,521,500
Percentage of Original Authorized Cost	100.00%
Percentage completion	92.00%
Original target completion date	2017-2018
Revised target completion date	2017-2018

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES - BUDGETARY BASIS
AS OF JUNE 30, 2017

ISSUE/PROJECT TITLE	ORIGINAL DATE	APPROPRIATIONS	EXPENDITURES TO DATE		(MEMO ONLY) UNEXPENDED PROJECT BALANCE
			PRIOR YEAR	CURRENT YEAR	
Various Capital Improvements	N/A	3,053,193	3,053,193		
Sayen Elementary School - Roof Replacement	N/A	474,929	389,629		85,300
Hamilton East - Steinar School - Partial Roof Replacement	N/A	650,830	650,830		
Richard C. Crockett Middle School Roof Replacement	N/A	3,257,851	2,370,117	14,304	873,430
Alexander Elementary School Roof Replacement	N/A	625,266	625,266		
University Heights/ H.D. Morrison Elementary Schools - Various Imp	N/A	424,717	335,492	12,197	77,028
George E. Wilson Elementary School - Various Improvements	N/A	424,717	302,433	10,367	111,917
ESIP Lease Purchase - Energy Savings Projects	7/17/2014	18,962,000	13,333,847	5,599,704	28,449
Educational Equipment - Lease Purchase	2/3/2015	3,065,000	2,725,629	339,329	43
Various Capital Improvements	N/A	1,456,725	1,456,725		
Technology Equipment and Infrastructure - FY2016	9/30/2015	2,500,000	671,395	625,475	1,203,130
Technology Equipment and Infrastructure - FY2016		1,521,500		1,311,848	209,652
Technology Equipment and Infrastructure - FY2016		2,964,000		233,929	2,730,071
Totals		<u>39,380,728</u>	<u>25,914,556</u>	<u>8,147,153</u>	<u>5,319,019</u>
			Fund balance - budgetary basis		5,319,019
			Less: SDA Grants Not Recognized		(583,316)
			Fund balance - GAAP basis		<u>4,735,703</u>

PROPRIETARY FUND DETAIL STATEMENTS

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

Food Services Fund: This fund provides for the operation of food services within the District.

THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS

B-4, B-5 AND B-6

FIDUCIARY FUNDS DETAIL STATEMENTS
--

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

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

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

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2017

	AGENCY FUNDS		TOTAL AGENCY FUNDS	UNEMPLOYMENT COMPENSATION TRUST	PRIVATE PURPOSE SCHOLARSHIP	JUNE 30 2017
	PAYROLL AGENCY	STUDENT ACTIVITY				
ASSETS:						
Cash and cash equivalents	\$ 246,998.00	\$ 593,922.00	\$ 840,920.00	2,373,943.00	\$ 170,834.00	\$ 3,385,697.00
Interfunds Receivable					77,953.00	77,953.00
Total assets	\$ 246,998.00	\$ 593,922.00	\$ 840,920.00	\$ 2,373,943.00	\$ 248,787.00	\$ 3,463,650.00
LIABILITIES:						
Payroll Deductions and Withholdings	171,748.00		171,748.00			171,748.00
Accounts Payable				51,435.00		51,435.00
Interfund Payable	30,435.00		30,435.00			30,435.00
Due to Employees	44,815.00		44,815.00			44,815.00
Due to Student Groups		593,922.00	593,922.00			593,922.00
Total liabilities	\$ 246,998.00	\$ 593,922.00	\$ 840,920.00	\$ 51,435.00		\$ 892,355.00
NET POSITION:						
Held in Reserve for Unemployment Claims				2,322,508.00		2,322,508.00
Reserved for Scholarships					248,787.00	248,787.00
Total net position	\$	\$	\$	\$ 2,322,508.00	\$ 248,787.00	2,571,295.00

HAMILTON TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>PRIVATE PURPOSE</u>		<u>JUNE 30,</u> <u>2017</u>
	<u>UNEMPLOYMENT</u> <u>COMPENSATION</u> <u>TRUST</u>	<u>PRIVATE PURPOSE</u> <u>SCHOLARSHIP</u>	
Contributions:			
Plan Members	\$ 359,166.00	\$	359,166.00
Interest Earned	<u>18,466.00</u>	<u>1,699.00</u>	<u>20,165.00</u>
Total Additions	<u>377,632.00</u>	<u>1,699.00</u>	<u>379,331.00</u>
DEDUCTIONS:			
Unemployment Claims	318,342.00		318,342.00
Scholarships Awarded		<u>12,600.00</u>	<u>12,600.00</u>
Total deductions	<u>318,342.00</u>	<u>12,600.00</u>	<u>330,942.00</u>
Change in net position	59,290.00	(10,901.00)	48,389.00
Net position beginning of year	<u>2,263,218.00</u>	<u>\$259,688.00</u>	<u>2,522,906.00</u>
Net position end of year	<u>\$ 2,322,508.00</u>	<u>\$ 248,787.00</u>	<u>\$2,571,295.00</u>

HAMILTON TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>BALANCE</u> <u>JUNE 30, 2016</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2017</u>
Elementary Schools				
Alexander	\$ 4,547	\$ 14,314	\$ 11,932	\$ 6,929
Greenwood	4,347	6,719	4,927	6,139
Kisthardt	3,904	4,731	4,284	4,351
Klockner	2,691	8,655	9,653	1,693
Kuser	6,229	5,017	5,814	5,432
Lalor	2,699	4,132	3,028	3,803
Langtree	5,962	10,249	9,253	6,958
McGalliard	2,194	4,251	3,824	2,621
Mercerville	7,161	12,078	13,354	5,885
Morgan	5,621	8,788	10,481	3,928
Robinson	12,378	32,319	42,258	2,439
Sayen	2,078	15,689	16,392	1,375
Sunnybrae	4,554	8,861	11,890	1,525
Yardville	3,807	4,731	4,284	4,254
Wilson	17,545	11,282	20,082	8,745
University Heights	8,341	10,818	10,121	9,038
Yardville Heights	6,206	12,377	17,220	1,363
Total Elementary Schools	<u>100,264</u>	<u>175,011</u>	<u>198,797</u>	<u>76,478</u>
Middle Schools				
Albert E. Grice	67,763	118,646	125,968	60,441
Reynolds	82,992	124,455	132,478	74,969
Crockett	56,329	127,217	122,204	61,342
Total Middle Schools	<u>207,084</u>	<u>370,318</u>	<u>380,650</u>	<u>196,752</u>
High Schools:				
Hamilton H.S. - West	81,733	183,460	195,533	69,660
Hamilton H.S. - East	139,626	268,927	266,847	141,706
Hamilton H.S. - North	109,937	271,446	274,057	107,326
Total High Schools	<u>331,296</u>	<u>723,833</u>	<u>736,437</u>	<u>318,692</u>
Alternative School:				
Hamilton Educational Program	1,266	2,155	1,421	2,000
Total Alternative School	<u>1,266</u>	<u>2,155</u>	<u>1,421</u>	<u>2,000</u>
Total All Schools	\$ <u><u>639,910</u></u>	\$ <u><u>1,271,317</u></u>	\$ <u><u>1,317,305</u></u>	\$ <u><u>593,922</u></u>

HAMILTON TOWNSHIP SCHOOL DISTRICT
PAYROLL AGENCY FUNDS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>BALANCE</u> <u>JUNE 30, 2016</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2017</u>
ASSETS:				
Cash and cash equivalents	\$ 54,777	\$ 132,972,568	\$ 132,780,347	\$ 246,998
Total assets	<u>\$ 54,777</u>	<u>\$ 132,972,568</u>	<u>\$ 132,780,347</u>	<u>\$ 246,998</u>
LIABILITIES:				
Payroll deductions and withholdings	\$ 27,165	\$ 70,539,846	\$ 70,395,263	\$ 171,748
Due to Employees	20,100	129,052	104,337	44,815
Interfund Payable	<u>7,512</u>	<u>62,303,670</u>	<u>62,280,747</u>	<u>30,435</u>
Total liabilities	<u>\$ 54,777</u>	<u>\$ 132,972,568</u>	<u>\$ 132,780,347</u>	<u>\$ 246,998</u>

LONG-TERM LIABILITIES SCHEDULES

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2017

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL PAYMENTS		RATE OF INTEREST	BALANCE JULY 1, 2016	RETIRED	BALANCE JUNE 30, 2017
			DATE	AMOUNT				
School District Refunding Bonds Series 2009	2/3/2009	\$ 6,505,000				\$ 1,270,000	\$ 1,270,000	\$
School District Refunding Bonds Series 2012	12/4/2012	28,275,000	08/15/17	2,435,000	1.50%			
			08/15/18	2,570,000	2.00%			
			08/15/19	2,715,000	2.00%			
			08/15/20	2,870,000	2.00%			
			08/15/21	2,970,000	2.00%			
			08/15/22	3,040,000	2.30%			
			08/15/23	3,115,000	2.50%			
			08/15/24	3,200,000	2.63%	25,235,000	2,320,000	22,915,000
Refunding School Bonds Series 2015	11/20/2015	9,010,000	02/15/18	1,590,000	4.00%			
			02/15/19	1,695,000	5.00%			
			02/15/20	1,725,000	5.00%			
			02/15/21	1,800,000	5.00%			
			02/15/22	1,790,000	5.00%	9,010,000	410,000	8,600,000
Total						\$ 35,515,000	\$ 4,000,000	\$ 31,515,000

HAMILTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
AS OF JUNE 30, 2017

SERIES	DATE OF ISSUE	AMOUNT OF ISSUE	INTEREST RATE	AMOUNT		ISSUED	RETIRED	AMOUNT OUTSTANDING JUNE 30, 2017
				OUTSTANDING JUNE 30, 2016				
Technology Equipment	9/6/2013	\$ 2,003,740	1.30%	\$ 806,571	\$		400,682	405,889
2015 Educational Equipment	7/17/2014	3,065,000	1.31%	1,838,178			604,743	1,233,435
2015 ESIP Lease	2/3/2015	18,962,000	2.71%	18,876,433			847,079	18,029,354
Technology and Equipment - FY2016	9/30/2015	2,500,000	1.49%	1,971,250			474,601	1,496,649
Technology and Equipment - FY2017 I	7/12/2016	1,520,000	1.29%		1,520,000		297,888	1,222,112
Technology and Equipment - FY2017 II	6/16/2017	2,964,000	1.64%		2,964,000			2,964,000
	Total			\$ 23,492,432	\$ 4,484,000		2,624,993	25,351,439

HAMILTON TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES:					
Local sources:					
Local tax levy	4,951,045		4,951,045	4,951,045	
Total revenues	4,951,045		4,951,045	4,951,045	
EXPENDITURES:					
Regular debt service:					
Interest Payments Bonds	951,045		951,045	951,045	
Redemption of Bond Principal	4,000,000		4,000,000	4,000,000	
Total regular debt service-expenditures	4,951,045		4,951,045	4,951,045	
Excess (deficiency) of revenues over (under) expenditures					
Fund balance, July 1	97,722		97,722	97,722	
Fund balance, June 30	97,722		97,722	97,722	

STATISTICAL SECTION - UNAUDITED

HAMILTON TOWNSHIP SCHOOL DISTRICT
STATISTICAL SECTION

Contents

Page

Financial Trends:

These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.

J-1 to J-4

Revenue Capacity:

These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.

J-5 to J-9

Debt Capacity:

These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.

J-10 to J-13

Demographic and Economic Information:

These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.

J-14 to J-15

Operating Information:

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.

J-16 to J-20

Sources

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

HAMILTON OF TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
UNAUDITED

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental activities										
Net investment in capital assets	\$26,309,244.32	\$22,551,139.86	\$20,196,914.00	\$1,377,077.00	\$7,339,460.00	\$34,978,504.00	\$35,384,820.00	\$34,848,436.00	\$33,573,626.00	\$32,151,606.00
Restricted	11,085,766.52	10,696,362.24	11,723,880.00	18,569,971.00	22,997,089.00	14,972,059.00	17,000,288.00	14,992,829.00	13,610,139.00	14,849,605.00
Unrestricted (deficit)	(59,384,965.00)	(48,035,273.05)	(46,956,222.00)	3,465,789.00	5,583,052.00	(24,010,970.00)	(28,197,412.00)	(31,684,747.00)	(28,445,749.00)	(30,577,092.00)
Total governmental activities net position	<u>(\$21,989,954.16)</u>	<u>(\$14,807,771.15)</u>	<u>(\$15,035,428.00)</u>	<u>\$23,412,837.00</u>	<u>\$35,919,601.00</u>	<u>\$25,939,593.00</u>	<u>\$24,187,696.00</u>	<u>\$18,156,518.00</u>	<u>\$18,738,016.00</u>	<u>\$16,424,119.00</u>
Business-type activities										
Invested in capital assets	\$351,401.00	\$300,002.23	\$258,074.00	\$213,659.00	\$212,811.00	\$135,246.00	\$31,950.00	\$29,583.00	\$37,774.00	\$56,276.00
Net of related debt	982,351.00	1,029,015.00	878,641.00	641,299.00	657,715.00	559,412.00	482,821.00	411,081.00	106,122.00	33,332.00
Unrestricted	<u>\$1,333,752.00</u>	<u>\$1,329,017.23</u>	<u>\$1,136,715.00</u>	<u>\$854,958.00</u>	<u>\$870,526.00</u>	<u>\$694,658.00</u>	<u>\$514,771.00</u>	<u>\$440,664.00</u>	<u>\$143,896.00</u>	<u>\$89,608.00</u>
Total business-type activities net position										
District-wide										
Net investment in capital assets	\$26,660,645.32	\$22,831,141.89	\$20,454,988.00	\$1,590,736.00	\$7,552,271.00	\$35,113,750.00	\$35,416,770.00	\$34,876,019.00	\$33,611,400.00	\$32,207,882.00
Restricted	11,085,766.52	10,696,362.24	11,723,880.00	18,569,971.00	22,997,089.00	14,972,059.00	17,000,288.00	14,992,829.00	13,610,139.00	14,849,605.00
Unrestricted (deficit)	(58,402,614.00)	(47,006,258.05)	(46,077,581.00)	4,107,088.00	6,240,767.00	(23,451,558.00)	(27,714,591.00)	(31,273,666.00)	(28,339,627.00)	(30,543,760.00)
Total district net position	<u>(\$20,656,202.16)</u>	<u>(\$13,478,753.92)</u>	<u>(\$13,898,713.00)</u>	<u>\$24,267,795.00</u>	<u>\$36,790,127.00</u>	<u>\$26,634,251.00</u>	<u>\$24,702,467.00</u>	<u>\$18,597,182.00</u>	<u>\$18,881,912.00</u>	<u>\$16,513,727.00</u>

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
UNAUDITED

	2017	2016 (a)	2015	2014	2013	2012	2011	2010	2009	2008
EXPENSES										
Governmental activities										
Instruction:										
Regular	103,361,987	92,709,459	58,632,133	60,854,903	58,078,633	57,542,173	56,644,936	58,734,661	57,509,025	56,688,007
Special	45,486,646	41,453,048	14,551,457	14,321,087	13,989,305	13,801,887	13,518,058	13,214,235	12,994,873	11,252,110
Other Special Instruction			2,415,155	2,267,227	2,087,632	1,997,707	2,656,243	2,666,035	2,070,034	1,737,794
Other Instruction			1,912,608	1,878,879	1,703,016	1,603,512	1,550,901	1,946,457	1,866,998	1,864,552
Adult & Continuing Education		9,480,370	515,677	546,798	472,555	418,597	380,526	395,249	182,346	116,425
Support services:										
Tuition			13,067,142	11,952,190	11,427,609	12,325,903	11,986,301	14,278,138	14,434,346	15,465,302
Student and instruction related services	39,662,020	34,635,285	20,561,119	20,294,216	19,351,069	17,570,726	17,720,805	18,665,884	18,005,643	18,200,292
School administrative services	16,062,104	13,880,742	7,207,052	6,681,153	6,825,173	6,610,894	7,476,233	7,838,009	6,605,251	6,431,418
General and business administrative services	7,509,331	6,440,639	5,066,329	5,406,001	4,558,523	3,308,212	2,667,510	2,878,525	3,539,334	2,454,945
Plant operations and maintenance	24,085,418	21,548,985	15,475,436	15,984,777	14,020,550	14,500,756	14,397,901	16,257,557	15,794,536	14,398,586
Pupil transportation	11,198,763	9,800,436	9,362,502	9,083,391	8,963,800	8,668,131	8,152,631	9,406,726	9,365,011	8,993,008
Unallocated Employee Benefits	0	4,507	68,434,896	49,815,775	50,015,952	46,651,663	41,394,402	41,377,401	36,677,917	40,790,886
Special Schools		153,449	122,412	115,947	123,795	135,387	136,290	127,472	128,880	135,006
Interest on Long-Term Debt	1,243,324	1,200,529	1,501,509	1,449,546	1,258,791	2,117,376	2,290,847	2,398,863	2,699,135	2,669,484
Unallocated Compensated Absences			(452,388)	(365,369)	(38,241)					
Amortization of Debt Issuance Costs										
Unallocated depreciation	3,521,532	3,547,882	677,208	2,536,407	2,602,431	1,069,061	1,050,649	1,180,987	1,236,364	1,209,475
Total governmental activities expenses	263,006,063	234,855,342	219,050,247	202,842,698	195,866,610	188,327,985	182,024,233	191,366,209	183,069,793	182,405,290
Business-type activities:										
Food Service	3,236,226	3,057,843	3,180,243	3,200,594	3,178,209	3,082,251	2,995,544	3,299,836	3,500,514	3,349,290
Total business-type activities expense	3,236,226	3,057,843	3,180,243	3,200,594	3,178,209	3,082,251	2,995,544	3,299,836	3,500,514	3,349,290
Total district expenses	266,242,319	237,913,185	222,230,490	206,043,492	198,864,819	191,404,236	185,019,777	194,666,045	186,570,307	185,754,580
PROGRAM REVENUES										
Governmental activities:										
Grants and contributions	68,389,102	52,512,774	42,526,203	7,821,185	8,157,538	13,191,193	10,949,173	10,771,333	10,347,742	16,328,458
Interest on Long-Term Debt			226,332	225,604	225,571	226,043	225,635	419,657	444,560	442,785
Total governmental activities program revenues	68,389,102	52,512,774	42,752,535	8,046,789	8,383,109	13,417,236	11,175,008	11,190,990	10,792,302	16,771,243

HAMILTON TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
UNAUDITED

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
PROGRAM REVENUES										
Business-type activities:										
Charges for services										
Food Service	\$664,848.00	\$901,625.00	\$966,675.00	\$1,010,070.00	\$1,097,279.00	\$1,316,446.00	\$1,280,184.00	\$1,431,676.00	\$1,622,650.00	\$1,552,572.00
Operating grants and contributions	2,370,372.00	2,339,220.00	2,495,325.00	2,174,956.00	2,256,798.00	1,944,034.00	1,788,587.00	1,805,361.00	1,571,294.00	1,413,593.00
Total business-type activities program revenues	3,235,220.00	3,240,845.00	3,462,000.00	3,185,026.00	3,354,077.00	3,260,480.00	3,068,771.00	3,237,037.00	3,193,944.00	2,966,165.00
Total district program revenues	\$71,624,322.17	\$55,753,618.96	\$46,214,535.00	\$11,231,815.00	\$11,737,186.00	\$16,677,716.00	\$14,245,779.00	\$14,428,027.00	\$13,986,246.00	\$19,737,408.00
NET (EXPENSE)/REVENUE										
Governmental activities										
Business-type activities	(\$194,617,986.85)	(\$182,342,567.65)	(\$176,297,712.00)	(\$194,796,109.00)	(\$187,303,501.00)	(\$174,904,225.00)	(\$170,849,225.00)	(\$180,175,219.00)	(\$172,277,491.00)	(\$165,634,047.00)
Total district-wide net expense		\$183,002.00	\$281,757.00	(\$15,568.00)	\$175,868.00	\$178,229.00	\$73,227.00	\$62,799.00	(\$96,570.00)	(\$83,125.00)
GENERAL REVENUES AND OTHER CHANGES										
IN NET POSITION										
Governmental activities:										
Property taxes levied for general purposes, net	\$106,214,572.00	\$102,609,694.00	\$100,597,740.00	\$98,625,236.00	\$96,839,447.00	\$94,940,634.00	\$94,940,634.00	\$92,579,869.00	\$92,579,869.00	\$92,579,869.00
Taxes levied for debt service	4,951,045.00	4,933,368.00	3,807,850.00	1,960,445.00	3,764,868.00	537,200.00	1,840,961.00	3,795,070.00	3,553,676.00	4,360,177.00
Unrestricted Grants and Contributions	74,372,884.02	74,016,975.00	77,264,566.00	89,645,931.00	91,000,537.00	74,407,106.00	69,307,966.00	72,723,010.00	69,200,236.00	58,464,876.00
Restricted Grants and Contributions	119,253.00	209,103.00	209,103.00	1,070,199.00	1,070,199.00	5,535,459.00	9,538,769.00	9,660,142.00	7,983,778.00	10,279,585.00
Tuition Received	1,647,103.54	2,451,537.00		28,791.00		395,856.00	387,158.00	391,121.00	71,806.00	53,398.00
Investment Earnings			1,710,596.00	1,675,500.00	3,742,424.00	1,146,364.00	1,128,346.00	1,057,530.00	844,818.00	1,528,948.00
Miscellaneous Income	(11,488.00)									
Special Item(s):										
Refund of Overpayment ERI Liability										
Retirement ERI Liability										
Transfer - Charter School/Disposal of Assets			6,659,956.00	(9,076,754.00)	(365,295.00)	(265,474.00)	(5,924.00)	(253,650.00)	(191,195.00)	(119,455.00)
Transfers - Business - Type Activities						(39,497.00)	(58,803.00)	(359,371.00)	(360,585.00)	(350,000.00)
Total governmental activities	187,293,369.56	184,220,677.00	190,040,708.00	182,830,358.00	196,080,971.00	176,656,648.00	176,880,405.00	179,593,721.00	174,597,386.00	167,867,314.00
Business-type activities:										
Investment Earnings	5,741.00	8,248.00				1,249.00	1,290.00	195.00	274.00	267.00
Miscellaneous Income										43,176.00
Transfers										350,000.00
Total business-type activities	5,741.00	8,248.00				1,249.00	1,290.00	359,371.00	360,859.00	350,000.00
Total district-wide	\$187,299,110.56	\$184,228,925.00	\$190,040,708.00	\$182,830,358.00	\$196,080,971.00	\$176,657,897.00	\$176,881,695.00	\$179,953,287.00	\$174,952,245.00	\$168,260,757.00
CHANGE IN NET POSITION										
Governmental activities	(\$7,323,621.29)	\$1,878,109.35	\$13,742,996.00	(\$11,965,751.00)	\$8,777,470.00	\$1,751,899.00	\$6,031,180.00	(\$881,498.00)	\$2,313,895.00	\$2,233,267.00
Business-type activities	4,735.00	191,250.00	281,757.00	(15,568.00)	175,868.00	179,478.00	74,517.00	296,767.00	54,269.00	10,318.00
Total district	(\$7,318,886.29)	\$2,069,359.35	\$14,024,753.00	(\$11,981,319.00)	\$8,953,338.00	\$1,931,377.00	\$6,105,697.00	(\$284,731.00)	\$2,368,164.00	\$2,243,585.00

Source: CAFR Schedule A-2

HAMILTON TOWNSHIP SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
 UNAUDITED

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Fund										
Nonspendable	\$260,752.77	\$264,171.00	\$348,053.00	\$391,296.00	\$383,920.00	\$424,961.00	\$475,122.00	\$10,712,690.00	\$9,448,647.00	\$10,517,383.00
Restricted	8,634,302.92	9,891,211.00	11,765,420.00	13,098,902.00	19,902,682.00	14,018,292.00	\$10,923,504.00	532,731.00	4,203,946.00	1,991,395.00
Assigned	6,000,000.00	10,202,470.00	5,151,055.00	4,496,311.00	5,084,417.00	534,457.00	\$1,236,737.00	\$11,245,421.00	\$13,652,693.00	\$12,508,778.00
Unassigned			3,057,395.00	621,815.00		2,643,586.00	\$4,018,710.00			
Reserved										
Unreserved	\$14,895,055.69	\$20,357,852.00	\$20,321,923.00	\$18,608,324.00	\$25,371,019.00	\$17,621,296.00	\$16,654,073.00	\$11,245,421.00	\$13,652,693.00	\$12,508,778.00
Total general fund										
All Other Governmental Funds										
Restricted	\$4,833,424.66	\$3,115,696.00				2,638,621.00	\$3,245,967.00			
Committed	1,839,483.97	6,349,697.00		5,278,189.00	933,778.00	2,845,991.00	\$610,403.00			
Assigned			13,408.00	679,635.24	2,221,018.00	14,941.00	\$7,562.00			
Reserved - Debt Service Fund				220,805.00		(816,325.00)		\$3,222,575.00	\$3,859,823.00	\$4,095,687.00
Unreserved, reported in:										
Special revenue fund (deficit)										(128,671.00)
Capital projects fund								407,564.00	1,668.00	261,112.00
Debt service fund								650,000.00	300,000.00	845,024.00
Total all other governmental funds	\$6,672,908.63	\$9,465,393.00	\$19,464,985.00	\$6,178,629.24	\$3,154,796.00	\$4,683,228.00	\$3,863,932.00	\$4,280,139.00	\$4,161,491.00	\$5,073,152.00

Source: CAFR Schedule B-1

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues										
Tax levy	\$111,165,617.00	\$107,543,062.00	\$104,405,590.00	\$100,585,681.00	\$100,585,661.00	\$95,477,834.00	\$96,781,595.00	\$96,374,939.00	\$96,133,545.00	\$96,940,046.00
Tuition charges	92,201.00	84,020.00	148,365.00	81,018.00	81,018.00				71,806.00	53,398.00
Interest earnings on cap. and maint. reserve	61,186.00	41,537.00	23,474.00			395,856.00	387,158.00	391,121.00	908,983.00	1,528,948.00
Transportation Fees										
Miscellaneous	1,630,297.41	2,355,480.00	1,822,007.00	1,680,874.00	1,680,874.00	1,145,364.00	1,129,348.00	1,057,530.00	844,818.00	1,069,916.00
State sources	98,666,801.91	95,229,398.00	95,304,382.00	90,889,352.00	90,889,352.00	86,344,375.00	81,703,061.00	74,648,655.00	81,870,588.00	79,927,562.00
Federal sources	6,046,490.42	6,359,294.00	6,046,849.00	6,797,994.00	6,797,994.00	7,015,426.00	8,318,682.00	18,925,487.00	6,105,729.00	6,054,141.00
Total revenue	<u>217,862,593.74</u>	<u>211,612,791.00</u>	<u>207,750,867.00</u>	<u>200,034,919.00</u>	<u>200,034,919.00</u>	<u>190,378,855.00</u>	<u>188,319,844.00</u>	<u>191,397,732.00</u>	<u>185,935,469.00</u>	<u>185,574,011.00</u>
Expenditures										
Instruction										
Regular Instruction	54,178,779.84	53,707,869.96	59,282,133.00	60,854,903.00	58,078,633.00	55,730,240.00	55,069,044.00	57,013,683.00	55,727,630.00	54,745,182.00
Special education instruction	22,253,094.71	21,939,443.42	14,551,457.00	14,321,087.00	13,989,305.00	13,857,310.00	13,424,959.00	13,214,235.00	12,949,948.00	11,318,875.00
Other Special Instruction	3,085,035.06	3,023,155.74	2,415,155.00	2,267,227.00	2,087,632.00	1,997,707.00	2,656,243.00	2,666,035.00	2,070,034.00	1,737,794.00
Other instruction	2,202,540.92	1,945,144.56	1,912,608.00	1,878,879.00	1,703,016.00	1,603,512.00	1,550,901.00	1,946,457.00	1,866,998.00	1,864,552.00
Adult/Continuing Education	380,975.01	509,308.57	515,677.00	546,798.00	472,555.00	418,597.00	380,526.00	395,249.00	182,346.00	116,425.00
Support Services:										
Tuition	10,989,289.87	10,399,527.45	13,067,142.00	11,952,190.00	11,427,609.00	12,325,903.00	11,986,301.00	14,278,138.00	14,434,346.00	15,465,302.00
Student and instruction related services	21,877,839.64	20,987,167.26	20,561,119.00	20,294,216.00	19,351,059.00	17,570,726.00	17,720,805.00	18,665,884.00	18,005,643.00	18,200,292.00
General administrative services	2,336,423.97	2,307,286.59	5,066,329.00	5,406,001.00	4,466,825.00	3,204,399.00	2,447,729.00	2,472,249.00	3,368,313.00	2,215,974.00
School administrative services	7,639,288.82	7,399,526.34	7,207,052.00	6,681,153.00	6,825,173.00	6,610,894.00	7,476,233.00	7,838,009.00	6,605,251.00	6,431,418.00
Central Services/Adm Technology	3,328,583.74	3,161,484.94								
Plant operations and maintenance	16,170,335.05	16,722,481.64	15,517,465.00	15,073,490.00	14,020,550.00	14,288,583.00	14,397,901.00	16,257,557.00	15,794,536.00	14,396,586.00
Pupil transportation	10,820,189.77	9,670,548.56	9,362,502.00	9,093,391.00	8,963,800.00	8,688,131.00	8,152,631.00	9,406,726.00	9,365,011.00	8,993,008.00
Unallocated benefits	60,277,656.60	51,640,114.29	50,080,151.00	48,792,088.00	50,028,943.00	46,561,482.00	42,431,071.00	39,998,011.00	36,564,207.00	40,843,900.00
Special schools		106,893.74	122,412.00	115,947.00	123,795.00	135,387.00	136,290.00	127,472.00	128,980.00	135,006.00
Capital Outlay	9,763,187.59	15,286,159.76	9,272,756.00	2,269,305.00	3,498,503.00	816,823.00	571,925.00	3,456,438.00	2,870,555.00	1,773,824.00
Cost of issuance		102,378.00								
Debt service:										
Principal	4,000,000.00	3,950,000.00	3,150,000.00	3,005,000.00	2,910,000.00	2,315,000.00	2,345,000.00	2,095,000.00	1,980,000.00	2,935,000.00
Interest and other charges	951,045.00	899,054.00	1,091,579.00	1,194,654.00	1,522,228.00	2,222,166.00	2,321,333.00	2,419,726.00	2,612,964.00	2,708,096.00
Total expenditures	<u>230,354,265.59</u>	<u>223,757,544.82</u>	<u>213,175,537.00</u>	<u>203,746,329.00</u>	<u>199,469,626.00</u>	<u>188,326,860.00</u>	<u>183,068,892.00</u>	<u>192,250,869.00</u>	<u>184,526,762.00</u>	<u>183,981,234.00</u>
Excess (Deficiency) of revenues over (under) expenditures	(12,691,671.85)	(12,144,753.82)	(5,424,870.00)	(3,711,410.00)	565,293.00	2,051,995.00	5,250,952.00	(853,137.00)	1,408,707.00	1,592,777.00
Other Financing sources (uses)										
Capital leases (non-budgeted)	4,484,000.00	2,500,000.00	22,027,000.00						6,743,457.00	
Proceeds from Refunding		10,220,778.05						(747.00)	(6,969,681.00)	
Payment to escrow Agent		(10,118,400.00)								
Accounts Receivable Cancelled	(47,609.00)									
Transfers In			(922,540.00)	(707,087.00)	(340,995.00)	4,703,849.00	1,949,538.00	2,316,681.00		12,873.00
Transfers Out	4,436,391.00	2,602,376.05	21,104,460.00	(707,087.00)	(340,995.00)	(4,969,323.00)	(2,208,045.00)	(3,751,322.00)	(675,728.00)	(494,823.00)
Total other financing sources (uses)	<u>4,436,391.00</u>	<u>2,602,376.05</u>	<u>21,104,460.00</u>	<u>(707,087.00)</u>	<u>(340,995.00)</u>	<u>(265,474.00)</u>	<u>(258,507.00)</u>	<u>(1,435,388.00)</u>	<u>(901,952.00)</u>	<u>(481,956.00)</u>
Net change in fund balances	<u>(\$8,255,280.85)</u>	<u>(\$9,542,375.77)</u>	<u>\$15,679,590.00</u>	<u>(\$4,418,497.00)</u>	<u>\$224,298.00</u>	<u>\$1,786,521.00</u>	<u>\$4,992,445.00</u>	<u>(\$2,288,525.00)</u>	<u>\$506,755.00</u>	<u>\$1,110,821.00</u>
Debt service as a percentage of noncapital expenditures	2.24%	2.33%	2.06%	2.08%	2.26%	2.42%	2.56%	2.39%	2.53%	3.10%

Source: CAFR Schedule B-2

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Interest on Investments & Deposits \$	206,586.00	\$ 237,018.00	\$ 262,404.00	\$ 302,161.00	\$ 230,428.00	\$ 395,856.00	\$ 387,158.00	\$ 391,121.00	\$ 853,762.00	\$ 1,528,948.00
Athletic Receipts	48,079.00	45,468.00	46,388.00	44,636.00	39,506.00	38,261.00	36,053.00	33,077.00	32,951.00	35,818.00
Facility Rental Fees	193,320.00	193,458.00	158,803.00	172,720.00	208,862.00	58,893.00	64,528.00	56,691.00	45,976.00	54,181.00
Transportation Fees	58,436.00	792.00	24,074.00	53,977.00	43,388.00	103,406.00	30,125.00	47,785.00	29,116.00	87,938.00
Other Miscellaneous Revenues	334,705.00	588,855.00	271,727.00	353,323.00	2,387,000.00	447,634.00	419,261.00	286,179.00	219,021.00	324,284.00
Refund of Prior Year Expenditures	238,401.00	820,425.00	384,655.00	604,659.00	392,795.00	64,275.00	10,762.00	114,716.00	103,545.00	136,849.00
Tuition - Individuals & State	74,546.00	145,544.00	148,365.00				71,999.00	68,768.00		
Payments in Lieu of Taxes	381,470.00	320,000.00	320,000.00	40,532.00	320,000.00	320,000.00	320,000.00	320,000.00	318,000.00	212,800.00
Community Education			57,657.00		52,027.00	61,329.00	60,643.00	42,991.00	51,860.00	64,167.00
Travel Program						5,915.00	4,750.00	11,380.00	15,087.00	21,952.00
	<u>1,535,543.00</u>	<u>2,351,560.00</u>	<u>1,674,073.00</u>	<u>1,572,008.00</u>	<u>3,673,996.00</u>	<u>1,495,569.00</u>	<u>1,405,279.00</u>	<u>1,372,708.00</u>	<u>1,669,318.00</u>	<u>2,466,937.00</u>

Source: District Records

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

Fiscal Year Ended June 30	Vacant Land	Residential	Farm Req.	OFARM	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (a)	Net Valuation Taxable	Tax Exempt Property	Est. Actual (County Equalized Value)	Total Direct School Tax Rate (b)	Ratio to True Value
2016	\$73,380,600	\$6,210,309,460	\$18,225,800	\$1,625,700	\$1,608,628,730	\$162,490,300	\$52,100,700	\$8,426,761,310 (c)	\$27,704,237	\$8,454,465,547	\$639,470,200	\$8,653,638,044	1.291	97.70%
2015	50,937,959	3,874,408,400	13,271,850	1,543,765	935,126,700	93,188,700	181,058,100	5,149,535,474	16,005,511	5,165,540,985	477,993,411	8,499,589,488	2.052	59.28%
2014	48,863,059	3,866,022,600	13,307,150	1,710,726	955,339,980	98,057,000	167,141,200	5,149,941,715	16,360,925	5,166,302,640	477,640,881	8,476,394,360	1.980	60.95%
2013	48,771,459	3,859,025,150	13,327,250	1,999,226	958,686,350	98,337,900	159,106,700	5,139,254,035	18,516,361	5,157,770,396	475,285,481	8,312,838,274	1.950	62.05%
2012	50,915,209	3,856,632,500	14,226,550	1,772,042	960,241,400	99,139,400	156,687,750	5,139,614,851	18,695,945	5,158,310,796	480,244,473	9,160,155,030	1.860	56.31%
2011	52,441,009	3,856,470,550	14,348,350	1,745,202	972,705,800	91,370,800	150,129,200	5,139,210,911	17,779,026	5,156,989,937	481,345,473	9,825,524,148	1.860	52.49%
2010	53,010,909	3,849,953,450	13,765,450	1,762,711	996,733,500	94,652,000	152,721,100	5,162,599,120	18,661,711	5,181,260,831	487,099,013	10,455,312,066	1.860	49.56%
2009	67,175,459	3,848,536,560	14,173,550	3,013,176	981,648,650	96,414,400	156,514,000	5,167,475,795	15,953,486	5,183,429,281	487,394,013	10,444,604,711	1.860	49.63%
2008	75,850,509	3,839,193,850	13,756,500	1,909,085	986,874,800	96,760,100	155,647,200	5,170,192,044	15,208,497	5,185,400,541	484,085,501	10,114,275,612	1.860	51.27%
2007	67,692,359	3,816,408,000	13,718,250	2,171,145	958,645,904	98,156,400	155,900,800	5,112,692,858	15,731,428	5,128,624,286	479,988,665	9,361,748,161	1.860	54.78%

Source: District records. Tax list summary & Municipal Tax Assessor
 Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.
 Reassessment occurs when ordered by the County Board of Taxation
 (a): Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies
 (b): Tax rates are per \$100

HAMILTON TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
UNAUDITED

Fiscal Year Ended June 30,	Township of Hamilton Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Local School	General Obligation Debt Service (b)	Total Direct	Township of Hamilton	Mercer County	
2017	\$1.261	\$0.059	\$1.320	\$0.802	\$0.630	\$2.752
2016*	1.232	0.059	1.291	0.794	0.619	2.704
2015	2.052	0.000	2.052	1.322	0.975	4.349
2014	1.984	0.000	1.984	1.318	0.979	4.281
2013	1.950	0.000	1.950	1.200	0.960	4.110
2012	1.860	0.000	1.860	1.200	0.940	4.000
2011	1.860	0.000	1.860	1.180	0.920	3.960
2010	1.860	0.000	1.860	1.170	0.980	4.010
2009*	1.860	0.000	1.860	1.170	0.970	4.000
2008	1.860	0.000	1.860	1.190	0.910	3.960

* - Revaluation

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

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

(a) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the net valuation taxable

(b) Rates for debt service are based on each year's requirements.

HAMILTON TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS - CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

<u>Taxpayer</u>	2017			2007		
	<u>Taxable Assessed Value</u>	<u>Rank [Optional]</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank [Optional]</u>	<u>% of Total District Net Assessed Value</u>
JDN	\$90,929,950.00	1	1.070%	N/A		
PSEG	61,050,700.00	2	0.730%	N/A		
QB Partners	44,002,000.00	3	0.470%	N/A		
RAR2 - 401 Cabot Dr LLC	39,100,000.00	4	0.460%	N/A		
Horizon Bus. Park	33,742,900.00	5	0.400%	N/A		
Bell Atlantic	33,054,196.00	6	0.390%	N/A		
Levin Properties	31,589,500.00	7	0.380%	N/A		
Reckson - Matrix	28,800,600.00	8	0.350%	N/A		
Hamilton Station Apartments	24,588,900.00	9	0.300%	N/A		
Kusar Village	23,369,000.00	10	0.270%	N/A		
Total	\$410,227,746.00		4.820%	\$0.00		0.000%

Source: Municipal Tax Assessor

HAMILTON TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
UNAUDITED

<u>Fiscal Year</u> <u>Ended</u> <u>June 30,</u>	<u>Taxes Levied</u> <u>for the</u> <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (a)</u>		<u>Collections in</u> <u>Subsequent Years</u>
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	
2017	\$111,165,617.00	\$111,165,617.00	100.00%	0.00
2016	107,543,062.00	107,543,062.00	100.00%	0.00
2015	104,405,590.00	104,405,590.00	100.00%	0.00
2014	100,585,681.00	100,585,681.00	100.00%	0.00
2013	100,604,315.00	100,604,315.00	100.00%	0.00
2012	96,578,267.00	96,578,267.00	100.00%	0.00
2011	96,578,267.00	96,578,267.00	100.00%	0.00
2010	96,254,242.00	96,254,242.00	100.00%	0.00
2009	96,536,796.00	96,536,796.00	100.00%	0.00
2008	96,671,335.00	96,671,335.00	100.00%	0.00

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

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
UNAUDITED

Fiscal Year Ended <u>June 30,</u>	<u>Governmental Activities</u>		Total <u>District</u>	Percentage of Personal <u>Income (a)</u>	<u>Per Capita (a)</u>
	General Obligation <u>Bonds (b)</u>	Capital <u>Leases</u>			
2017	\$31,515,000	\$25,351,439	\$56,866,439	N/A	N/A
2016	35,515,000	23,492,432	59,007,432	N/A	667.50
2015	40,375,000	21,377,000	61,752,000	1.097%	693.61
2014	42,705,000	820,000	43,525,000	0.818%	489.49
2013	17,285,000	850,000	18,135,000	0.359%	204.24
2012	44,300,000	1,950,000	46,250,000	0.966%	526.20
2011	45,885,000	3,090,000	48,975,000	1.053%	552.95
2010	47,525,000	3,795,000	51,320,000	1.112%	566.41
2009	48,940,000	4,475,000	53,415,000	1.100%	591.67
2008	50,225,000	5,140,000	55,365,000	1.173%	616.52

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.

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

N/A - Not available

HAMILTON TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET BONDED DEBT OUTSTANDING
UNAUDITED

Fiscal Year Ended <u>June 30,</u>	<u>General Bonded Debt Outstanding</u>		Net General Bonded Debt <u>Outstanding</u>	Percentage of Actual Taxable Value (a) of <u>Property</u>	<u>Per Capita (b)</u>
	<u>General Obligation Bonds</u>	<u>Deductions</u>			
2017	\$31,515,000	N/A	\$31,515,000	N/A	N/A
2016	35,515,000	N/A	35,515,000	0.420%	(c) 402
2015	40,375,000	N/A	40,375,000	0.780%	453
2014	42,705,000	N/A	42,705,000	0.830%	480
2013	17,285,000	N/A	17,285,000	0.340%	195
2012	44,300,000	N/A	44,300,000	0.340%	500
2011	45,885,000	N/A	45,885,000	0.890%	518
2010	47,525,000	N/A	47,525,000	0.920%	525
2009	48,940,000	N/A	48,940,000	0.940%	542
2008	50,225,000	N/A	50,225,000	0.970%	559

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

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

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

(c) Revaluation

HAMILTON TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2016
UNAUDITED

<u>Governmental Unit</u>	<u>Gross Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping Debts:			
Township of Hamilton	\$183,622,226.00	100.00%	\$183,622,226.00
County of Mercer - Township's Share	498,562,272.00	19.64%	97,917,630.22
Subtotal, overlapping debt			<u>281,539,856.22</u>
Hamilton School District Direct Debt			<u>31,925,000.00</u>
Total direct and overlapping debt			<u><u>\$313,464,856.22</u></u>

Source: Township of Hamilton, Statement of Indebtedness as of December 31, 2016
Debt outstanding data provided by each governmental unit.

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
 LEGAL DEBT MARGIN INFORMATION
 UNAUDITED

Legal Debt Margin Calculation for Fiscal 2016:

Equalized Valuation Basis

Calendar Year									
2016	\$8,626,133,807.00								
2015	8,483,583,977.00								
2014	8,661,186,874.00								
	<u>\$25,770,904,658.00</u>								
Average Equalized Valuation of Taxable Property	\$8,590,301,552.67								
Debt Limit (4% of average equalization value)	343,612,062.11								
Net Bonded School Debt	31,925,000.00								
Legal Debt Margin	<u>\$311,687,062.11</u>								

	Fiscal Year Ending June 30,								
	2017	2016	2015	2014	2013	2012	2011	2010	2009
Debt Limit	\$343,612,062.11	\$228,596,944.68	\$367,159,906.00	\$367,159,906.00	\$382,174,527.00	\$390,604,518.00	\$407,827,504.00	\$409,613,519.00	\$393,267,759.00
Total Net Debt Applicable To Limit	31,925,000.00	37,255,000.00	40,375,000.00	42,705,000.00	44,925,000.00	44,300,000.00	45,855,000.00	47,525,000.00	48,940,000.00
Legal Debt Margin	<u>\$311,687,062.11</u>	<u>\$191,341,944.68</u>	<u>\$326,784,906.00</u>	<u>\$324,454,906.00</u>	<u>\$337,249,527.00</u>	<u>\$346,304,518.00</u>	<u>\$361,972,504.00</u>	<u>\$362,088,519.00</u>	<u>\$344,327,759.00</u>
Total Net Debt Applicable to the Limit as a % of Debt Limit	9.29%	16.30%	11.00%	11.63%	11.76%	11.34%	11.24%	11.60%	12.44%

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
UNAUDITED

<u>Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income (c)</u>	<u>Unemployment Rate (d)</u>
2016	\$88,400	N/A	N/A	4.10%
2015	89,030	\$5,630,880,410	\$63,247	4.70%
2014	88,919	5,324,025,125	59,875	6.60%
2013	88,794	5,052,911,364	56,906	8.00%
2012	88,673	4,827,801,485	54,445	7.98%
2011	88,570	4,649,570,720	52,496	7.90%
2010	90,605	4,613,244,180	50,916	7.60%
2009	90,279	4,856,829,642	53,798	2.40%
2008	89,803	4,721,482,528	52,576	1.90%

Source:

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
 PRINCIPAL EMPLOYERS - CURRENT YEAR AND NINE YEARS AGO
 UNAUDITED

<u>Employer</u>	2017			2008		
	<u># of Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>	<u># of Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>
	0	N/A N/A	0.00%	0	N/A N/A	0.00%

Source: Township of Hamilton Economic Development Office

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

Function/Program	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Instruction:										
Regular	735	784	794	803	763	771	750	805	803	802
Special education	187	226	182	181	171	177	169	173	169	174
Other Special Education	74	74	74	63	75	74	73	78	76	74
Support Services:										
Student and instruction related services	94	89	89	90	85	86	81	94	87	89
General administrative services	3	3	3	3	3	3	3	3	3	3
School administrative services	109	92	118	99	41	43	41	42	42	42
Other administrative services	49	62	50	60	13	14	13	16	17	15
Central services	23	23	24	24	6	6	6	7	7	7
Administration information technology	17	20	18	18	125	134	129	132	134	130
Plant operations and maintenance	157	166	166	168	177	170	157	176	182	178
Pupil transportation	10	10	10	11	7	7	8	9	9	9
Other support services	206	173	237	245	273	276	271	272	279	272
Food Service	1	1	1	1		2	7	30	36	36
Total	1,665	1,723	1,766	1,766	1,739	1,763	1,708	1,837	1,844	1,831

Source: District Personnel Records

HAMILTON TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
 UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	% Change	Teaching Staff (b)	Teacher/Pupil Ratio			Average Daily Enrollment (c)	Average Daily Attendance (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2017	11,599	\$215,640,033.00	\$18,591.84	6.62%	960	1:12	1:12	1:12	11,599	10,925	-0.64%	94.19%
2016	11,671	\$203,519,953.06	17,438.09	6.05%	975	1:12	1:12	1:12	11,673	11,025	-1.97%	94.45%
2015	12,142	\$199,661,202.00	16,443.85	2.98%	976	1:12	1:12	1:12	11,908	11,278	-1.32%	94.71%
2014	12,354	\$197,277,370.00	15,968.70	3.83%	984	1:12	1:12	1:13	12,067	11,500	-0.15%	95.30%
2013	12,454	\$191,538,895.00	15,379.71	6.63%	934	1:13	1:12	1:13	12,085	11,399	-1.96%	94.32%
2012	12,686	\$182,972,871.00	14,423.21	4.67%	948	1:13	1:12	1:13	12,327	11,663	-1.55%	94.61%
2011	12,905	\$177,830,634.00	13,779.98	-2.28%	1,018	1:13	1:12	1:14	12,522	11,784	-1.49%	94.11%
2010	13,068	\$184,279,705.00	14,101.60	5.11%	978	1:13	1:13	1:13	12,712	11,956	-1.11%	94.06%
2009	13,198	\$177,063,243.00	13,415.91	2.01%	1,197	1:13	1:13	1:14	12,854	12,076	-0.45%	93.95%
2008	13,425	\$176,564,314.00	13,151.90	4.86%	1,229	1:13	1:13	1:15	12,912	12,181	-1.52%	94.34%

Sources: District records

Note: Enrollment based on annual October district count.

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

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

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

N/A - Not Available

HAMILTON TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
UNAUDITED

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	x
District Buildings											
Elementary School(s):											
Alexander (1962)	31,997	31,997	31,997	31,997	31,997	31,997	31,997	31,977	31,977	31,977	31,977
Square Feet	245	245	245	245	245	245	245	245	245	245	245
Capacity (students)	390	392	400	370	365	351	318	313	318	318	317
Enrollment											
Greenwood (1917)	28,398	28,398	28,398	28,398	28,398	28,398	28,398	28,398	26,948	26,948	26,948
Square Feet	220	220	220	220	220	220	220	220	240	240	227
Capacity (students)	238	231	231	232	248	250	258	269	258	258	233
Enrollment											
Kisthardt (1951)	25,242	25,242	25,242	25,242	25,242	25,242	25,242	25,242	25,242	25,242	25,242
Square Feet	189	189	189	189	189	189	189	189	189	189	189
Capacity (students)	273	236	240	235	253	233	233	222	252	252	245
Enrollment									223	223	213
Klockner (1908)	44,354	44,354	44,354	44,354	44,354	44,354	44,354	44,354	44,354	44,354	44,354
Square Feet	256	256	256	256	256	256	256	256	251	251	254
Capacity (students)	265	269	239	247	246	235	248	267	248	248	260
Enrollment											
Kuser (1908)	51,813	51,813	51,813	51,813	51,813	51,813	51,813	51,813	51,813	51,813	51,813
Square Feet	367	367	367	367	367	367	367	367	351	351	404
Capacity (students)	342	349	345	366	336	347	381	433	433	433	402
Enrollment											
Labor (1926)	36,408	36,408	36,408	36,408	36,408	36,408	36,408	36,408	36,408	36,408	36,408
Square Feet	217	217	217	217	217	217	217	217	262	262	242
Capacity (students)	264	258	246	274	266	270	282	276	282	282	242
Enrollment											
Langtree (1966)	39,516	39,516	39,516	39,516	39,516	39,516	39,516	39,516	39,516	39,516	39,516
Square Feet	293	293	293	293	293	293	293	293	360	360	392
Capacity (students)	383	390	398	374	346	328	388	311	388	388	371
Enrollment											
McGalliard (1952)	29,444	29,444	29,444	29,444	29,444	29,444	29,444	29,444	29,444	29,444	29,444
Square Feet	226	226	226	226	226	226	226	226	262	262	277
Capacity (students)	296	289	286	289	275	285	277	267	277	277	270
Enrollment											
Mercerville (1911)	45,098	45,098	45,098	45,098	45,098	45,098	45,098	45,098	45,098	45,098	45,098
Square Feet	329	329	329	329	329	329	329	329	384	384	385
Capacity (students)	395	393	396	384	369	361	389	371	389	389	312
Enrollment											
Morgan (1957)	34,434	34,434	34,434	34,434	34,434	34,434	34,434	34,434	34,434	34,434	34,434
Square Feet	352	352	352	352	352	352	352	352	390	390	386
Capacity (students)	396	406	414	380	373	356	356	345	356	356	311
Enrollment											

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
UNAUDITED

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	* <u>2015</u>	* <u>2016</u>	* <u>2017</u>	x
Robinson (1962)											
Square Feet	40,073	40,073	40,073	40,073	40,073	40,073	40,073	40,073	40,073	40,073	40,073
Capacity (students)	309	309	309	309	309	309	309	382	382	381	381
Enrollment	432	430	430	408	387	373	365	351	365	373	373
Sayen (1955)											
Square Feet	27,750	27,750	27,750	27,750	27,750	27,750	27,750	27,750	27,750	27,750	27,750
Capacity (students)	208	208	208	208	208	208	208	270	270	250	250
Enrollment	289	292	295	301	301	296	281	269	281	273	273
Sunnybrae (1966)											
Square Feet	31,778	31,778	31,778	31,778	31,778	31,778	31,778	31,778	31,778	31,778	31,778
Capacity (students)	244	244	244	244	244	244	244	371	371	353	353
Enrollment	344	353	365	335	362	352	342	315	342	316	316
University Hgts. (1977)											
Square Feet	39,333	39,333	39,333	39,333	39,333	39,333	39,333	39,333	39,333	39,333	39,333
Capacity (students)	299	299	299	299	299	299	299	361	361	347	347
Enrollment	398	401	374	356	333	345	317	297	317	312	312
Wilson (1977)											
Square Feet	39,333	39,333	39,333	39,333	39,333	39,333	39,333	39,333	39,333	39,333	39,333
Capacity (students)	307	307	307	307	307	307	307	447	447	387	387
Enrollment	385	389	356	378	393	394	419	448	419	437	437
Yardville (1938)											
Square Feet	35,370	35,370	35,370	35,370	35,370	35,370	35,370	35,370	35,370	35,370	35,370
Capacity (students)	254	254	254	254	254	254	254	291	291	304	304
Enrollment	345	338	311	279	298	288	280	278	280	284	284
Yardville Hgts. (1917)											
Square Feet	33,365	33,365	33,365	33,365	33,365	33,365	33,365	33,365	33,365	33,365	33,365
Capacity (students)	237	237	237	237	237	237	237	262	262	261	261
Enrollment	289	276	273	269	265	260	241	234	241	262	262
Middle School(s):											
Crockett (1989)											
Square Feet	115,142	115,142	115,142	115,142	115,142	115,142	115,142	115,142	115,142	115,142	115,142
Capacity (students)	780	780	780	780	780	780	780	696	696	944	944
Enrollment	914	917	923	892	903	892	831	819	831	794	794
Grice (1960)											
Square Feet	114,128	114,128	114,128	114,128	114,128	114,128	114,128	114,128	114,128	114,128	114,128
Capacity (students)	796	796	796	796	796	796	796	716	716	988	988
Enrollment	939	928	936	946	910	966	918	916	918	881	881
Reynolds (1960)											
Square Feet	113,514	113,514	113,514	113,514	113,514	113,514	113,514	113,514	113,514	113,514	113,514
Capacity (students)	774	774	774	774	774	774	774	737	737	979	979
Enrollment	1,202	1,147	1,106	1,107	1,100	1,076	1,029	1,025	1,029	908	908

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
UNAUDITED

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	x
High School(s):											
Hamilton East (1967)											
Square Feet	195,185	195,185	195,185	195,185	195,185	195,185	195,185	195,185	195,185	195,185	195,185
Capacity (students)	1,265	1,265	1,265	1,265	1,265	1,265	1,265	1,453	1,453	1,313	1,313
Enrollment	1,706	1,610	1,595	1,548	1,503	1,431	1,345	1,303	1,345	1,251	1,251
Hamilton North (1953)											
Square Feet	162,586	162,586	162,586	162,586	162,586	162,586	162,586	162,586	162,586	162,586	162,586
Capacity (students)	1063	1063	1063	1063	1063	1063	1063	1303	1303	1,172	1,172
Enrollment	1,437	1,473	1,380	1,387	1,326	1,313	1,316	1,352	1,316	1,240	1,240
Hamilton West (1929)											
Square Feet	182,348	182,348	182,348	182,348	182,348	182,348	182,348	182,348	182,348	182,348	182,348
Capacity (students)	1113	1113	1113	1113	1113	1113	1113	1292	1292	1,256	1,256
Enrollment	1,450	1,373	1,366	1,329	1,296	1,275	1,270	1,219	1,219	1,233	1,233
Other Buildings:											
Administration Building (1898)											
Square Feet	25,515	25,515	25,515	25,515	25,515	25,515	25,515	25,515	25,515	25,515	25,515
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Hamilton Educational Program (HEP)											
Square Feet	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400
Capacity (students)	23	23	23	23	23	23	23	23	23	23	23
Enrollment	53	58	57	61	51	56	52	61	52	37	37

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

*-capacity updated based on 2013 demographic study
x-capacity updated based on 2016 demographic study

HAMILTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
 UNAUDITED

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

School Facilities * Project #(s)	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Hamilton HS East - Steimert	\$417,384	\$501,056	\$389,297	\$391,885	\$326,928	\$328,323	\$366,539	\$381,597	\$432,310	\$371,449
Hamilton HS North - Nottingham	347,674	417,372	324,279	326,434	272,271	273,433	258,787	313,584	511,228	309,411
Hamilton HS West	389,933	468,103	363,694	366,112	305,420	306,723	292,657	364,475	384,372	347,019
Grice Middle	244,051	292,976	227,629	229,142	191,045	191,860	188,900	246,947	227,695	217,192
Reynolds Middle	242,738	291,400	226,404	227,909	190,033	190,844	191,623	227,615	211,050	216,024
Crockett Middle	246,220	295,579	229,651	231,178	192,817	193,639	190,963	213,960	228,406	219,122
Alexander Elementary	68,422	82,139	63,818	64,242	53,645	53,873	58,940	125,237	83,739	60,892
Wilson Elementary	84,110	100,971	78,450	78,971	65,790	66,071	67,922	79,292	80,697	74,853
Greenwood Elementary	57,626	69,178	53,748	54,105	47,572	47,775	49,314	72,006	64,308	54,043
Kisthardt Elementary	53,978	64,798	50,345	50,680	42,258	42,438	52,181	49,708	52,084	48,037
Klockner Elementary	94,847	113,860	88,464	89,052	74,394	74,712	81,566	90,855	120,970	84,408
Kuser Elementary	110,797	133,008	103,341	104,028	86,793	87,164	84,244	142,325	108,497	98,603
Lalor Elementary	77,855	93,462	72,616	73,099	60,983	61,243	64,729	75,865	77,924	69,287
Langtree Elementary	84,501	101,441	78,815	79,339	66,297	66,579	63,995	71,768	75,292	75,201
McGalliard Elementary	62,963	75,585	58,726	59,117	49,343	49,553	58,796	58,657	69,054	56,034
Mercerville Elementary	96,438	115,770	89,948	90,546	75,406	75,728	85,642	111,485	87,501	85,824
Morgan Elementary	73,634	88,395	68,679	69,135	57,693	57,939	60,912	88,014	69,293	65,530
Robinson Elementary	85,692	102,871	79,925	80,467	67,056	67,342	68,739	75,557	77,592	76,261
Saven Elementary	59,341	71,237	55,348	55,715	46,559	46,758	56,997	74,095	71,638	52,810
Sunnybrae Elementary	67,954	81,577	63,381	63,803	53,138	53,365	56,507	61,190	62,928	60,475
University Heights Elementary	84,110	100,971	78,450	78,971	65,790	66,071	68,557	80,411	75,761	74,853
Yardville Elementary	75,635	90,798	70,546	71,015	59,211	59,464	59,362	85,718	89,586	67,312
Yardville Heights Elementary	71,348	85,651	66,547	66,989	55,922	56,160	53,566	96,538	80,464	63,496
Willey School	30,793	36,966	28,721	28,914	24,039	24,141	23,153	27,938	33,190	27,404
Total School Facilities	\$3,228,043	\$3,875,166	\$3,010,822	\$3,030,838	\$2,530,403	\$2,541,198	\$2,604,591	\$3,214,837	\$3,375,579	\$2,875,540

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

Source: District records

HAMILTON TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
UNAUDITED

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
School Package Policy (1):		
property/building and contents	\$304,904,738	\$5,000
comprehensive general liability	2,000,000	5,000
Comprehensive auto liability	1,000,000	1,000
Umbrella:	15,000,000	n/a
Student accident (2):	500,000	n/a
Volunteer Insurance(2)	5,000	250
Surety Bonds (3)		
Board Secretary	750,000	n/a
Board Treasurer	750,000	n/a
Legal Liability/Errors and Omissions(4)	5,000,000	25,000
Environmental liability (5)	1,000,000	25,000
Underground storage tank (6)	1,000,000	5,000
Crime (1)	500,000	5,000
Cyber Security (7)	1,000,000	25,000

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

SINGLE AUDIT SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Hamilton Township School District (the "District") as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated November 30, 2017.

Internal Control Over Financial Reporting

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

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

SUPLEE, CLOONEY & COMPANY

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We noted immaterial matters involving internal control that we have reported to the Hamilton Township School District in a separate management report dated November 30, 2017.

Compliance and Other Matters

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

Purpose of This Report

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


CERTIFIED PUBLIC ACCOUNTANTS

November 30, 2017


PUBLIC SCHOOL ACCOUNTANT NO. 948



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

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

Report on Compliance for Each Major Federal and State Program

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

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Hamilton Township School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey *OMB 15-08*. Those standards, the Uniform Guidance and New Jersey *OMB 15-08* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Hamilton Township School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

SUPLEE, CLOONEY & COMPANY

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

Opinion on Each Major Federal and State Program

In our opinion, the Hamilton Township School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 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 Hamilton Township School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with *the Uniform Guidance* and New Jersey OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Hamilton Township School District's internal control over compliance.

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

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

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


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 948

November 30, 2017

HAMILTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEARS ENDED JUNE 30, 2017

FEDERAL CFDA NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD		AWARD AMOUNT	BALANCE AT JUNE 30, 2016 (AS RESTATED)	ADJ. BALANCE AT JUNE 30, 2016	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PYS BALANCE	BALANCE JUNE 30, 2017	
			FROM	TO							(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE
			6/30/2016	6/30/2017	\$ 183,500.00	\$ (20,362.00)	\$ (20,362.00)	\$ 20,362.00	\$ (307,703.00)	\$	\$ (8,476.00)	\$
			7/1/2015	7/1/2016	307,703.00			319,589.00				(8,476.00)
			6/30/16	6/30/16	1,727,146.00	(415,025.00)	2,098.00	416,025.00	(1,725,219.00)		(402,414.00)	2,098.00
			7/1/16	7/1/16	1,935,196.00			95,215.00				
			6/30/16	6/30/16	443,336.00	(95,215.00)		167,902.00	(268,614.00)		(80,912.00)	
			7/1/15	7/1/15	363,324.00			15,932.00				
			6/30/17	6/30/17	73,433.00	(13,932.00)		29,956.00	(50,205.00)		(20,649.00)	
			7/1/16	6/30/17	80,747.00			6,053.00				
			6/30/17	6/30/17	420,196.00	(18,053.00)		20,119.00	(57,213.00)		(37,084.00)	
			7/1/15	6/30/17	76,514.00			2,105,607.00	(2,101,451.00)		(541,069.00)	2,098.00
			7/1/16	6/30/16	4,175,934.00	(71,108.00)		71,108.00	(3,391,487.00)		(56,717.00)	
			6/30/16	6/30/17	3,794,147.00			3,334,770.00	(23,753.00)		(15,033.00)	
			7/1/15	6/30/16	171,166.00	23,753.00		56,562.00	(71,595.00)		(71,750.00)	
			6/30/17	6/30/17	180,289.00	(47,355.00)		3,462,440.00	(3,486,835.00)			
			6/30/14	6/30/14	78,294.00	(9,383.00)		2,676.00			(9,383.00)	
			7/1/13	6/30/16	14,971.92	(2,676.00)		18,041.00	(48,954.00)		(30,913.00)	
			7/1/15	6/30/17	66,309.00			97,024.00	(97,024.00)			
			6/30/16	6/30/16	97,024.00			5,665,788.00	(5,734,264.00)		(653,115.00)	2,098.00
			7/1/15	6/30/16	N/A	(604,639.00)	2,098.00					
			6/30/17	6/30/17	1,699,907.00			1,423,102.00	(1,699,907.00)		(276,805.00)	
			7/1/16	6/30/16	1,662,603.00	(299,301.00)		299,301.00				
			7/1/15	6/30/17	334,699.00			277,926.00	(334,699.00)		(56,773.00)	
			7/1/16	6/30/16	310,170.00	(59,874.00)		59,874.00				
			7/1/15	6/30/17	1,918.00			1,587.00	(1,918.00)		(321.00)	
			7/1/15	6/30/16	2,019.00	(421.00)		421.00				
			6/30/16	6/30/16	206,188.26	(359,596.00)		2,062,221.00	(2,036,524.00)		(333,899.00)	
			7/1/16	6/30/16	216,970.62	5,194.00		206,188.00	(182,362.00)		23,826.00	
			7/1/15	6/30/17	43,218.00			36,118.00	(43,218.00)		(7,100.00)	
			7/1/15	6/30/16	43,372.00	(7,846.00)		7,846.00				
			7/1/15	6/30/16	49,685.57			41,967.00	(49,686.00)		(7,719.00)	
			7/1/15	6/30/16	18,409.00	(3,018.00)		3,018.00				
			7/1/15	6/30/17	13,542.00			7,286.00	(13,542.00)		(15,542.00)	
			7/1/15	6/30/16	21,463.00	(7,286.00)		2,364,644.00	(2,330,526.00)		(362,260.00)	
			7/1/15	6/30/16		(372,552.00)		8,370,021.00	(8,372,493.00)		(1,029,851.00)	2,098.00
						(997,553.00)	2,098.00					

See accompanying notes to schedules of financial assistance.

HAMILTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

STATE GRANTEE/PROGRAM/TITLE	BALANCE JUNE 30, 2016			ADJUSTED BALANCE AT 06/30/16	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAYMENT OF PRIOR YEARS BALANCES	BALANCE JUNE 30, 2017		DUE GRANTOR	BUDGETARY RECEIVABLE	MEMO CUMULATIVE TOTAL EXPENDITURES
	UNEARNED (ACCTS REC)	DUE TO GRANTOR	PROR PERIOD ADJUSTMENTS					(ACCOUNTS RECEIVABLE)	UNEARNED			
General Funds:												
Equitation Aid												
Categorical Special Education Aid	16-495-034-5120-078	AWARD AMOUNT	\$ 64,508,297.00	\$	\$ 5,861,907.00	\$	\$ (5,861,907.00)	\$	\$	\$	\$ 5,861,907.00	\$ 64,508,297.00
Categorical Security Aid	16-495-034-5120-089	GRANT PERIOD	7/1/15-6/30/16		686,057.00		(686,057.00)				686,057.00	7,549,779.00
Under Adequacy Aid	16-495-034-5120-084	GRANT PERIOD	7/1/15-6/30/16		546,728.00		(49,588.00)				49,588.00	546,728.00
PARCC Readiness Aid	16-495-034-5120-083	GRANT PERIOD	7/1/15-6/30/16		40,007.00		(3,639.00)				3,639.00	40,007.00
Per Pupil Growth Aid	16-495-034-5120-098	GRANT PERIOD	7/1/15-6/30/16		120,020.00		(10,909.00)				10,909.00	120,020.00
Equitation Aid	16-495-034-5120-097	GRANT PERIOD	7/1/15-6/30/16		120,020.00		(10,909.00)				10,909.00	120,020.00
Categorical Special Education Aid	17-495-034-5120-078	GRANT PERIOD	6/4/09-12/5/00		58,486,935.00		5,922,190.00				(5,922,190.00)	64,409,125.00
Categorical Security Aid	17-495-034-5120-089	GRANT PERIOD	7/1/16-6/30/17		7,629,324.00		701,488.00				(701,488.00)	7,629,324.00
Under Adequacy Aid	17-495-034-5120-084	GRANT PERIOD	7/1/16-6/30/17		630,559.00		57,978.00				(57,978.00)	630,559.00
PARCC Readiness Aid	17-495-034-5120-083	GRANT PERIOD	7/1/16-6/30/17		40,007.00		3,675.00				(3,675.00)	40,007.00
Per Pupil Growth Aid	17-495-034-5120-098	GRANT PERIOD	7/1/16-6/30/17		120,020.00		11,033.00				(11,033.00)	120,020.00
Professional Learning Community Aid	17-495-034-5120-097	GRANT PERIOD	7/1/16-6/30/17		108,967.00		11,033.00				(11,033.00)	120,020.00
Total State Aid - Public Cluster	17-495-034-5120-101	GRANT PERIOD	7/1/16-6/30/17		114,950.00		10,571.00				(10,571.00)	114,950.00
Categorical Transportation Aid	16-495-034-5120-014	GRANT PERIOD	7/1/15-6/30/16		720,415.00		(66,467.00)				66,467.00	720,415.00
Extracurricular Aid	16-495-034-5120-044	GRANT PERIOD	7/1/16-6/30/17		824,097.00		75,771.00				(75,771.00)	824,097.00
Extracurricular Aid	16-495-034-5120-044	GRANT PERIOD	7/1/15-6/30/16		1,183,107.00		(1,183,107.00)					1,183,107.00
Non-Public Transportation Aid	16-100-034-5120-068	GRANT PERIOD	7/1/16-6/30/17		1,042,531.00		(1,042,531.00)					1,042,531.00
On-behalf TPAF non-contributory insurance	17-495-034-5094-004	GRANT PERIOD	7/1/16-6/30/17		63,908.00		(63,908.00)					63,908.00
On-behalf TPAF Long Term Disability Insurance (non-bud.)	17-495-034-5094-002	GRANT PERIOD	7/1/16-6/30/17		311,513.00		(311,513.00)					311,513.00
On-behalf TPAF post-retirement medical	17-495-034-5094-001	GRANT PERIOD	7/1/16-6/30/17		8,597,651.00		(8,597,651.00)					8,597,651.00
Reimbursed TPAF Social Security Contributions	17-495-034-5095-001	GRANT PERIOD	7/1/16-6/30/17		19,109.00		(19,109.00)					19,109.00
Reimbursed TPAF Social Security Contributions	17-495-034-5095-002	GRANT PERIOD	7/1/16-6/30/17		7,423,360.00		(7,423,360.00)					7,423,360.00
Total General Funds	17-495-034-5095-002	GRANT PERIOD	7/1/16-6/30/17		5,845,851.00		(5,845,851.00)					5,845,851.00
Special Revenue Fund:												
Non-Public Textbooks	17-100-034-5120-064	GRANT PERIOD	7/1/16-6/30/17		95,279.00		(86,530.00)				6,749.00	95,279.00
Non-Public Technology Aid	16-100-034-5120-064	GRANT PERIOD	7/1/15-6/30/16		485.00		(485.00)					485.00
Non-Public Technology Aid	16-100-034-5120-064	GRANT PERIOD	7/1/15-6/30/16		406.00		(406.00)					406.00
Non-Public Comp Ed	16-100-034-5120-067	GRANT PERIOD	7/1/16-6/30/17		563,458.00		(530,042.00)				33,416.00	563,458.00
Non-Public Comp Ed	16-100-034-5120-067	GRANT PERIOD	7/1/15-6/30/16		57,301.00		(6,626.00)					57,301.00
Non-Public ESL	16-100-034-5120-067	GRANT PERIOD	7/1/16-6/30/17		29,598.00		(29,598.00)					29,598.00
Non-Public ESL	16-100-034-5120-067	GRANT PERIOD	7/1/15-6/30/16		18,550.00		(18,662.00)					18,550.00
Non-Public Home Instruction	16-100-034-5120-067	GRANT PERIOD	7/1/16-6/30/17		1,376.00		(1,376.00)					1,376.00
Non-Public Home Instruction	16-100-034-5120-067	GRANT PERIOD	7/1/15-6/30/16		10,000.00		(10,000.00)					10,000.00
Non-Public Transportation	16-100-034-5120-068	GRANT PERIOD	7/1/16-6/30/17		120,395.00		(120,395.00)					120,395.00
Non-Public Supplemental Instruction	17-100-034-5120-066	GRANT PERIOD	7/1/15-6/30/16		110,976.00		(70,626.00)				40,350.00	110,976.00
Non-Public Supplemental Instruction	16-100-034-5120-066	GRANT PERIOD	7/1/16-6/30/17		171,535.00		(164,057.00)				7,478.00	171,535.00
Non-Public Examination & Classification	16-100-034-5120-066	GRANT PERIOD	7/1/15-6/30/16		150,371.00		(14,954.00)					150,371.00
Non-Public Examination & Classification	16-100-034-5120-066	GRANT PERIOD	7/1/16-6/30/17		192,551.00		(192,551.00)					192,551.00
Non-Public Examination & Classification	16-100-034-5120-066	GRANT PERIOD	7/1/15-6/30/16		209,461.00		(8,018.00)				20,000.00	209,461.00
Non-Public Examination & Classification	16-100-034-5120-066	GRANT PERIOD	7/1/16-6/30/17		136,501.00		(108,416.00)				28,085.00	136,501.00
Non-Public Corrective Speech	16-100-034-5120-066	GRANT PERIOD	7/1/15-6/30/16		166,376.00		(63,057.00)					166,376.00
Non-Public Nursing	17-100-034-5120-070	GRANT PERIOD	7/1/16-6/30/17		149,490.00		(149,490.00)					149,490.00
Non-Public Security Aid	17-100-034-5120-509	GRANT PERIOD	7/1/16-6/30/17		83,050.00		(82,805.00)					83,050.00
Total Special Revenue Fund	16-100-034-5120-509	GRANT PERIOD	7/1/15-6/30/16		42,525.00		(42,525.00)					42,525.00
					156,253.00		(156,253.00)				137,016.00	1,889,688.00

Hamilton Township School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2017

NOTE 1: GENERAL

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

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exceptions of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 of the District's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

Hamilton Township School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2017

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$105,263 for the general fund. The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$4,523 for the special revenue fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$307,703.00	\$97,208,373.00	\$97,516,076.00
Special Revenue Fund	5,738,787.00	1,449,195.00	7,187,982.00
Capital Projects Fund		9,234.00	9,234.00
Food Service Fund	<u>2,330,526.00</u>	<u>39,846.00</u>	<u>2,370,372.00</u>
	\$8,377,016.00	\$98,706,648.00	\$107,083,664.00
GAAP Adjustment	<u>(4,523.00)</u>	<u>105,263.00</u>	<u>100,740.00</u>
Total Awards & Financial Assistance	<u>\$8,372,493.00</u>	<u>\$98,811,911.00</u>	<u>\$107,184,404.00</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: OTHER

Revenues and expenditures reported in the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF pension contributions, non-contributory life insurance, long-term disability and post retirement contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2017. TPAF Social Security contributions represent the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2017.

Hamilton Township School District
Mercer County, New Jersey

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2017

Section I – Summary of Auditor’s Results

Financial Statements

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

Federal Program(s)

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

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

<u>Program</u>	<u>CFDA</u>
IDEA Part B	84.027
IDEA Preschool	84,173
Title II	84.367a

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

Hamilton Township School District
Mercer County, New Jersey

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2017

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

State Program(s)

- (1) Internal Control Over Major State Programs:
- (a) Material weakness(es) identified? No
- (b) Significant deficiencies identified that are not considered to be material weaknesses? No
- (2) Type of Auditor’s Report issued on compliance for major state program(s)? Unmodified
- (3) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08? No
- (4) Identification of Major State Program(s):
- | <u>Program Title</u> | <u>Project Number</u> |
|-------------------------------------|-----------------------|
| Equalization Aid | 17-495-034-5120-078 |
| Categorical Special Education Aid | 17-495-034-5120-089 |
| Categorical Security Aid | 17-495-034-5120-084 |
| Under Adequacy Aid | 17-495-034-5120-083 |
| Per Pupil Growth Aid | 17-495-034-5120-097 |
| PARCC Readiness | 17-495-034-5120-098 |
| Professional Learning Community Aid | 17-495-034-5120-101 |
| Categorical Transportation Aid | 17-495-034-5095-014 |
- (5) Program Threshold Determination:
Type A State Program Threshold > \$2,473,808.00
Type B State Program Threshold <= \$2,473,808.00
- (6) Auditee qualified as a low-risk auditee under OMB Circular 15-08? Yes

Hamilton Township School District
Mercer County, New Jersey

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

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

Internal Control Findings – None Reported

Compliance Findings – None Reported

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

Federal Programs – None Reported

State Programs – None Reported

EXHIBIT "K-7"

Hamilton Township School District
Mercer County, New Jersey

Schedule of Prior Year Audit Findings

Not Applicable

