

Comprehensive Annual Financial Report

of the

Hamilton Township Board of Education

Mays Landing, New Jersey

For the Fiscal Year Ended June 30, 2018

Prepared by

Hamilton Township Board of Education

For the Fiscal Year Ended June 30, 2018

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Introductory Section

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Hamilton Township School District

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January 19, 2019

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

Dear Board Members:

The comprehensive annual financial report of the Hamilton Township School District for the fiscal year ended June 30, 2018, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the district. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

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

1. REPORTING ENTITY AND ITS SERVICES:

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

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

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

Annual October 15 Student Enrollment		
<u>Fiscal</u> <u>Year</u>	<u>Student</u> <u>Enrollment</u>	<u>Percent</u> <u>Change</u>
2017-2018	2,943	-3.03%
2016-2017	3,035	0.40%
2015-2016	3,023	-0.30%
2014-2015	3,034	-0.90%
2013-2014	3,114	-2.04%
2012-2013	3,179	0.01%

2. ECONOMIC CONDITION AND OUTLOOK:

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

Again in 2017-2018 the district operated three school facilities. The Shaner School housing full day pre-school, kindergarten and grade one students; the Hess School housing grades two through five; and the Davies Middle School housing grades six, seven and eight. The Duberson School remains vacant and unable to be utilized for any purpose.

The Municipality of Hamilton Township, as other surrounding areas, has in recent years experienced budget cuts across the board, operating with less funding than previous years. Fiscal years 2017 and 2018 saw a reversal in this trend, with an uptick in revenue. Over the years the Township has accumulated several tax ratables inclusive of shopping plazas, a movie theatre, a variety of retail stores, the Atlantic City Race Track, the Hamilton Mall, Festival Mall at Hamilton, and a Wal-Mart store. The Township completed a revaluation of properties in 2014-2015.

During 2017-2018 the number of visitors to the Atlantic City casinos increased having a positive impact in the job market for the first time in many years. Although we receive no direct funding benefits from the casinos, they help to bring about residential and industrial growth for Hamilton Township through employment to many of our families. The impact of the rebounding casino gaming industry has been felt throughout the Region and the community is generally optimistic.

3. MAJOR INITIATIVES:

The vision of this educational institution:

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

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

Our primary, elementary and middle school grades implement a an ELA balanced literacy workshop model for instruction. More specifically grades K-8 is closely aligned with Lucy Caulkin's instructional workshop model. Our district partnered with Columbia University to gain knowledge and expertise in perfecting Lucy Caulkin's Readers/Writers Workshop Model. The district has expanded its use of this model, as it is also implemented in Social Studies and Science in grades one through five.

The primary, elementary and middle schools (PreK-8) operate on trimesters with the idea of giving students ample time for instructional and independent practice. A standards-based interim progress report and report card is used in grades K-5 for reporting grades to families, while a traditional one is used in grades 6-8.

A one to one technology initiative is an integral component of all aspects of our middle school (grades 6, 7 and 8) curriculums, instruction and programs and is expanding into our elementary school (2-5) as well. Every classroom in the elementary and middle schools is equipped with a Smart Projector, while every teacher is equipped with a PC, laptop or chrome book. In addition to this, the Davies School IMC has been updated to a technology rich instructional environment with the addition of two MAC computers, iPads, chrome books and a green screen.

CURRICULUM MATERIALS:

English Language Arts:

The Readers/Writers Workshop Model closely aligned to Lucy Caulkin's Model is used in kindergarten through grade five for the instruction of English Language Arts. In this model, teachers follow the *Four Kinds of Reading/Writing* which are designed for independent and instructional levels. Fountas & Pinnell is used for benchmarking student reading levels. Libraries of leveled readers in every classroom support reading development using skills and effective strategies for processing texts at increasingly challenging levels of difficulty. Students are instructed in guided writing through interactive writing techniques to build fluency through repeated exposure. The Holt Company's reading series is utilized in grades six, seven and eight as well as Houghton-Mifflin Harcourt's (HMH) READ 180, System 44 and Reading Inventory (RI). Supplemental materials were added to each grade level to support the students and staff with both reading and writing. All fiction and non-fiction books (classroom sets warehoused in the library) were leveled to be in alignment with HMHRI Lexile Levels.

Mathematics:

The *GO MATH series* by Harcourt is the math program utilized in grades kindergarten through grade five. "Big Ideas" and "Math in Context" are utilized in the same manner in grades six, seven and eight. Supplemental materials were added to each grade level as appropriate to the written curriculum.

Science:

The Houghton-Mifflin Harcourt Science Dimensions Series is utilized with students in kindergarten through grade five. Teacher's editions and leveled readers are the primary resources used for instruction in kindergarten through grade 5. Grades six through eight use the Pearson, Science Fusion Series. Both series are aligned to the New Jersey Student Learning Standards for Science to support the integrated written curriculum.

Social Studies:

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

World Languages:

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

Visual and Performing Arts:

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

Health:

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

STAFF TRAINING AND PROFESSIONAL DEVELOPMENT:

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

- Mental Health Initiative
 - Life Space Crisis Intervention Training
 - Youth Mental Health First Aid
 - Positive Behavior Intervention and Supports (PBIS)
- Curriculum writing in all subject areas

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

PROGRAMS:

Character Education:

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

Early Childhood Education:

Hamilton Township School District’s Pre-K program is a combined in-district and community based program housed at the George L. Hess Educational Complex, the Joseph C. Shaner School, Gateway Headstart, Beginners First Academy, and Davis Holland Learning Center. In addition to the Preschool Education Aid (PEA) that the district has been receiving for many years, the district qualified a few years back to receive funds via the Preschool Expansion Grant (PEG). Most recently, HTSD received Preschool Education Expansion Aid (PEEA), which is effectually allowing the district to expand its preschool program. Creative Curriculum is our current program of instruction, while Teaching Strategies GOLD is our assessment platform.

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

Gifted and Talented:

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

Talents

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

Gifted

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

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

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

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

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

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

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

In-Class Support (ICS)

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

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

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

Pull-Out

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

Core Content (English Language Arts Acceleration) Gr. 5-8

Accelerated English Language Arts (ELA) – Gr. 5-8

Accelerated English Language Arts (ELA) is a challenging literature-based program for students who demonstrate above average reading and/or writing skills, as well as, the motivation and ability to work independently. The purpose is to expose students to a broad selection of world literature, expand and enhance vocabulary, stimulate critical thinking, and refine writing skills. Materials chosen are aligned with the district ELA curriculum and, therefore, reflect the New Jersey Student Learning Standards.

Core Content Accelerated Mathematics – Gr. 5 & 6

Accelerated Mathematics is for students who demonstrate above average level mathematics skills as well as, the motivation and the ability to work independently. The purpose of the program is to enhance math concepts and problem solving. Emphasis will be placed on opportunities for students to build their math skills through participation in activities which require higher level thinking skills. Resources utilized are aligned with the district mathematics curriculum and therefore, reflect the New Jersey Student Learning Standards for mathematics.

Core Content Advanced Mathematics Program – Gr 7 & 8 (Pre-Algebra in 7th grade followed by Algebra in 8th grade)

Advanced Mathematics are for students who demonstrate above grade level mathematics skills as well as, the motivation and the ability to work independently. The purpose of these programs is to enhance math concepts and problem solving. Emphasis will be placed on opportunities for students to build their math skills through participation in activities which require higher level thinking skills. Resources utilized are aligned with the district mathematics curriculum and therefore, reflect the New Jersey Student Learning Standards for mathematics.

Basic Skills:

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

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

The Basic Skills Improvement Program has the following goals:

1. To develop the basic skills necessary to function successfully in everyday life according to each student's individual ability level.

2. To develop and implement a Basic Skills Improvement Program which would provide a variety of experiences to meet the needs of students with a deficiency in basic functional language arts literacy and mathematical skills.
3. To assist the students in developing positive attitudes toward themselves, their school, and the community.
4. To insure a continual means of communication between parents, teachers, students, and the community.

Technology:

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

Shaner School

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

Davies School

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

Hess School

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

4. INTERNAL ACCOUNTING CONTROLS:

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

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

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

5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2018.

6. ACCOUNTING SYSTEM AND REPORTS:

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

7. DEBT ADMINISTRATION:

At June 30, 2018, the District's bond proceeds continue to be used to offset debt service.

8. CASH MANAGEMENT:

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

9. OTHER INFORMATION:

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

10. ACKNOWLEDGMENTS:

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

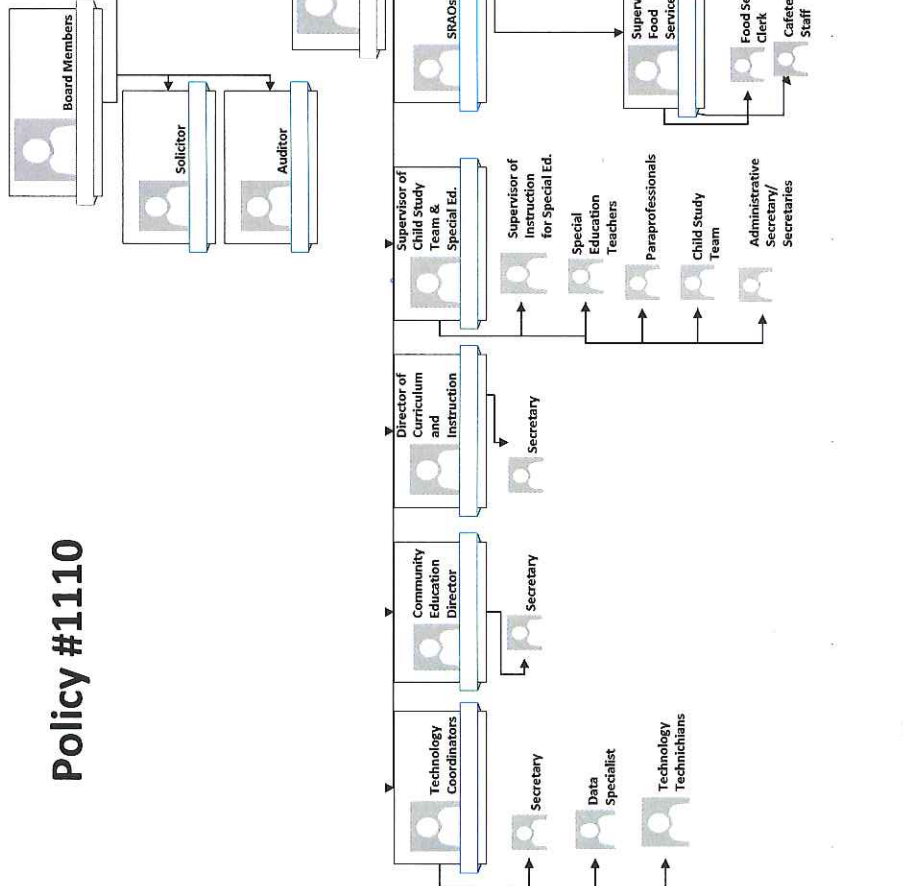
Respectfully submitted,

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

Frank Vogel
Superintendent

cc: Anne-Marie Fala, Business Administrator

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



Policy #1110

Approved: May 21, 2018

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

ROSTER OF OFFICIALS

JUNE 30, 2018

MEMBERS OF THE BOARD	TERM EXPIRES
Eric Aiken, President	2021
Amy Hassa, Vice-President	2021
Nanci Barr	2019
Greg Ciabrone	2019
Margaret Erickson	2021
Amelia Francis	2020
Derek Haye	2020
James Higbee	2021
Barbara Kupp	2020

OTHER OFFICIALS

Frank Vogel, Superintendent of Schools

Anne-Marie Fala Board Secretary/Business Administrator

Eric Goldstein, Esq., Solicitor

**HAMILTON TOWNSHIP SCHOOL DISTRICT
CONSULTANTS AND ADVISORS**

ARCHITECT

Fraytak Veisz Hopkins Duthie, P.C.
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PO Box 7371
Trenton, NJ 08628

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

ATTORNEY

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

OFFICIAL DEPOSITORY

OceanFirst Bank
975 Hooper Avenue
Toms River, NJ 08753

INSURANCE BROKER

ACCASBOJIF
P.O. Box 436
Hammonton, NJ 08037

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Financial Section

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FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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PHONE 609.399.6333 • FAX 609.399.3710

www.ford-scott.com

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Hamilton Township School District, County of Atlantic, State of New Jersey, as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Hamilton Township School District, Hamilton Township, County of Atlantic, State of New Jersey, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2019 on our consideration of the Hamilton Township School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Hamilton Township School District's internal control over financial reporting and compliance.

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

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

Leon P. Costello

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

January 19, 2019

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Required Supplemental Information
Part I

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Township of Hamilton School District ("District") annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2018. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statement.

FINANCIAL HIGHLIGHTS

- The net position of the District increased compared to the prior year as a result of an excess of revenues over expenses.
- The State of New Jersey reimbursed the District \$1,458,605.94 during the fiscal year ended June 30, 2018 for the employer's share of social security contributions. The State of New Jersey also paid \$9,675,694 in pension contributions and retiree health coverage for TPAF members as calculated on their base salaries on behalf of the District. This amount, which is not budgeted, is included as both a revenue and appropriation in the financial statements.
- As indicated by New Jersey State Statutes, the unreserved fund balance of the general fund is limited to 2% of the total general fund expenditures or \$250,000, whichever is greater. Any excess is required to be designated as Reserved Fund Balance – Excess Surplus and included in the next year's budget as budgeted fund balance. As of June 30, 2018 the District had excess surplus of \$3,594,209.94, of which \$1,878,275.57 was required to be budgeted as a revenue for the year ending June 30, 2019 and \$1,715,934.37 is designated for subsequent year budgets.
- During the fiscal year ended June 30, 2018, the District's revenues were \$250,295.33 less than total expenses in the fund financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

Government-wide Statements

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

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

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

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

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

Fund Financial Statements

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

The District has three kinds of funds:

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position - The District's governmental activities net position increased between fiscal years 2017 and 2018 as a result of an excess of revenues over expenses. The business-type activities net position increased due to an excess of revenues over costs.

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	4,169,001.34	4,057,594.17	707,049.21	693,149.42	4,876,050.55	4,750,743.59
Capital assets	46,678,020.62	48,332,996.34	61,989.24	83,073.72	46,740,009.86	48,416,070.06
Total assets	50,847,021.96	52,390,590.51	769,038.45	776,223.14	51,616,060.41	53,166,813.65
Deferred outflows of resources	3,705,017.00	5,523,657.00	-	-	3,705,017.00	5,523,657.00
Long-term liabilities	22,502,792.42	30,213,449.20	47,996.28	47,748.15	22,550,788.70	30,261,197.35
Other liabilities	984,204.68	676,317.18	64,624.95	47,459.79	1,048,829.63	723,776.97
Total liabilities	23,486,997.10	30,889,766.38	112,621.23	95,207.94	23,599,618.33	30,984,974.32
Deferred inflows of resources	3,767,940.00	523,460.00	-	-	3,767,940.00	523,460.00
Net position						
Invested in capital assets	40,981,020.62	39,623,996.34	61,989.24	83,073.72	41,043,009.86	39,707,070.06
Restricted	192,138.81	390,538.69			192,138.81	390,538.69
Unrestricted	(13,876,057.57)	(13,513,513.90)	594,427.98	597,941.48	(13,281,629.59)	(12,915,572.42)
Total net position	27,297,101.86	26,501,021.13	656,417.22	681,015.20	27,953,519.08	27,182,036.33

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

Changes in net position - The total general fund revenue of the District increased \$26,504,048.93 due to an increase in additional TPAF contributions paid by the State of New Jersey on-behalf of the District.

Approximately 35% of the District's governmental funds revenue comes from the State of New Jersey in the form of non-restricted federal and state aid. This aid is based on the District's enrollment as well as other factors related to the District's formula aid which is a relationship of the adequacy budget and the Township's property values and income of the residents. The District expenses are primarily related to instruction, administration, and plant operations.

	2018		2017	
	Amount	Percentage	Amount	Percentage
Property taxes	\$ 21,516,713.00	31.93%	20,543,460.00	50.26%
Unrestricted Federal and State aid	23,725,263.33	35.21%	23,313,843.65	57.03%
Tuition	366,283.90	0.54%	225,238.71	0.55%
Operating grants and contributions	21,445,765.65	31.83%	(3,704,045.64)	-9.06%
Other	328,276.25	0.49%	499,756.48	1.22%
Totals	\$ 67,382,302.13	100.00%	40,878,253.20	100.00%

Governmental Activities

The following schedule summarizes the governmental and business-type activities of the District during the 2018 and 2017 fiscal years:

	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Revenues						
Program revenue						
Charges for services	\$ 366,283.90	225,238.71	961,015.68	947,354.63	1,327,299.58	1,172,593.34
Grants and entitlements	21,445,765.65	(3,704,045.64)	1,004,235.81	1,048,717.43	22,450,001.46	(2,655,328.21)
General revenues						
Property taxes	21,516,713.00	20,543,460.00			21,516,713.00	20,543,460.00
State aid entitlements	23,725,263.33	23,313,843.65			23,725,263.33	23,313,843.65
Other	328,276.25	499,756.47	828.11	831.16	329,104.36	500,587.63
Total revenues	67,382,302.13	40,878,253.19	1,966,079.60	1,996,903.22	69,348,381.73	42,875,156.41
Expenses						
Instruction:						
Regular	27,290,953.39	12,381,048.29	-	-	27,290,953.39	12,381,048.29
Special Education	10,472,501.80	4,209,311.86	-	-	10,472,501.80	4,209,311.86
Other Instruction	3,367,193.30	1,297,407.03	-	-	3,367,193.30	1,297,407.03
Support services:						
Tuition	1,068,543.49	782,961.14	-	-	1,068,543.49	782,961.14
Student & instruction related	9,081,273.93	7,332,755.33	-	-	9,081,273.93	7,332,755.33
School administration services	2,808,736.93	2,485,956.10	-	-	2,808,736.93	2,485,956.10
General & business admin	2,600,667.11	2,382,381.59	-	-	2,600,667.11	2,382,381.59
Plant operations & maintenance	6,506,320.89	5,921,623.65	-	-	6,506,320.89	5,921,623.65
Pupil transportation	3,022,398.71	2,858,938.27	-	-	3,022,398.71	2,858,938.27
Capital Outlay	4,153.00		-	-	4,153.00	-
Interest on long-term debt	335,468.88	453,103.26	-	-	335,468.88	453,103.26
Business-type activities			1,990,677.58	2,025,446.91	1,990,677.58	2,025,446.91
Total expenses	66,558,211.43	40,105,486.52	1,990,677.58	2,025,446.91	68,548,889.01	42,130,933.43
Special Items:	(11,314.97)				(11,314.97)	
Cancellation of Receivables		0.20	-	-	-	0.20
Loss on disposal of fixed assets	(16,695.00)	-	-	-	(16,695.00)	-
Increase/(Decrease) in net position	796,080.73	772,766.87	(24,597.98)	(28,543.69)	771,482.75	744,223.18

Business-type Activities

Operating and non-operating revenues of the District's business-type activities decreased \$30,823.62 from the previous year and expenses decreased by \$34,769.33. As a result of reduced participation, expenses related to the program also decreased.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of the year end, the governmental funds reported a combined fund balance of \$27,297,101.86 which is \$796,080.73 higher than the beginning of the year.

General Fund Budgetary Highlights

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

After adjusting total revenue reported on Exhibit C-1 for the Reimbursed TPAF Social Security Contribution and on-behalf TPAF Pension Contributions, which are not budgeted, the District's actual revenue exceeded the budgeted revenue by \$902,434.68. This is a result of excess unbudgeted miscellaneous revenue, such as SREC's and E-rate reimbursements. Again, after adjusting for the Reimbursed TPAF Social Security Contribution and on-behalf TPAF Pension Contributions, actual expenditures were below the budgeted appropriations by \$1,088,966.81. This can be attributed to overall savings in the various expense line items of the District.

CAPITAL ASSET

Capital Assets

At the end of 2018, the District had invested \$46,740,009.86 in a broad range of capital assets, including land, buildings, vehicles and machinery.

	Governmental Activities		Business-type Activities		Totals	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Land	\$ 1,423,600.00	1,423,600.00			1,423,600.00	1,423,600.00
Buildings and Bldg improvements	44,887,803.95	46,508,815.10			44,887,803.95	46,508,815.10
Machinery & equipment	366,616.67	400,581.24	61,989.24	83,073.72	428,605.91	483,654.96
Total	\$ 46,678,020.62	48,332,996.34	61,989.24	83,073.72	46,740,009.86	48,416,070.06

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Long-term Debt

	Balance June 30, 2017	Issued	Retired/ Adjusted	Balance June 30, 2018
Governmental Activities:				
Bonds Payable	\$ 8,709,000.00		3,012,000.00	5,697,000.00
Compensated Absences Payable	2,068,544.20	214,953.57	213,991.35	2,069,506.42
Net Pension Liability	19,435,905.00	4,654,967.00	9,354,586.00	14,736,286.00
Total Governmental Activities	<u>\$ 30,213,449.20</u>	<u>4,869,920.57</u>	<u>12,580,577.35</u>	<u>22,502,792.42</u>
Business-Type Activities:				
Compensated Absences Payable	47,748.15	3,466.87	3,218.74	47,996.28
Business-Type Activities	<u>47,748.15</u>	<u>3,466.87</u>	<u>3,218.74</u>	<u>47,996.28</u>

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

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BASIC FINANCIAL STATEMENTS

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DISTRICT - WIDE FINANCIAL STATEMENTS

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HAMILTON TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2018

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 2,327,345.59	609,118.59	2,936,464.18
Restricted cash	621,964.27		621,964.27
Receivables, net	13,853.49		13,853.49
Internal balances	13,502.91	(13,502.91)	0.00
Due from other governments	1,192,335.08	102,095.06	1,294,430.14
Inventory		9,338.47	9,338.47
Capital assets not being depreciated			
Land	1,423,600.00		1,423,600.00
Capital assets, net	45,254,420.62	61,989.24	45,316,409.86
Total Assets	<u>50,847,021.96</u>	<u>769,038.45</u>	<u>51,616,060.41</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	3,705,017.00	-	3,705,017.00
Total Deferred Outflows of Resources	<u>3,705,017.00</u>	<u>-</u>	<u>3,705,017.00</u>
LIABILITIES			
Accounts payable	856,541.51	47,536.94	904,078.45
Other liabilities	95,175.00		95,175.00
Payable to state government	14,576.53		14,576.53
Unearned revenue	17,911.64	17,088.01	34,999.65
Noncurrent liabilities:			
Due within one year	3,028,940.03		3,028,940.03
Due beyond one year	4,737,566.39	47,996.28	4,785,562.67
Net Pension Liability	14,736,286.00		14,736,286.00
Total liabilities	<u>23,486,997.10</u>	<u>112,621.23</u>	<u>23,599,618.33</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	3,767,940.00	-	3,767,940.00
NET POSITION			
Net investment in capital assets	40,981,020.62	61,989.24	41,043,009.86
Restricted for:			
Debt service	0.58		0.58
Capital projects	192,138.23		192,138.23
Other purposes	-		-
Unrestricted	(13,876,057.57)	594,427.98	(13,281,629.59)
Total net position	<u>\$ 27,297,101.86</u>	<u>656,417.22</u>	<u>27,953,519.08</u>

The accompanying notes are an integral part of these financial statements

HAMILTON TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
		Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:								
Instruction:								
Regular	\$ 19,136,897.22	8,154,056.17	366,283.90	10,691,409.26		(16,233,260.23)		(16,233,260.23)
Special education	7,104,206.28	3,368,295.52		3,642,542.07		(6,829,959.72)		(6,829,959.72)
Other special instruction	2,087,579.08	1,000,183.43		1,081,618.34		(2,006,144.16)		(2,006,144.16)
Other instruction	186,123.31	93,307.48		100,904.58		(178,526.22)		(178,526.22)
Support services:								
Tuition	1,068,543.49					(1,068,543.49)		(1,068,543.49)
Student & instruction related services	6,249,250.57	2,832,023.36		3,361,418.30		(5,719,855.63)		(5,719,855.63)
School administrative services	1,739,924.80	1,068,812.13		592,984.15		(2,215,752.78)		(2,215,752.78)
General and business administrative services	1,581,848.28	1,018,818.83		565,247.53		(2,035,419.58)		(2,035,419.58)
Plant operations and maintenance	3,973,027.10	2,533,293.79		1,405,488.42		(5,100,832.47)		(5,100,832.47)
Pupil transportation	3,022,398.71	(20,068,790.71)				(3,022,398.71)		(3,022,398.71)
Unallocated benefits	20,068,790.71					-		-
Capital outlay	4,153.00			4,153.00		-		-
Interest on long-term debt	335,468.88					(335,468.88)		(335,468.88)
Total governmental activities	66,558,211.43	-	366,283.90	21,445,765.65	-	(44,746,161.88)	-	(44,746,161.88)
Business-type activities:								
Food Service	1,476,918.12		450,339.40	1,004,235.81		(22,342.91)		(22,342.91)
Kids Corner	269,149.42		297,420.91			28,271.49		28,271.49
Community Education	244,610.04		213,255.37			(31,354.67)		(31,354.67)
Total business-type activities	1,990,677.58		961,015.68	1,004,235.81	-	(25,426.09)		(25,426.09)
Total primary government	\$ 68,548,889.01		1,327,299.58	22,450,001.46	-	(44,746,161.88)	-	(44,771,587.97)
General revenues:								
Taxes:								
Property taxes, levied for general purposes, net						18,717,452.00		18,717,452.00
Taxes levied for debt service						2,799,261.00		2,799,261.00
Federal and State aid not restricted						23,422,649.33		23,422,649.33
Federal and State aid restricted						302,614.00		302,614.00
Investment Earnings						257.75	828.11	1,085.86
Miscellaneous Income						328,018.50		328,018.50
Special items:								
Adjustment to prior year fund balance						(11,314.97)		(11,314.97)
Loss on disposal of fixed assets						(16,695.00)		(16,695.00)
Total general revenues, special items, extraordinary items and transfers						45,542,242.61	828.11	45,543,070.72
Change in Net Position						796,080.73	(24,597.98)	771,482.75
Net Position—beginning						26,501,021.13	681,015.20	27,182,036.33
Net Position—ending						\$ 27,297,101.86	656,417.22	27,953,519.08

The accompanying notes are an integral part of these financial statements

FUND FINANCIAL STATEMENTS

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HAMILTON TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2018

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 2,135,206.78		192,138.23	0.58	2,327,345.59
Restricted cash	621,964.27				621,964.27
Receivables, net	13,853.49	-			13,853.49
Due from other funds	329,106.78				329,106.78
Receivables from other governments	<u>563,336.75</u>	<u>628,998.33</u>			<u>1,192,335.08</u>
Total assets	<u><u>3,663,468.07</u></u>	<u><u>628,998.33</u></u>	<u><u>192,138.23</u></u>	<u><u>0.58</u></u>	<u><u>4,484,605.21</u></u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	522,876.32	333,665.19			856,541.51
Contracts Payable					-
Due to other governments		14,576.53			14,576.53
Interfund payable		315,603.87			315,603.87
Unearned revenue		17,911.64			17,911.64
Due to Grantor					-
Total liabilities	<u>522,876.32</u>	<u>681,757.23</u>	<u>-</u>	<u>-</u>	<u>1,204,633.55</u>
Fund Balances:					
Restricted for:					
Excess Surplus	1,715,934.37				1,715,934.37
Excess Surplus - Designated for Subsequent Year's Expenditures	1,878,275.57				1,878,275.57
Capital Projects			192,138.23		192,138.23
Debt Service Fund				0.58	0.58
Committed for:					
Capital Reserve Fund	171,964.27				171,964.27
Maintenance Reserve Fund	450,000.00				450,000.00
Designated for subsequent year's expenditures	102,019.43				102,019.43
Assigned to:					
Encumbrances					
Unreserved, reported in:					
General fund	(1,177,601.89)				(1,177,601.89)
Special revenue fund		<u>(52,758.90)</u>			<u>(52,758.90)</u>
Total Fund balances	<u>3,140,591.75</u>	<u>(52,758.90)</u>	<u>192,138.23</u>	<u>0.58</u>	<u>3,279,971.66</u>
Total liabilities and fund balances	<u><u>\$ 3,663,468.07</u></u>	<u><u>628,998.33</u></u>	<u><u>192,138.23</u></u>	<u><u>0.58</u></u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 46,678,020.62

Pension Liabilities Net of Deferred Outflows & Inflows (14,799,209.00)

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

Bond payable (5,697,000.00)
Accrued interest payable (95,175.00)
Compensated absences (2,069,506.42)

Net assets of governmental activities 27,297,101.86

HAMILTON TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2018

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local tax levy	\$ 18,717,452.00			2,799,261.00	21,516,713.00
Tuition Charges	366,283.90				366,283.90
Interest	257.75				257.75
Miscellaneous	328,018.50		-		328,018.50
Local sources		4,785.00			4,785.00
State sources	34,453,519.74	613,725.16		302,614.00	35,369,858.90
Federal sources	103,429.53	3,049,285.55			3,152,715.08
Total revenues	<u>53,968,961.42</u>	<u>3,667,795.71</u>	<u>-</u>	<u>3,101,875.00</u>	<u>60,738,632.13</u>
EXPENDITURES					
Current:					
Regular instruction	12,201,445.85	1,909,101.50			14,110,547.35
Special education instruction	5,027,910.58				5,027,910.58
Other special instruction	1,471,042.75				1,471,042.75
Other instruction	128,606.41				128,606.41
Support services and undistributed costs:					
Tuition	1,068,543.49				1,068,543.49
Student & instruction related services	4,066,588.19	1,790,192.71			5,856,780.90
School administrative services	1,591,805.85				1,591,805.85
Other administrative services	1,440,657.54				1,440,657.54
Plant operations and maintenance	3,690,851.21				3,690,851.21
Pupil transportation	3,022,398.71				3,022,398.71
Unallocated Benefits	20,068,790.71				20,068,790.71
Debt service:					
Principal				3,012,000.00	3,012,000.00
Interest and other charges				278,681.88	278,681.88
Capital outlay	194,842.11	4,153.00	10,000.00		208,995.11
Total expenditures	<u>53,973,483.40</u>	<u>3,703,447.21</u>	<u>10,000.00</u>	<u>3,290,681.88</u>	<u>60,977,612.49</u>
Excess (Deficiency) of revenues over expenditures	<u>(4,521.98)</u>	<u>(35,651.50)</u>	<u>(10,000.00)</u>	<u>(188,806.88)</u>	<u>(238,980.36)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in		-		188,807.00	188,807.00
Adjustment to prior year fund balance	(11,721.97)		407.00		(11,314.97)
Transfers out	-		(188,807.00)		(188,807.00)
Total other financing sources and uses	<u>(11,721.97)</u>	<u>-</u>	<u>(188,400.00)</u>	<u>188,807.00</u>	<u>(11,314.97)</u>
Net change in fund balances	(16,243.95)	(35,651.50)	(198,400.00)	0.12	(250,295.33)
Fund balance—July 1	3,156,835.70	(17,107.40)	390,538.23	0.46	3,530,266.99
Fund balance—June 30	<u>\$ 3,140,591.75</u>	<u>(52,758.90)</u>	<u>192,138.23</u>	<u>0.58</u>	<u>3,279,971.66</u>

HAMILTON TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2018

Total net change in fund balances - governmental funds (from B-2) \$ (250,295.33)

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

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

	Depreciation expense	(1,801,415.83)	
	Assets charged to expense	68,895.00	
	Capital outlays	98,393.11	
	Capital outlay charged to NJ Nonpublic grant funding	<u>(4,153.00)</u>	
			(1,638,280.72)

In the statement of activities, only the loss on disposal of capital assets is reported, whereas in the governmental funds, the proceeds from the sale (if any) increases financial resources. Thus, the change in net assets differs from the change in fund balance by the book value of the assets disposed. (16,695.00)

Repayment of long term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. 3,012,000.00

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+) 53,815.00

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

District pension contributions - PERS	586,449.00		
Cost of benefits earned net of employee contributions	<u>(949,950.00)</u>		(363,501.00)

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).
 Compensated absences (962.22)

Change in net position of governmental activities \$ 796,080.73

HAMILTON TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2018

	<u>Food Service</u>	<u>Latchkey Program</u>	<u>Community Education</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 11,358.07	305,839.57	291,920.95	609,118.59
Accounts receivable	99,969.11	2,125.95		102,095.06
Interfund receivable	338.20			338.20
Inventories	9,338.47			9,338.47
Total current assets	<u>121,003.85</u>	<u>307,965.52</u>	<u>291,920.95</u>	<u>720,890.32</u>
Noncurrent assets:				
Furniture, machinery & equipment	411,203.19	2,352.72	41,411.92	454,967.83
Less accumulated depreciation	<u>(361,258.00)</u>	<u>(2,352.72)</u>	<u>(29,367.87)</u>	<u>(392,978.59)</u>
Total noncurrent assets	<u>49,945.19</u>	<u>-</u>	<u>12,044.05</u>	<u>61,989.24</u>
Total assets	<u><u>170,949.04</u></u>	<u><u>307,965.52</u></u>	<u><u>303,965.00</u></u>	<u><u>782,879.56</u></u>
LIABILITIES				
Current liabilities:				
Interfund payable	2,989.01	10,513.90	338.20	13,841.11
Accounts payable	47,125.73		411.21	47,536.94
Unearned revenue	17,088.01			17,088.01
Total current liabilities	<u>67,202.75</u>	<u>10,513.90</u>	<u>749.41</u>	<u>78,466.06</u>
Noncurrent liabilities:				
Compensated absences	47,996.28			47,996.28
Total noncurrent liabilities	<u>47,996.28</u>	<u>-</u>	<u>-</u>	<u>47,996.28</u>
Total liabilities	<u>115,199.03</u>	<u>10,513.90</u>	<u>749.41</u>	<u>126,462.34</u>
NET POSITION				
Net investment in capital assets	49,945.19	-	12,044.05	61,989.24
Unrestricted	5,804.82	297,451.62	291,171.54	594,427.98
Total net position	<u>\$ 55,750.01</u>	<u>297,451.62</u>	<u>303,215.59</u>	<u>656,417.22</u>

The accompanying notes are an integral part of these financial statements

HAMILTON TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2018

	<u>Food Service</u>	<u>Latchkey Program</u>	<u>Community Education</u>	<u>Total</u>
Operating revenues:				
Charges for services:				
Daily sales - reimbursable programs	\$ 281,020.99			281,020.99
Daily sales - non-reimbursable programs	125,393.70			125,393.70
Special functions	21,987.56			21,987.56
Miscellaneous	4,162.15			4,162.15
Community services activities	17,775.00	297,420.91	213,255.37	528,451.28
Total operating revenues	<u>450,339.40</u>	<u>297,420.91</u>	<u>213,255.37</u>	<u>961,015.68</u>
Operating expenses:				
Cost of sales-reimbursable programs	393,745.77			393,745.77
Cost of sales-non-reimbursable programs	140,118.35			140,118.35
Salaries	644,755.57	208,828.26	167,886.13	1,021,469.96
Employee benefits	220,041.63	35,412.68	24,342.78	279,797.09
General supplies & materials	42,161.18	23,870.10	27,498.11	93,529.39
Other expenses	15,608.32	1,038.38	21,582.01	38,228.71
Depreciation	20,487.30		3,301.01	23,788.31
Total Operating Expenses	<u>1,476,918.12</u>	<u>269,149.42</u>	<u>244,610.04</u>	<u>1,990,677.58</u>
Operating (loss)	<u>(1,026,578.72)</u>	<u>28,271.49</u>	<u>(31,354.67)</u>	<u>(1,029,661.90)</u>
Nonoperating revenues:				
State sources:				
State school lunch program	16,176.80			16,176.80
Federal sources:				
National school lunch program	736,895.64			736,895.64
National school breakfast program	183,994.19			183,994.19
Special milk program	229.35			229.35
Food distribution program	66,939.83			66,939.83
Interest and investment revenue	76.30	426.70	325.11	828.11
Total nonoperating revenues	<u>1,004,312.11</u>	<u>426.70</u>	<u>325.11</u>	<u>1,005,063.92</u>
(Loss) before contributions & transfers	<u>(22,266.61)</u>	<u>28,698.19</u>	<u>(31,029.56)</u>	<u>(24,597.98)</u>
Other financing sources:				
Loss on disposal of fixed assets	-	-	-	-
Change in net position	<u>(22,266.61)</u>	<u>28,698.19</u>	<u>(31,029.56)</u>	<u>(24,597.98)</u>
Total net position—beginning	<u>78,016.62</u>	<u>268,753.43</u>	<u>334,245.15</u>	<u>681,015.20</u>
Total net position—ending	<u>\$ 55,750.01</u>	<u>297,451.62</u>	<u>303,215.59</u>	<u>656,417.22</u>

HAMILTON TOWNSHIP SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2018

	<u>Food Service</u>	<u>Latchkey Program</u>	<u>Community Education</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 446,182.73	296,266.52	213,255.37	955,704.62
Payments to employees	(644,755.57)	(219,342.16)	(167,886.13)	(1,031,983.86)
Payments for employee benefits	(219,793.50)	(35,412.68)	(24,342.78)	(279,548.96)
Payments to suppliers	(57,769.50)	(14,394.58)	(48,668.91)	(120,832.99)
Payments to cost of sales	(445,958.92)	10,513.90	-	(435,445.02)
Net cash (used for) operating activities	<u>(922,094.76)</u>	<u>37,631.00</u>	<u>(27,642.45)</u>	<u>(912,106.21)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State Sources	15,685.05			15,685.05
Federal Sources	893,849.58			893,849.58
Payments from other funds	2,900.48	338.20		3,238.68
Net cash provided by non-capital financing activities	<u>912,435.11</u>	<u>338.20</u>	<u>-</u>	<u>912,773.31</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES				
Acquisition of capital assets	-		(2,703.83)	(2,703.83)
Net cash (used for) capital financing activities	<u>-</u>	<u>-</u>	<u>(2,703.83)</u>	<u>(2,703.83)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	76.30	426.70	325.11	828.11
Net cash provided by investing activities	<u>76.30</u>	<u>426.70</u>	<u>325.11</u>	<u>828.11</u>
Net decrease in cash and cash equivalents	(9,583.35)	38,395.90	(30,021.17)	(1,208.62)
Balances—beginning of year	20,941.42	267,781.87	321,603.92	610,327.21
Balances—end of year	<u>11,358.07</u>	<u>306,177.77</u>	<u>291,582.75</u>	<u>609,118.59</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating (loss)	(1,026,578.72)	28,271.49	(31,354.67)	(1,029,661.90)
Adjustments to reconcile operating (loss) to net cash provided by (used for) operating activities				
Depreciation and net amortization	20,487.30		3,301.01	23,788.31
Federal commodities	66,939.83			66,939.83
Decrease in inventories	4,211.42			4,211.42
(Increase) in other receivables	(4,156.67)	(1,154.39)	-	(5,311.06)
Increase/(decrease) in accounts payable	(334.06)	10,513.90	411.21	10,591.05
Increase in compensated absences	248.13			248.13
Total adjustments	<u>104,483.96</u>	<u>9,359.51</u>	<u>3,712.22</u>	<u>117,555.69</u>
Net cash (used for) operating activities	<u>\$ (922,094.76)</u>	<u>37,631.00</u>	<u>(27,642.45)</u>	<u>(912,106.21)</u>

HAMILTON TOWNSHIP SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>	<u>Agency Fund</u>
ASSETS			
Cash and cash equivalents	\$ <u>312,203.38</u>	<u>1,319.17</u>	<u>195,949.99</u>
Total assets	<u>312,203.38</u>	<u>1,319.17</u>	<u>195,949.99</u>
LIABILITIES			
Payable to student groups			192,794.95
Accounts payable	-		-
Interfunds payable			-
Payroll deductions and withholdings			3,155.04
Total liabilities	<u>-</u>		<u>195,949.99</u>
NET POSITION			
Held in trust for unemployment claims and other purposes	\$ <u>312,203.38</u>		
Reserved for scholarships		<u>1,319.17</u>	

HAMILTON TOWNSHIP SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2018

	Unemployment Compensation Trust	Private Purpose Scholarship Fund
ADDITIONS		
Contributions:		
Plan member	\$ 83,547.92	
Total Contributions	<u>83,547.92</u>	<u>-</u>
Investment earnings:		
Interest	438.59	9.53
Net investment earnings	<u>438.59</u>	<u>9.53</u>
Total additions	<u>83,986.51</u>	<u>9.53</u>
DEDUCTIONS		
Employee withholdings	46,583.00	
Unemployment claims	11,459.86	
Scholarships awarded		-
Total deductions	<u>58,042.86</u>	<u>-</u>
Operating income	25,943.65	9.53
Change in net position	<u>25,943.65</u>	<u>9.53</u>
Net position—beginning of the year	286,259.73	1,309.64
Net position—end of the year	<u>\$ 312,203.38</u>	<u>1,319.17</u>

The accompanying notes are an integral part of these financial statements

Notes to the Financial Statements

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Hamilton Township School District
Notes to Financial Statements
June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. REPORTING ENTITY:

The Hamilton Township School District is a Type II district located in the County of Atlantic, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-8. The Hamilton Township School District had an enrollment at June 30, 2018 and 2017 of 3,004 and 3,035 students.

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

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

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

B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS:

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

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

Hamilton Township School District
Notes to Financial Statements
June 30, 2018

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

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

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

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

C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

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

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

The following fund types are used by the District:

1. Governmental Funds:

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

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

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

Fund Balances – Governmental Funds

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

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

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

2. Proprietary Funds:

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

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

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

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

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

Hamilton Township School District
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3. Fiduciary Funds:

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

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

D. BASIS OF ACCOUNTING

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

1. Accrual:

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

2. Modified Accrual:

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

E. FINANCIAL STATEMENT AMOUNTS

1. Cash and Cash Equivalents:

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

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

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

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

2. Investments:

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

3. Inventories:

Inventories in the general fund consist of expendable supplies held for the District's use and are carried at cost using the first-in, first-out method. Inventories in the enterprise fund are valued at cost, which approximates market, using the first-in, first-out method. As of June 30, 2018, the District did not have inventory in the general fund and had the following inventory in the enterprise fund.

Food	\$	7,271.51
Supplies		2,066.96
	\$	9,338.47

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1996) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements. The value of commodities included in the food service inventory on June 30, 2018 is \$4,302.19.

4. Capital Assets:

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

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

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

Hamilton Township School District
Notes to Financial Statements
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5. Revenues:

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

6. Expenditures:

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

7. Compensated Absences:

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

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

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

8. Interfund Activity:

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

**Hamilton Township School District
Notes to Financial Statements
June 30, 2018**

9. Budgets/Budgetary Control:

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

Significant transfers approved by the Board of Education during the fiscal year were as follows:

Unallocated Benefits	
Health Benefits	\$ (568,000.00)

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

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

10. Tuition Receivable

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

11. Tuition Payable

Tuition charges for the fiscal year 2017/18 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

12. Use of Estimates

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

**Hamilton Township School District
Notes to Financial Statements
June 30, 2018**

13. Allocation of Costs

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

14. Pensions:

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

F. RECENT ACCOUNTING PRONOUNCEMENTS

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

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

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

In March 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 88 "Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements". This statement, which is effective for fiscal periods after June 15, 2018, will not have any effect on the District's financial reporting.

In June 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 89, "Accounting for Interest Cost Incurred Before the End of a Construction Period". This statement, which is effective for fiscal periods beginning after December 15, 2019, will not have any effect on the District's financial reporting.

In August 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 90, "Majority Equity Interest – an amendment of GASB Statements No. 14 and No. 61". This statement, which is effective for fiscal periods beginning after December 15, 2019, will not have any effect on the District's financial reporting.

NOTE 2: INVESTMENTS

As of June 30, 2018, the District had the following investments in the Private Purpose Scholarship Fund.

	<u>Maturity</u>	<u>Term</u>	<u>Interest Rate</u>	<u>Fair Value</u>
Certificate of Deposit	10/16/18	12 Months	0.85%	\$1,319.17

Upon maturity in October 2018, the District renewed the certificate for an additional 12 month term at an interest rate of 0.85% per annum.

**Hamilton Township School District
Notes to Financial Statements
June 30, 2018**

In addition, as of June 30, 2018 the District had \$48,137.60 on deposit with New Jersey ARM.

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

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

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

NOTE 3: CASH

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2018, \$394,903.03 of the District's bank balance of \$5,003,174.19 was exposed to custodial credit risk.

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**Hamilton Township School District
Notes to Financial Statements
June 30, 2018**

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions/Adj.</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,423,600.00			1,423,600.00
Construction in Progress	-			-
Total capital assets not being depreciated	<u>1,423,600.00</u>	<u>-</u>	<u>-</u>	<u>1,423,600.00</u>
Capital assets being depreciated:				
Land Improvements	533,172.25			533,172.25
Buildings and building improvements	76,514,968.27	68,000.00	(23,850.00)	76,559,118.27
Equipment and Vehicles	3,311,696.26	95,135.11	(6,761.54)	3,400,069.83
Total capital assets being depreciated at historical cost	<u>80,359,836.78</u>	<u>163,135.11</u>	<u>(30,611.54)</u>	<u>80,492,360.35</u>
Less accumulated depreciation for:				
Land Improvements	(238,240.93)	(26,359.11)		(264,600.04)
Buildings and improvements	(30,301,084.49)	(1,645,957.04)	7,155.00	(31,939,886.53)
Equipment and Vehicles	(2,911,115.02)	(129,099.68)	6,761.54	(3,033,453.16)
Total accumulated depreciation	<u>(33,450,440.44)</u>	<u>(1,801,415.83)</u>	<u>13,916.54</u>	<u>(35,237,939.73)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>46,909,396.34</u>	<u>(1,638,280.72)</u>	<u>(16,695.00)</u>	<u>45,254,420.62</u>
Governmental activity capital assets, net	<u>\$ 48,332,996.34</u>	<u>(1,638,280.72)</u>	<u>(16,695.00)</u>	<u>46,678,020.62</u>
Business-type activities:				
Capital assets being depreciated:				
Food Service Equipment	\$ 452,264.00	2,703.83		454,967.83
Less accumulated depreciation	(369,190.28)	(23,788.31)		(392,978.59)
Enterprise Fund capital assets, net	<u>\$ 83,073.72</u>	<u>(21,084.48)</u>	<u>-</u>	<u>61,989.24</u>

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**Hamilton Township School District
Notes to Financial Statements
June 30, 2018**

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 731,924.81
Special Instruction	302,345.12
Other Special Instruction	89,778.52
Other Instruction	8,375.47
Student & Instruction Related Services	254,208.23
Gen Administration Services	91,451.27
School Administration Services	95,938.77
Plant Operations	227,393.64
	<u>\$ 1,801,415.83</u>

NOTE 5: CAPITAL RESERVE ACCOUNT

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

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

The activity of the capital reserve for the 2018 fiscal year is as follows:

Beginning balance, July 1, 2017	\$ 171,706.52
Deposits:	
Interest	<u>257.75</u>
Ending balance, June 30, 2018	<u>\$ 171,964.27</u>

NOTE 6: MAINTENANCE RESERVE FUND

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

**Hamilton Township School District
Notes to Financial Statements
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Beginning balance, July 1, 2017	\$	550,000.00
Withdrawal		
Resolution Approved 8/27/17		<u>(100,000.00)</u>
Ending balance, June 30, 2018	\$	<u><u>450,000.00</u></u>

NOTE 7: GENERAL LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2018 was as follows:

	<u>Balance June 30, 2017</u>	<u>Issues or Additions</u>	<u>Payments or Expenditures</u>	<u>Balance June 30, 2018</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Compensated Absences	\$ 2,068,544.20	214,953.57	213,991.35	2,069,506.42	35,940.03
Bonds Payable	8,709,000.00		3,012,000.00	5,697,000.00	2,993,000.00
Net Pension Liability	19,435,905.00	4,654,967.00	9,354,586.00	14,736,286.00	
	<u>\$ 30,213,449.20</u>	<u>4,869,920.57</u>	<u>12,580,577.35</u>	<u>22,502,792.42</u>	<u>3,028,940.03</u>
Business-Type Activities:					
Compensated Absences	\$ <u>47,748.15</u>	<u>3,466.87</u>	<u>3,218.74</u>	<u>47,996.28</u>	<u>-</u>

A. Bonds Payable:

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

Long-term debt as of June 30, 2018 consisted of the following:

\$998,000 School Improvement bonds dated July 15, 2008, due in annual installments through July 15, 2018, bearing interest at a rate of 5.00% per annum. The balance remaining as of June 30, 2018 was \$118,000.00.

\$4,824,000 School Improvement Bonds dated June 23, 2010, due in annual installments through February 1, 2026, bearing interest at varying rates ranging from 2.0% to 4.0%. The balance remaining as of June 30, 2018 was \$3,004,000.00.

\$10,115,000 Refunding Bonds dated February 21, 2012 payable in annual installments through July 15, 2018. Interest is paid semiannually at varying rates ranging from 2.0% to 4.0% per annum. The total savings to the District was \$525,267, or 4.99% as a result of refunding the 2003 bond issue. The Bonds are not subject to redemption prior to their stated maturities. The balance remaining as of June 30, 2018 was \$2,575,000.00.

**Hamilton Township School District
Notes to Financial Statements
June 30, 2018**

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2019	2,993,000.00	160,272.00	3,153,272.00
2020	310,000.00	96,822.00	406,822.00
2021	325,000.00	87,136.00	412,136.00
2022	350,000.00	76,572.00	426,572.00
2023	400,000.00	64,848.00	464,848.00
2024-2026	1,319,000.00	104,368.00	1,423,368.00
	<u>\$ 5,697,000.00</u>	<u>590,018.00</u>	<u>6,287,018.00</u>

NOTE 8: OPERATING LEASES

The District has commitments to lease certain office equipment under operating leases that expire in fiscal year 2023. Total operating lease payments made during the year ended June 30, 2018 were \$49,865.64. Monthly payments range from \$147.70 to \$2,143.00. Future minimum lease payments are as follows:

Fiscal Year End June 30	Payment
2019	\$ 62,414.52
2020	53,033.42
2021	29,881.14
2022	25,716.00
2023	21,430.00
Total	<u>\$ 171,045.08</u>

NOTE 9: PENSION PLANS

Description of Plans

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

Teachers' Pension and Annuity Fund

The Teachers' Pension and Annuity Fund was established in January, 1955 under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers.

Hamilton Township School District
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June 30, 2018

Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System

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

Defined Contribution Retirement Program (DCRP)

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

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 7.34% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF and PERS rate is 7.34% of covered payroll. The School District's contributions to TPAF for the years ending June 30, 2018, 2017, and 2016, were \$4,553,451, \$3,866,142, and \$3,261,815, respectively, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year. The School District's contributions to PERS for the years ending June 30, 2018, 2017, and 2016, were \$588,825.36, \$589,902.27, and \$582,756, respectively, equal to the required contributions for each year.

The Board's total payroll for the years ended June 30, 2018, 2017, and 2016, was \$27,874,270.85, \$25,622,145, and \$30,395,752; covered payroll was \$20,319,220, \$18,940,839, and \$19,124,670, for TPAF; and \$4,334,664, \$4,289,056, and \$4,390,280, for PERS.

Significant Legislation

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

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

- New members of the PERS and TPAF hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the systems is increased from age 63 to 65 for Tier 5 members.

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- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2013, the member contribution rates increased in October 2012. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

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

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

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

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

NOTE 10 – PUBLIC EMPLOYEES RETIREMENT SYSTEM

At June 30, 2018, the District reported a liability of \$14,736,286 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the District's proportion was .06330454490%, which was a decrease of 3.53% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2017, the District recognized pension expense of \$949,950.00. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to

**Hamilton Township School District
Notes to Financial Statements
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PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 346,989.00	
Changes of assumptions	2,968,854.00	2,957,969.00
Net difference between projected and actual earnings on pension plan investments	100,344.00	
Changes in proportion and differences between District contributions and proportionate share of contributions	288,830.00	809,971.00
District contributions subsequent to the measurement date		
	<u>\$ 3,705,017.00</u>	<u>\$ 3,767,940.00</u>
Total	<u>\$ 3,705,017.00</u>	<u>\$ 3,767,940.00</u>

\$586,449 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (June 30, 2017) 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 June 30,	
2019	\$ (50,060.00)
2020	(72,730.00)
2021	(43,201.00)
2022	57,757.00
2023	45,311.00
Total	<u>\$ (62,923.00)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following assumptions, applied to all period in the measurement:

Inflation rate	2.25%
Salary increases:	
Through 2026	1.65% - 4.15% (based on age)
Thereafter	2.65% - 5.15% (based on age)
Investment rate of return:	7.00%

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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).

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflations. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.50%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

Discount Rate

The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, 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 40% of the actuarially determined contributions and the local employers contributed 100% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the collective net pension liability of the participated employers as of June 30, 2017, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Decrease (4.00%)	Rate (5.00%)	Increase (6.00%)
District's proportionate share of the net pension liability	\$ 17,679,985.79	14,736,286.00	12,286,996.30

Hamilton Township School District
Notes to Financial Statements
June 30, 2018

Pension plan fiduciary net position.

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

NOTE 11 - TEACHERS' PENSION AND ANNUITY FUND (TPAF)

At June 30, 2018, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$	-
State's proportionate share of the net position liability associated with the District		<u>126,256,632.00</u>
Total	\$	<u>126,256,632.00</u>

The net pension liability was measured as of June 30, 2017 and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2017, the District's proportion was 0.00%, which was no change from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$8,746,420 and revenue of \$2,102,750 for support provided by the State. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to TPAF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 826,029.00	216,061.00
Changes of assumptions	25,051,960.00	21,880,925.00
Net difference between projected and actual earnings on pension plan investments	639,503.00	
Changes in proportion and differences between District contributions and proportionate share of contributions	15,699,411.00	
District contributions subsequent to the measurement date		
Total	<u>\$ 42,216,903.00</u>	<u>22,096,986.00</u>

\$2,102,750 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date (June 30, 2017) 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

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resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2019	\$ 6,309,985.00
2020	10,020,159.00
2021	8,378,255.00
2022	4,697,520.00
2023	5,325,653.00
Thereafter	<u>(14,611,656.00)</u>
Total	<u><u>\$ 20,119,916.00</u></u>

Actuarial assumptions. The total pension liability in the June 30, 2017 actuarial valuation was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following assumptions, applied to all period included in the measurement:

Inflation Rate	2.25%
Salary increases	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.00%

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

The actuarial assumptions used in the July 1, 2016 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 (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2017 are summarized in the following table:

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return.
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging market equity	6.50%	11.64%
Buyouts venture capital	8.25%	13.08%

Discount rate. The discount rate used to measure the total pension liability was 4.25% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, 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 40% 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 2036. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2036, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 4.25% as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.25%) or 1-percentage point higher (5.25%) than the current rate:

	1% Decrease (3.25%)	Current Discount Rate (4.25%)	1% Increase (5.25%)
District's proportionate share of the net pension liability	\$ -	-	-

Hamilton Township School District
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Pension plan fiduciary net position.

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

NOTE 12 – POST-RETIREMENT BENEFITS

P.L. 1987, Chapter 384 and P.L. 1990 Chapter 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 funding and payment of post-retirement medical benefits for retired State employees and educational employees. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, 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 School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 53, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

Employees covered by benefit terms:

At June 30, 2018, the following employees were covered by the benefit terms:

TPAF participant retirees:

As of June 30, 2017, there were 112,966 retirees receiving post-retirement medical benefits, and the State contributed \$1.39 billion on their behalf.

PERS participant retirees:

The State paid \$238.9 million toward Chapter 126 benefits for 20,913 eligible retired members in Fiscal Year 2017.

Total OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportional share percentage determined under paragraphs 193 and 203 through 205 of GASBS no. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education.

Actuarial assumptions and other imputes:

The total OPEB liability in the June 30, 2017 actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

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Notes to Financial Statements
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Discount Rate: The Bond Buyer General Obligation 20-Bond Municipal Bond Index is used for the determination of the discount rate. The discount rate used for the fiscal year ending June 30, 2017 is 3.58%.

Health Care Trend: For pre-Medicare PPO medical benefits, the initial amount is 5.9% and decreases to 5.0% long term trend rate after 9 years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For HMO medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long-term trend rate after 9 years. For prescription drug benefits, the initial trend rate is 10/5% decreasing to a 5.0% long-term trend rate after 8years. For Medicare Part-B reimbursement, the trend rate is 5.0%.

Salary Scale: The salary scale assumptions will be consistent with the salary scale assumptions used in the pension plans and the calculation of the retiree health contributions for current and future retirees who are subject to Chapter 78. The PERS and TPAF pension actuarial reports are used for the fiscal year ending June 30, 2018.

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index.

Mortality rates were based on the following:

Pre-retirement Healthy Mortality: RP-2014 headcount-weighted healthy employee male/female mortality table with fully generational mortality improvement projections from the central year using scale MP-2017.

Post-retirement Healthy Mortality: RP-2014 headcount-weighted healthy annuitant male/female mortality table with fully generational improvement projections from the central year using scale MP-2017.

Disabled Mortality: RP-2014 headcount-weighted disabled male/female mortality table with fully generational improvement projections from the central year using scale MP-2017

Changes in the Total OPEB liability reported by the State of New Jersey:

Balance at 6/30/16	\$ 57,831,784,184.00
Changes for the year:	
Service cost	2,391,878,884.00
Interest	1,699,441,736.00
Changes in assumptions or other inputs	(7,086,599,129.00)
Contributions: Member	45,748,749.00
Benefit payments	<u>(1,242,412,566.00)</u>
Net changes	<u>(4,191,942,326.00)</u>
Balance at 6/30/17	<u><u>\$ 53,639,841,858.00</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.85% in 2016 to 3.58% in 2017.

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Notes to Financial Statements
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Sensitivity of the total OPEB liability to changes in the discount rate:

The following presents the total OPEB liability of the State for school board retirees, as well as what the state's total OPEB liability for school boards would be if it were calculated using a discount rate that 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease (2.58%)	Discount Rate (3.58%)	1% Increase (4.58%)
Total OPEB Liability (School Retirees)	63,674,362,200.00	53,639,841,858.00	45,680,364,953.00

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.

The following presents the total OPEB liability of the State, as well as what the State's total OPB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	44,113,584,560.00	53,639,841,858.00	66,290,599,457.00

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the board of education recognized OPEB expense of \$6,907,721 determined by the State as the total OPEB liability for benefits provided through a defined OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

In accordance with GASB 75, the board of education's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2017, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employees' OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	
Changes of assumptions		6,343,769,032.00
Net difference between projected and actual earnings on pension plan investments		
Changes in proportion and differences between District contributions and proportionate share of contributions		
Contributions subsequent to the measurement date	1,190,373,242.00	
Total	\$ 1,190,373,242.00	6,343,769,032.00

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Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employees' OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	
2019	\$ (742,830,097.00)
2020	(742,830,097.00)
2021	(742,830,097.00)
2022	(742,830,097.00)
2023	(742,830,097.00)
Thereafter	(2,629,618,547.00)
Total	<u><u>\$ (6,343,769,032.00)</u></u>

(Contributions made after June 30, 2017 are reported as deferred outflow of resources but are not amortized in the expense.)

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

NOTE 13: LABOR CONTRACTS

As of June 30, 2018, the District's employees are organized in three collective bargaining units.

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

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

Hamilton Township School District
Notes to Financial Statements
June 30, 2018

NOTE 14: DEFERRED COMPENSATION

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

AXA Equitable
Lincoln Investment Planning
Syracusa Benefits Program
ING
Vanguard

NOTE 15: COMPENSATED ABSENCES

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

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

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

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

NOTE 16: LITIGATION

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

NOTE 17: FUND BALANCE APPROPRIATED

General Fund (Exhibit B-1) – Of the \$3,140,591.75 General Fund fund balance at June 30, 2018, \$71,861.24 is reserved for encumbrances, but not reflected as assigned on the balance sheet since the unassigned balance is negative; \$3,594,209.94 is reserved as excess surplus in accordance with NJSA 18A:7F-7 (\$1,878,275.57 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2019); \$171,964.27 has been reserved in the Capital Reserve Account; \$450,000.00 has been reserved in the Maintenance Reserve Account; \$102,019.43 has been appropriated and included as anticipated revenue for the year ending June 30, 2019; and a deficit of \$1,177,601.89 is unreserved and undesignated, after adjusting for the encumbrance amount of \$71,861.24.

Hamilton Township School District
Notes to Financial Statements
June 30, 2018

NOTE 18: CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if the District did not appropriate a required minimum amount as budgeted fund balance in the subsequent years' budget. The excess fund balance at June 30, 2018 is \$3,594,209.94, of which \$1,878,275.57 has been included in the 2018-19 budget. The excess fund balance at June 30, 2017 was \$3,487,259.57.

NOTE 19: DEFICIT FUND BALANCE

The District has a deficit fund balance of \$1,177,601.89 in the General Fund and \$52,758.90 in the Special Revenue Fund as of June 30, 2018 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the school district can not recognize the June state aid payments (on the GAAP financial statements) until the year the State records the payable. This amount was \$2,317,825.80 in the General Fund and \$52,758.90 in the Special Revenue Fund. Due to the timing difference of recording the June state aid payments, the General Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The deficit in unreserved, undesignated general fund balance of \$1,177,601.89 is less than the last state aid payments.

NOTE 20: ECONOMIC DEPENDENCY

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

NOTE 21: RISK MANAGEMENT

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

Property and Liability Insurance – The District maintains commercial insurance coverage for property, liability and surety bonds. During the fiscal year ended June 30, 2018 the District did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

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

**Hamilton Township School District
Notes to Financial Statements
June 30, 2018**

reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and prior year:

Fiscal Year	Contributions	Interest on Investments	Amount Reimbursed	Ending Balance
2017-2018	\$ 83,547.92	438.59	58,042.86	312,203.38
2016-2017	82,190.49	400.15	79,384.91	286,259.73
2015-2016	77,867.00	419.00	81,308.00	283,054.00

NOTE 22: INTERFUND RECEIVABLES AND PAYABLES

As of June 30, 2018, several interfunds remained on the various balance sheets of the Hamilton Township Board of Education.

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 329,106.78	
Special Revenue Fund		315,603.87
Food Service Fund		2,989.01
Kids Corner Program Fund		10,513.90
Total	<u>\$ 329,106.78</u>	<u>329,106.78</u>

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

NOTE 23: SUBSEQUENT EVENTS

General Long-Term Debt

On October 2, 2018, the voters of the Hamilton Township School District approved a \$21,973,000 bond referendum to provide funding for the following projects:

- a. Hess Educational Complex Elementary School – renovations, alterations, improvements, and an addition
- b. Shaner Memorial Elementary and Davies Middle Schools – renovations, alterations and improvements

Projects also include all fixtures, furnishings, equipment, site work and related work.

Bonds in the amount of \$21,973,000 were issued on December 4, 2018 and are due in annual installments through July 15, 2038. Interest at rates ranging from 3.0% to 4.0% is due semi-annually on the 15th day of January and July, commencing on July 15, 2019. Bonds maturing on or after July 15, 2029 are subject to redemption at the option of the Board prior to maturity, in whole or in part, on any date on or after July 15, 2028.

**Hamilton Township School District
Notes to Financial Statements
June 30, 2018**

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2019	\$ 0.00	0.00	0.00
2020	793,000.00	845,579.45	1,638,579.45
2021	835,000.00	733,487.50	1,568,487.50
2022	840,000.00	708,362.50	1,548,362.50
2023	810,000.00	683,612.50	1,493,612.50
2024-2028	4,515,000.00	3,033,387.50	7,548,387.50
2029-2033	5,660,000.00	2,241,781.25	7,901,781.25
2034-2038	6,940,000.00	1,033,600.00	7,973,600.00
2039	1,580,000.00	31,600.00	1,611,600.00
	<u>\$ 21,973,000.00</u>	<u>9,311,410.70</u>	<u>31,284,410.70</u>

On January 7, 2019, the Board of Education introduced a bond ordinance in an amount not to exceed \$6,200,000 to fund the District's Energy Conservation Improvements. As of the date of this report, the ordinance has not been finally adopted.

Capital Lease Payable

Commencing July 31, 2018, the District is leasing Chromebooks totaling \$202,500 under a capital lease. The lease is for a term of 3 years and annual payments in the amount of \$72,436.28 are made. Payments include interest at a rate of 0.3560738% per annum.

The following is a schedule of the future minimum lease payments under the capital lease and the net minimum lease payments.

	Total
FY19	\$ 72,436.28
FY20	72,436.28
FY21	72,436.28
Total minimum lease payments	217,308.84
Less amount representing interest	14,808.84
Present value of lease payments	<u>\$ 202,500.00</u>

Other

The District has evaluated subsequent events through January 19, 2019, the date which the financial statements were available to be issued and no items were noted for disclosure or adjustment.

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Required Supplemental Information
Part II

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BUDGETARY COMPARISON SCHEDULES

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HAMILTON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 18,717,452.00		18,717,452.00	18,717,452.00	-
Tuition	12,750.00		12,750.00	366,283.90	353,533.90
Interest Earned on Maintenance Reserve Funds	750.00		750.00	-	(750.00)
Interest Earned on Capital Reserve Funds	375.00		375.00	257.75	(117.25)
Miscellaneous	30,000.00		30,000.00	328,018.50	298,018.50
Total - Local Sources	18,761,327.00	-	18,761,327.00	19,412,012.15	650,685.15
State Sources:					
Equalization Aid	19,424,564.00		19,654,328.00	19,654,328.00	-
Categorical Special Education Aid	1,768,740.00	229,764.00	1,768,740.00	1,768,740.00	-
Categorical Security Aid	767,425.00		767,425.00	767,425.00	-
Categorical Transportation Aid	764,014.00		764,014.00	764,014.00	-
Under Adequacy Aid	135,379.00		135,379.00	135,379.00	-
Special Education Extraordinary Aid	50,500.00		50,500.00	242,969.00	192,469.00
Nonpublic School Transportation Aid			-	19,110.00	19,110.00
PARCC Readiness Aid	29,645.00		29,645.00	29,645.00	-
Per Pupil Growth Aid	29,645.00		29,645.00	29,645.00	-
Professional Learning Community Aid	29,100.00		29,100.00	29,100.00	-
Lead Water Testing for Schools Aid					-
On-Behalf OPEB - GASB 75 (non-budgeted)				5,122,243.00	5,122,243.00
On-Behalf TPAF Pension Contributions (non-budgeted)			-	2,764,417.00	2,764,417.00
On-Behalf TPAF Pension Contributions (non-budgeted)-Post Retirement Medical			-	1,785,478.00	1,785,478.00
On-Behalf TPAF Pension Contributions (non-budgeted)-Non-Contributory Insurance			-	3,556.00	3,556.00
Reimbursed TPAF Social Security Contributions (non-budgeted)			-	1,458,605.94	1,458,605.94
Total - State Sources	22,999,012.00	229,764.00	23,228,776.00	34,574,654.94	11,345,878.94
Federal Sources:					
Medical Assistance Program (SEMI)	63,259.00		63,259.00	103,429.53	40,170.53
Total - Federal Sources	63,259.00	-	63,259.00	103,429.53	40,170.53
Total Revenues	41,823,598.00	229,764.00	42,053,362.00	54,090,096.62	12,036,734.62

HAMILTON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	29,324.00	50,642.63	79,966.63	73,699.61	6,267.02
Kindergarten	803,995.00	81,500.00	885,495.00	881,781.40	3,713.60
Grades 1-5	5,817,313.00	52,000.00	5,869,313.00	5,843,766.10	25,546.90
Grades 6-8	4,006,754.00	(60,300.00)	3,946,454.00	3,936,033.69	10,420.31
Regular Programs - Home Instruction:					
Salaries of Teachers	25,000.00	8,917.00	33,917.00	33,864.40	52.60
Purchased Professional - Educational Services	5,000.00	500.00	5,500.00	4,333.68	1,166.32
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	348,730.00	111,785.00	460,515.00	458,034.70	2,480.30
Purchased Professional - Educational Services	11,500.00	-	11,500.00	8,447.50	3,052.50
Other Purchased Technical Services	85,771.00	(14,000.00)	71,771.00	56,187.58	15,583.42
Other Purchased Services	163,300.00	-	163,300.00	123,540.91	39,759.09
General Supplies	671,414.63	(124,237.11)	547,177.52	460,910.04	86,267.48
Textbooks	256,600.00	-	256,600.00	195,349.24	61,250.76
Other Objects	2,500.00	-	2,500.00	1,760.00	740.00
Total Regular Programs	12,227,201.63	106,807.52	12,334,009.15	12,077,708.85	256,300.30
Special Education - Instruction:					
Multiple Disabilities					
Salaries of Teachers	886,370.00	269,664.00	1,156,034.00	1,149,608.78	6,425.22
Other Salaries for Instruction	591,780.00	99,366.00	691,146.00	683,600.34	7,545.66
Purchased Professional-Educational Services	20,040.72	(20,040.72)	-	-	-
General Supplies	21,400.00	8,890.72	30,290.72	28,131.93	2,158.79
Total Multiple Disabilities	1,519,590.72	357,880.00	1,877,470.72	1,861,341.05	16,129.67

HAMILTON TOWNSHIP SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Resource Room/Resource Center					
Salaries of Teachers	2,612,224.00	(10,500.00)	2,601,724.00	2,580,193.16	21,530.84
Other Salaries for Instruction	228,987.00	(95,000.00)	133,987.00	122,646.14	11,340.86
General Supplies	38,000.00	(2,850.00)	35,150.00	25,842.15	9,307.85
Total Resource Room/Resource Center	2,879,211.00	(108,350.00)	2,770,861.00	2,728,681.45	42,179.55
Autism					
Salaries of Teachers	113,164.00	(113,164.00)	-	-	-
Other Salaries for Instruction	164,366.00	(164,366.00)	-	-	-
General Supplies	6,000.00	(6,000.00)	-	-	-
Total Autism	283,530.00	(283,530.00)	-	-	-
Preschool Disabilities - Part Time					
Salaries of Teachers	209,836.00	31,000.00	240,836.00	239,660.86	1,175.14
Other Salaries for Instruction	133,794.00	5,000.00	138,794.00	133,567.29	5,226.71
General Supplies	4,400.00	-	4,400.00	2,844.72	1,555.28
Total Preschool Disabilities - Part Time	348,030.00	36,000.00	384,030.00	376,072.87	7,957.13
Home Instruction					
Salaries of Teachers	20,000.00	28,943.00	48,943.00	48,942.80	0.20
Purchased Professional-Educational Services	9,000.00	4,655.00	13,655.00	12,872.41	782.59
Total Home Instruction	29,000.00	33,598.00	62,598.00	61,815.21	782.79
Total Special Education - Instruction	5,059,361.72	35,598.00	5,094,959.72	5,027,910.58	67,049.14
Basic Skills/Remedial - Instruction					
Salaries of Teachers	1,036,865.00	61,000.00	1,097,865.00	1,060,817.06	37,047.94
General Supplies	940.00	-	940.00	849.99	90.01
Total Basic Skills/Remedial - Instruction	1,037,805.00	61,000.00	1,098,805.00	1,061,667.05	37,137.95
Bilingual Education - Instruction:					
Salaries of Teachers	446,258.00	(32,163.00)	414,095.00	409,375.70	4,719.30
Total Bilingual Education - Instruction	446,258.00	(32,163.00)	414,095.00	409,375.70	4,719.30

HAMILTON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
School Sponsored Cocurricular Activities - Instruction:					
Salaries	58,375.00	-	58,375.00	58,247.14	127.86
Supplies and Materials	8,250.00	-	8,250.00	8,138.99	111.01
Other Objects	1,750.00	-	1,750.00	575.00	1,175.00
Total School Sponsored Cocurricular Activities - Instruction	68,375.00	-	68,375.00	66,961.13	1,413.87
School Sponsored Athletics:					
Salaries	48,714.00	-	48,714.00	48,714.00	-
Purchased Services	5,750.00	-	5,750.00	3,636.00	2,114.00
Supplies and Materials	7,750.00	-	7,750.00	7,748.28	1.72
Other Objects	2,850.00	-	2,850.00	1,547.00	1,303.00
School Sponsored Athletics:	65,064.00	-	65,064.00	61,645.28	3,418.72
Other Supplemental/At-Risk Programs - Support					
Purchased Services and Technical Services	7,700.00	-	7,700.00	-	7,700.00
Total Other Supplemental/At-Risk Programs - Support	7,700.00	-	7,700.00	-	7,700.00
Community Services					
Salaries	-	333.00	333.00	-	333.00
Total Community Services	-	333.00	333.00	-	333.00
Total Instruction	18,911,765.35	171,575.52	19,083,340.87	18,705,268.59	378,072.28
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	44,000.00	109,436.00	153,436.00	142,606.88	10,829.12
Tuition to Other LEAs Within the State - Special	77,165.00	153,712.00	230,877.00	220,999.30	9,877.70
Tuition to CSSD & Regional Day Schools	206,182.00	76,404.00	282,586.00	282,499.80	86.20
Tuition to Private Schools for the Disabled - Within State	680,890.00	(237,428.00)	443,462.00	422,437.51	21,024.49
Tuition - Other	-	-	-	-	-
Total Undistributed Expenditures - Instruction	1,008,237.00	102,124.00	1,110,361.00	1,068,543.49	41,817.51

HAMILTON TOWNSHIP SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Attendance and Social Work:					
Salaries	154,822.00	1,460.00	156,282.00	154,179.71	2,102.29
Other Purchased Services	2,700.00	140.00	2,840.00	2,168.77	671.23
Total Undistributed Expenditures - Attendance and Social Work	157,522.00	1,600.00	159,122.00	156,348.48	2,773.52
Undistributed Expenditures - Health Services:					
Salaries	348,107.00	(20,917.00)	327,190.00	327,065.16	124.84
Purchased Professional and Technical Services	26,950.00	11,017.00	37,967.00	31,632.00	6,335.00
Other Purchased Services	800.00	(300.00)	500.00	280.00	220.00
Supplies and Materials	11,100.00	(800.00)	10,300.00	9,990.15	309.85
Total Undistributed Expenditures - Health Services	386,957.00	(11,000.00)	375,957.00	368,967.31	6,989.69
Undistributed Expenditures - Other Support Services - Students - Related Services:					
Salaries of Other Professional Staff	619,193.00	(9,000.00)	610,193.00	609,141.70	1,051.30
Purchased Professional - Educational Services	15,000.00	(500.00)	14,500.00	8,203.97	6,296.03
Supplies and Materials	4,000.00	500.00	4,500.00	3,659.36	840.64
Total Undistributed Expenditures - Other Support Services - Students - Related Services	638,193.00	(9,000.00)	629,193.00	621,005.03	8,187.97
Undistributed Expenditures - Other Support Services - Students - Extra Services:					
Salaries	228,047.00	24,000.00	252,047.00	248,017.31	4,029.69
Other Purchased Professional and Technical Services	211,500.00	26,664.00	238,164.00	198,883.50	39,280.50
Supplies and Materials	3,599.98	-	3,599.98	2,110.48	1,489.50
Total Undistributed Expenditures - Other Support Services - Extra Services	443,146.98	50,664.00	493,810.98	449,011.29	44,799.69

HAMILTON TOWNSHIP SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Other Support Services - Students - Guidance:					
Salaries of Other Professional Staff	447,358.00	-	447,358.00	446,857.00	501.00
Other Purchased Services	300.00	200.00	500.00	431.54	68.46
Supplies and Materials	2,600.00	(200.00)	2,400.00	1,640.85	759.15
Total Undistributed Expenditures - Other Support Services - Students - Regular	450,258.00	-	450,258.00	448,929.39	1,328.61
Undistributed Expenditures - Other Support Services - Students - Child Study Team:					
Salaries of Other Professional Staff	703,920.00	130,694.00	834,614.00	834,266.56	347.44
Salaries of Secretarial and Clerical Assistants	122,674.00	(10,000.00)	112,674.00	108,322.85	4,351.15
Other Salaries	61,224.00	20,000.00	81,224.00	78,657.74	2,566.26
Unused Vacation Time Terminated/Retired	-	4,736.39	4,736.39	4,736.39	-
Other Purchased Professional and Technical Services	141,225.00	(56,000.00)	85,225.00	62,364.93	22,860.07
Miscellaneous Purchased Services	19,000.00	-	19,000.00	13,508.68	5,491.32
Supplies and Materials	15,329.00	-	15,329.00	10,594.42	4,734.58
Other Objects	750.00	-	750.00	175.00	575.00
Total Undistributed Expenditures - Other Support Services - Students - Special	1,064,122.00	89,430.39	1,153,552.39	1,112,626.57	40,925.82
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	144,531.00	-	144,531.00	142,678.02	1,852.98
Salaries of Other Professional Staff	207,224.00	41,124.00	248,348.00	216,841.35	31,506.65
Salaries of Secretarial and Clerical Assistants	24,826.00	-	24,826.00	24,411.92	414.08
Other Purchased Services	20,000.00	-	20,000.00	175.37	19,824.63
Supplies and Materials	1,000.00	-	1,000.00	446.82	553.18
Other Objects	500.00	-	500.00	40.00	460.00
Total Undistributed Expenditures - Improv. of Instr. Services	398,081.00	41,124.00	439,205.00	384,593.48	54,611.52

HAMILTON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Educational Media Services - School Library					
Salaries	315,716.00	19,456.00	335,172.00	333,347.04	1,824.96
Salaries of Technology Coordinators	124,840.00	12,800.00	137,640.00	137,583.17	56.83
Unused Vacation Time Terminated/Retired	-	13,468.00	13,468.00	13,467.48	0.52
Purchased Professional and Technical Services	1,100.00	330.00	1,430.00	409.90	1,020.10
Other Purchased Services	605.00	(330.00)	275.00	-	275.00
Supplies and Materials	15,000.00	-	15,000.00	14,417.85	582.15
Other Objects	75.00	-	75.00	-	75.00
Total Undistributed Expenditures - Educational Media Services - School Library	457,336.00	45,724.00	503,060.00	499,225.44	3,834.56
Undistributed Expenditures - Instructional Staff Training Services					
Salaries of Other Professional Staff	19,820.00	-	19,820.00	13,087.46	6,732.54
Purchased Professional - Educational Services	30,004.00	-	30,004.00	-	30,004.00
Other Purchased Services	27,800.00	-	27,800.00	12,683.14	15,116.86
Supplies and Materials	2,000.00	-	2,000.00	110.60	1,889.40
Total Undistributed Expenditures - Instructional Staff Training Svc	79,624.00	-	79,624.00	25,881.20	53,742.80
Undistributed Expenditures - Support Services - Gen. Admin.:					
Salaries	286,151.00	10,500.00	296,651.00	295,991.28	659.72
Legal Services	70,000.00	-	70,000.00	47,826.83	22,173.17
Audit Fees	25,000.00	-	25,000.00	24,000.00	1,000.00
Architectural/Engineering Services	31,730.00	(11,500.00)	20,230.00	14,750.00	5,480.00
Other Purchased P Professional Services	34,000.00	22,000.00	56,000.00	52,161.21	3,838.79
Communications/Telephone	118,958.00	(500.00)	118,458.00	80,495.22	37,962.78
Other Purchased Services	1,000.00	2,416.00	3,416.00	3,415.94	0.06
Miscellaneous Purchased Services	240,998.00	(381.00)	240,617.00	239,184.15	1,432.85
General Supplies	11,599.33	(2,035.00)	9,564.33	5,879.88	3,684.45
BOE In-House Training/Meeting Supplies	750.00	-	750.00	65.00	685.00
Miscellaneous Expenditures	6,836.00	-	6,836.00	5,840.40	995.60
BOE Membership Dues and Fees	17,209.00	-	17,209.00	16,435.00	774.00
Total Undistributed Expenditures - Support Services - Gen. Admin.	844,231.33	20,500.00	864,731.33	786,044.91	78,686.42

HAMILTON TOWNSHIP SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Support Serv. - School Admin.:					
Salaries of Principals/Assistant Principals	889,735.00	4,590.00	894,325.00	892,604.46	1,720.54
Salaries of Other Professional Staff	118,790.00	2,410.00	121,200.00	120,654.98	545.02
Salaries of Secretarial and Clerical Assistants	455,829.00	7,800.00	463,629.00	462,953.99	675.01
Unused Vacation Time-Terminated/Retired	-	14,942.32	14,942.32	14,942.32	-
Purchased Professional Educational Services	500.00	-	500.00	-	500.00
Other Purchased Services	49,100.00	(800.00)	48,300.00	37,280.94	11,019.06
Supplies and Materials	68,763.00	-	68,763.00	61,174.16	7,588.84
Other Objects	5,050.00	-	5,050.00	2,195.00	2,855.00
Total Undistributed Expenditures - Support Serv. - School Admin.	1,587,767.00	28,942.32	1,616,709.32	1,591,805.85	24,903.47
Undistributed Expenditures - Central Services					
Salaries	345,756.00	9,000.00	354,756.00	354,196.68	559.32
Purchased Professional Services	13,750.00	437.00	14,187.00	14,072.76	114.24
Miscellaneous Purchased Services (400-500 series)	2,300.00	563.00	2,863.00	1,848.57	1,014.43
Supplies and Materials	7,000.00	5,000.00	12,000.00	7,582.23	4,417.77
Miscellaneous Expenditures	1,500.00	-	1,500.00	1,490.00	10.00
Total Undistributed Expenditures - Central Services	370,306.00	15,000.00	385,306.00	379,190.24	6,115.76
Undistributed Expenditures - Administrative Information Technology					
Salaries	287,259.00	(23,268.00)	263,991.00	251,865.05	12,125.95
Purchased Professional Services	5,700.00	(1,000.00)	4,700.00	3,989.00	711.00
Purchased Technical Services	5,700.00	(1,000.00)	4,700.00	3,250.00	1,450.00
Other Purchased Services	2,500.00	-	2,500.00	1,965.65	534.35
Supplies and Materials	14,159.99	1,000.00	15,159.99	14,352.69	807.30
Total Undistributed Expenditures - Admin. Information Technology	315,318.99	(24,268.00)	291,050.99	275,422.39	15,628.60
Undistributed Expenditures - Required Maint for School Facilities					
Salaries	313,047.00	(5,656.69)	307,390.31	268,433.63	38,956.68
Unused Vacation Time-Terminated/Retired	-	8,870.69	8,870.69	8,870.14	0.55
Cleaning, Repair, and Maintenance Services	327,765.00	(45,467.00)	282,298.00	267,944.93	14,353.07
General Supplies	101,008.62	168,244.00	269,252.62	257,615.51	11,637.11
Total Undistributed Expenditures - Required Maint for School Facilities	741,820.62	125,991.00	867,811.62	802,864.21	64,947.41

HAMILTON TOWNSHIP SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Custodial Services					
Salaries	1,250,930.00	(5,612.78)	1,245,317.22	1,241,420.82	3,896.40
Unused Vacation Time - Terminated/Retired	-	8,504.44	8,504.44	8,504.44	-
Cleaning, Repair and Maintenance Services	77,600.00	(18,101.00)	59,499.00	51,563.06	7,935.94
Purchased Professional and Technical Services	-	-	-	-	-
Other Purchased Property Services	101,700.00	7,980.00	109,680.00	103,547.56	6,132.44
Insurance	121,506.00	-	121,506.00	119,795.30	1,710.70
Miscellaneous Purchased Services	13,974.00	-	13,974.00	7,376.27	6,597.73
General Supplies	133,000.00	7,821.00	140,821.00	121,115.56	19,705.44
Energy (Electricity)	901,200.00	27,500.00	928,700.00	915,401.27	13,298.73
Energy (Natural Gas)	261,000.00	(28,000.00)	233,000.00	223,312.25	9,687.75
Energy (Oil)	-	-	-	-	-
Other Objects	-	500.00	500.00	500.00	-
Total Undistributed Expenditures - Custodial Services	2,860,910.00	591.66	2,861,501.66	2,792,536.53	68,965.13
Undistributed Expenditures - Care & Upkeep of Grounds					
Salaries	59,904.00	13,000.00	72,904.00	71,268.31	1,635.69
Cleaning, Repair and Maintenance Services	7,000.00	(4,005.54)	2,994.46	2,994.46	-
General Supplies	17,000.00	4,005.54	21,005.54	17,572.79	3,432.75
Total Undistributed Expenditures - Care & Upkeep of Grounds	83,904.00	13,000.00	96,904.00	91,835.56	5,068.44
Undistributed Expenditures - Security					
Cleaning, Repair and Maintenance Services	-	2,000.00	2,000.00	-	2,000.00
General Supplies	10,000.00	(6,300.00)	3,700.00	3,614.91	85.09
Total Undistributed Expenditures - Security	10,000.00	(4,300.00)	5,700.00	3,614.91	2,085.09
Total Undistributed Expenditures - Oper & Main of Plant Services	3,696,634.62	135,282.66	3,831,917.28	3,690,851.21	141,066.07
Undistributed Expenditures - Student Transportation Services:					
Sal for Pupil Transp (Between Home and School)-Reg.	42,136.00	1,781.00	43,917.00	43,741.07	175.93
Contracted Services - (Between Home and School) - Vendors	153,735.00	100,812.00	254,547.00	252,921.83	1,625.17
Contracted Services - (Other than Between Home and School) - Vendors	197,900.00	(80,342.00)	117,558.00	92,442.47	25,115.53
Contracted Services - (Between Home and School) - Joint Agreements	1,705,450.00	235,094.00	1,940,544.00	1,895,431.34	45,112.66
Contracted Services - (Special Ed Students) - Joint Agree.	885,100.00	(255,492.00)	629,608.00	621,752.58	7,855.42
Contracted Services - Aid in Lieu of Payments-Non Public	55,000.00	17,073.00	72,073.00	72,072.73	0.27
Contracted Services - Aid in Lieu of Payments - Charter School	8,000.00	6,855.00	14,855.00	14,854.70	0.30
Contracted Services - Aid in Lieu of Payments - Choice School	20,000.00	3,000.00	23,000.00	23,000.00	-

HAMILTON TOWNSHIP SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund

For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Miscellaneous Purchased Services - Transportation	5,500.00	-	5,500.00	4,941.05	558.95
General Supplies	7,000.00	-	7,000.00	1,240.94	5,759.06
Other Objects	-	-	-	-	-
Total Undistributed Expenditures - Student Transportation Serv.	3,079,821.00	28,781.00	3,108,602.00	3,022,398.71	86,203.29
Unallocated Benefits:					
Social Security Contributions	545,919.00	(80,000.00)	465,919.00	456,269.04	9,649.96
Other Retirement Contributions - PERS	690,000.00	227,116.00	917,116.00	917,042.64	73.36
Unemployment Compensation	65,000.00	(57,000.00)	8,000.00	-	8,000.00
Workmen's Compensation	255,000.00	-	255,000.00	247,829.00	7,171.00
Health Benefits	7,727,124.00	(568,000.00)	7,159,124.00	7,148,863.28	10,260.72
Tuition Reimbursement	80,000.00	-	80,000.00	39,945.30	40,054.70
Other Employee Benefits	105,100.00	25,000.00	130,100.00	124,541.51	5,558.49
Unused Sick Payment to Terminated/Retired Staff	-	-	-	-	-
Total Unallocated Benefits	9,468,143.00	(452,884.00)	9,015,259.00	8,934,490.77	80,768.23
On-Behalf OPEB - GASB 75 (non-budgeted)					
On-behalf TPAF Pension Contributions (non-budgeted)				5,122,243.00	(5,122,243.00)
On-Behalf TPAF Pension Contributions (non-budgeted)-Post Retirement Medical				2,764,417.00	(2,764,417.00)
On-Behalf TPAF Pension Contributions (non-budgeted)-Non-Contributory Insurance				1,785,478.00	(1,785,478.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)				3,556.00	(3,556.00)
				1,458,605.94	(1,458,605.94)
Total On-behalf Contributions				11,134,299.94	(11,134,299.94)
Total Undistributed Expenditures	24,445,698.92	62,020.37	24,507,719.29	34,949,635.70	(10,441,916.41)
Total Current Expense	43,357,464.27	233,595.89	43,591,060.16	53,654,904.29	(10,063,844.13)
Capital Outlay:					
Interest earned on Maintenance Reserve	750.00	-	750.00	-	750.00
Interest Deposit to Capital Reserve	375.00	-	375.00	-	375.00
Total Interest Deposit to Capital Reserve	1,125.00	-	1,125.00	-	1,125.00

HAMILTON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Equipment:					
Undistributed Expenditures:					
Undist. Expend. - Administrative Information Technology	-	72,548.11	72,548.11	70,328.11	2,220.00
Undist. Expend. - Care and Upkeep of Grounds	-	13,912.00	13,912.00	13,912.00	-
Undist. Expend. - Security	-	4,300.00	4,300.00	-	4,300.00
Total Equipment	-	90,760.11	90,760.11	84,240.11	6,520.00
Facilities Acquisition and Construction Services:					
Debt service assessment on SDA funding	110,602.00	-	110,602.00	110,602.00	-
Total Facilities Acquisition and Construction Services	110,602.00	-	110,602.00	110,602.00	-
Total Capital Outlay	111,727.00	90,760.11	202,487.11	194,842.11	7,645.00
Transfer to Charter Schools	129,195.00	5,408.00	134,603.00	123,737.00	10,866.00
Total Expenditures	43,598,386.27	329,764.00	43,928,150.27	53,973,483.40	(10,045,333.13)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,774,788.27)	(100,000.00)	(1,874,788.27)	116,613.22	1,991,401.49
Other Financing Sources (Uses):					
Operating Transfers Out:					
Adjustment to Prior Year Fund Balance	-	-	-	(11,721.97)	-
Local Contribution-Transfer to Special Revenue - Regular	-	-	-	-	-

HAMILTON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,774,788.27)	(100,000.00)	(1,874,788.27)	104,891.25	1,991,401.49
Fund Balances, July 1	5,353,526.30	-	5,353,526.30	5,353,526.30	-
Fund Balances, June 30	<u>3,578,738.03</u>	<u>(100,000.00)</u>	<u>3,478,738.03</u>	<u>5,458,417.55</u>	<u>1,991,401.49</u>

Recapitulation of Fund Balance:

Restricted Fund Balance:

Reserve for Excess Surplus	1,715,934.37
Excess Surplus-Designated for Subsequent Year's Expenditures	1,878,275.57

Committed Fund Balance:

Reserve for Capital Reserve	171,964.27
Reserve for Maintenance Reserve	450,000.00
Designated for Subsequent Year's Expenditures	102,019.43

Assigned Fund Balance:

Year-end Encumbrances	71,861.24
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Unassigned Fund Balance

	<u>1,068,362.67</u>
	5,458,417.55

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

	<u>(2,317,825.80)</u>
	<u>\$ 3,140,591.75</u>

HAMILTON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources:					
Sustainable New Jersey		3,985.00	3,985.00	3,985.00	-
Atlantcare Healthy Garden		3,900.00	3,900.00	1,550.53	(2,349.47)
		7,885.00	7,885.00	5,535.53	(2,349.47)
State Sources:					
Preschool Education Aid	264,049.00	237,218.00	501,267.00	501,267.00	-
Nonpublic aid	125,034.00	45,403.00	170,437.00	149,118.47	(21,318.53)
Total - State Sources	389,083.00	282,621.00	671,704.00	650,385.47	(21,318.53)
Federal Sources:					
Title I	483,917.00	68,480.21	552,397.21	540,598.51	(11,798.70)
Title II	47,659.00	36,648.00	84,307.00	72,967.04	(11,339.96)
Title III	13,801.00	9,981.05	23,782.05	14,257.10	(9,524.95)
Title IV		25,000.00	25,000.00	23,712.00	(1,288.00)
Preschool Expansion	1,522,913.00	412,229.72	1,935,142.72	1,565,072.94	(370,069.78)
I.D.E.A., Part B	603,441.00	167,689.61	771,130.61	771,130.61	-
I.D.E.A., Preschool		31,703.00	31,703.00	31,703.00	-
Temporary Emergency Impact Aid		26,250.00	26,250.00	26,250.00	-
Total - Federal Sources	2,671,731.00	777,981.59	3,449,712.59	3,045,691.20	(404,021.39)
Total Revenues	3,060,814.00	1,068,487.59	4,129,301.59	3,701,612.20	(427,689.39)
EXPENDITURES:					
Instruction					
Salaries of Teachers	816,676.00	(161,637.73)	655,038.27	653,193.27	1,845.00
Other Salaries for Instruction	178,847.00	(12,031.65)	166,815.35	166,815.35	-
Purchased Prof/Technical Services		-		-	-
Other Professional Services	716,332.00	158,312.00	874,644.00	860,462.46	14,181.54
Other Purchased Services (400-500 series)	2,000.00	35,703.00	37,703.00	32,703.00	5,000.00
General Supplies	150,882.00	123,097.69	273,979.69	192,963.05	81,016.64
Textbooks	7,900.00	920.00	8,820.00	8,587.07	232.93
Other Objects		790.00	790.00	790.00	-
Total instruction	1,872,637.00	145,153.31	2,017,790.31	1,915,514.20	102,276.11

HAMILTON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
EXPENDITURES (CONT'D):					
Support Services					
Salaries of Program Directors	115,627.00	33,741.18	149,368.18	149,068.18	300.00
Salaries of other professional staff	7,201.00	88,468.30	95,669.30	95,669.30	-
Salaries of Secretarial and Clerical Assistants	25,305.00	1,825.00	27,130.00	27,130.00	-
Other salaries	41,447.00	(436.13)	41,010.87	41,010.87	-
Salaries of family/parent liaison and Community parent involvement specialists	2,256.00	1,213.71	3,469.71	3,037.61	432.10
Salaries of facilitators, math coaches, literacy coaches & master teachers	91,359.00	-	91,359.00	77,621.48	13,737.52
Personnel services- employee benefits	338,682.00	207,464.98	546,146.98	499,104.73	47,042.25
Purchased educational services	410,000.00	127,167.95	537,167.95	377,635.00	159,532.95
Other purchased prof/educ services	7,500.00	(4,175.00)	3,325.00	3,325.00	-
Purchased Technical Services		59,861.62	59,861.62	51,651.86	8,209.76
Other Purchased Services	25,000.00	233,278.44	258,278.44	220,341.64	37,936.80
Contracted services (between home and school)-joint agreements		26,250.00	26,250.00	26,250.00	-
Contracted services (other than between home and school-grants)	111,300.00	62,522.37	173,822.37	173,822.37	-
Travel	2,000.00	27,330.90	29,330.90	4,793.76	24,537.14
Supplies & Materials	6,500.00	32,653.91	39,153.91	31,211.15	7,942.76
Miscellaneous Expenses		272.05	272.05	272.05	-
Total support services	<u>1,184,177.00</u>	<u>897,439.28</u>	<u>2,081,616.28</u>	<u>1,781,945.00</u>	<u>299,671.28</u>
Facilities acquisition and construction services:					
Instructional Equipment	4,000.00	15,000.00	19,000.00	-	19,000.00
Non-instructional Equipment		10,895.00	10,895.00	4,153.00	6,742.00
Total facilities acquisition and construction services	<u>4,000.00</u>	<u>25,895.00</u>	<u>29,895.00</u>	<u>4,153.00</u>	<u>25,742.00</u>
Transfers to Charter Schools					
Total expenditures	<u>3,060,814.00</u>	<u>1,068,487.59</u>	<u>4,129,301.59</u>	<u>3,701,612.20</u>	<u>427,689.39</u>
Other financing sources (uses)					
Transfer from other funds		-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Total outflows	<u>3,060,814.00</u>	<u>1,068,487.59</u>	<u>4,129,301.59</u>	<u>3,701,612.20</u>	<u>427,689.39</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

HAMILTON TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2018

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

	General Fund	Special Revenue
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 54,090,096.62	3,701,612.20
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized		
Prior year		17,397.18
Current year		(15,562.17)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	2,196,690.60	17,107.40
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(2,317,825.80)</u>	<u>(52,758.90)</u>
Total revenues reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>53,968,961.42</u>	<u>3,667,795.71</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	53,973,483.40	3,701,612.20
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes		
Prior year		17,397.18
Current year		(15,562.17)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ <u>53,973,483.40</u>	<u>3,703,447.21</u>

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Required Supplemental Information
Part III

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.0767713968%	0.0656238601%	0.0677834642%	0.0646281321%	0.0663082340%
District's proportionate of the net pension liability (asset)	\$ 17,871,154	19,435,905	15,216,029	12,100,154	12,672,821
District's covered payroll	\$ 4,334,664	4,289,056	4,390,280	4,502,895	4,376,252
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	412.28%	453.15%	346.58%	268.72%	289.58%
Plan fiduciary net position as a percentage of the total pension liability	48.10%	40.14%	47.93%	52.08%	48.72%

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

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

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 588,825.36	628,544.58	582,756.00	532,785.00	499,619.00
Contributions in relation to the contractually required contribution	<u>\$ 588,825.36</u>	<u>628,544.58</u>	<u>582,756.00</u>	<u>532,785.00</u>	<u>499,619.00</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered-employee payroll	\$ 4,334,664	\$ 4,289,056	\$ 4,390,280	\$ 4,502,895	\$ 4,376,252
Contributions as a percentage of covered-employee payroll	13.58%	14.65%	13.27%	11.83%	11.42%

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

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

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate of the net pension liability (asset)	\$ -	-	-	-	-
State's proportionate share of the net pension liability (asset) associated with the District	<u>126,256,632</u>	<u>146,293,255</u>	<u>111,857,438</u>	<u>96,480,494</u>	<u>91,627,370</u>
Total	<u>126,256,632</u>	<u>146,293,255</u>	<u>111,857,438</u>	<u>96,480,494</u>	<u>91,627,370</u>
District's covered payroll	20,319,220	18,940,839	19,124,670	18,191,256	17,473,103
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	25.41%	22.33%	28.71%	33.64%	33.79%

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

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

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

	<u>2017</u>	<u>2016</u>
District's proportion of the net OPEB liability (asset)	0.00%	0.00%
District's proportionate of the net OPEB liability (asset)	\$ -	-
State's proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 107,888,809.00</u>	<u>116,405,410.00</u>
Total	<u>\$ 107,888,809.00</u>	<u>116,405,410.00</u>
District's covered payroll	24,653,884.00	23,229,895.00
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%

Source: GASB 75 report on State of New Jersey State Health Benefits Program;
District records

Note: This schedule is required by GASB 75 to be show information for a 10 year period.
However, information is only currently available for two years.
Additional years will be presented as they become available.

SPECIAL REVENUE FUND

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HAMILTON TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenue and Expenditures
Budgetary Basis
For Fiscal Year Ended June 30, 2018

	Nonpublic Textbooks	Nonpublic Auxiliary Aid Compensatory Education	English As A Second Language	Examination & Classification	Nonpublic Handicapped Aid Corrective Speech	Supplemental Instruction	Nonpublic Nursing	Nonpublic Technology	Nonpublic Security Aid
REVENUES:									
Slate Sources	8,587.07	54,921.95	5,962.00	21,106.20	13,234.41	13,242.00	14,194.90	5,957.00	11,912.94
Federal Sources									
Local Sources									
Total revenues	<u>8,587.07</u>	<u>54,921.95</u>	<u>5,962.00</u>	<u>21,106.20</u>	<u>13,234.41</u>	<u>13,242.00</u>	<u>14,194.90</u>	<u>5,957.00</u>	<u>11,912.94</u>
EXPENDITURES:									
Instruction:									
Salaries of teachers									
Other salaries for instruction									
Purchased prof. and technical services									
Other professional services		54,921.95	5,962.00	21,106.20	13,234.41	13,242.00	14,194.90		
Other purchased services									
General supplies								5,684.95	
Textbooks	8,587.07								
Total instruction	<u>8,587.07</u>	<u>54,921.95</u>	<u>5,962.00</u>	<u>21,106.20</u>	<u>13,234.41</u>	<u>13,242.00</u>	<u>14,194.90</u>	<u>5,684.95</u>	<u>-</u>
Support services:									
Salaries of program directors									
Salaries of other professional staff									
Salaries of secretarial and clerical assistants									
Other salaries									
Salaries of family/parent liaison and community parent involvement specialists									
Salaries of facilitators, math coaches, literacy coaches & master teachers									
Personnel services- employee benefits									
Purchased educational services									
Other purchased prof/educ services									
Purchased technical services									
Other purchased services									
Contracted services (between home and school)- joint agreements									
Contracted services (other than between home and school-grants)									
Travel									
Supplies and materials									
Miscellaneous expenses								272.05	7,759.94
Total support services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>272.05</u>	<u>7,759.94</u>
Facilities acquisition and const. serv.:									
Instructional equipment									
Non-instructional equipment									4,153.00
Total facilities acquisition and construction services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,153.00</u>
Transfer to charter schools									
Total expenditures	<u>8,587.07</u>	<u>54,921.95</u>	<u>5,962.00</u>	<u>21,106.20</u>	<u>13,234.41</u>	<u>13,242.00</u>	<u>14,194.90</u>	<u>5,957.00</u>	<u>11,912.94</u>
Other financing sources (uses)									
Transfer from other funds									
Total outflows	<u>8,587.07</u>	<u>54,921.95</u>	<u>5,962.00</u>	<u>21,106.20</u>	<u>13,234.41</u>	<u>13,242.00</u>	<u>14,194.90</u>	<u>5,957.00</u>	<u>11,912.94</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

HAMILTON TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenue and Expenditure
Budgetary Basis
FOR THE FISCAL YEAR ENDED June 30, 2018

	Preschool Education Aid	Total State Funds	Race to the Top Preschool Expansion Aid	Race to the Top Preschool Expansion Aid	Carryover Race to the Top Preschool Expansion Aid	I.D.E.A. Part - B Basic	I.D.E.A. Part - B Preschool	Title I Part A	Carryover Title I Part A	Title II Part A
REVENUES:										
State Sources	501,267.00	650,385.47	1,153,028.62	412,044.32	771,130.61	31,703.00	536,419.03	4,179.48	72,967.04	
Federal Sources	-	-	-	-	-	-	-	-	-	-
Local Sources	-	-	-	-	-	-	-	-	-	-
Total revenues	<u>501,267.00</u>	<u>650,385.47</u>	<u>1,153,028.62</u>	<u>412,044.32</u>	<u>771,130.61</u>	<u>31,703.00</u>	<u>536,419.03</u>	<u>4,179.48</u>	<u>72,967.04</u>	
EXPENDITURES:										
Instruction:										
Salaries of teachers	113,945.00	113,945.00	172,281.27				321,902.00	37.00	32,912.00	
Other salaries for instruction	67,697.00	67,697.00	99,118.35							
Purchased prof. and technical services	-	122,661.46	-		737,801.00	31,703.00	81,962.18	222.48	2,494.80	
Other professional services	1,000.00	1,000.00	36,297.07	7,044.00						
Other purchased services	56,605.00	62,289.95	790.00							
General supplies	-	8,587.07	-							
Textbooks	-	-	-							
Other Objects	-	-	-							
Total instruction	<u>239,247.00</u>	<u>376,180.48</u>	<u>307,486.69</u>	<u>7,044.00</u>	<u>737,801.00</u>	<u>31,703.00</u>	<u>403,864.18</u>	<u>259.48</u>	<u>35,406.80</u>	
Support services:										
Salaries of program directors	-	-	118,917.92				19,404.00	1,713.81		
Salaries of other professional staff	-	-	96,669.30							
Salaries of secretarial and clerical assistants	-	-	27,130.00							
Other salaries	-	-	41,010.87				1,339.93			
Salaries of family/parent liaison and community parent involvement specialists	-	-	1,697.68							
Salaries of facilitators, math coaches, literacy coaches & master teachers	-	-	77,621.48							
Personnel services- employee benefits	53,010.00	53,010.00	335,567.79				96,970.54	134.42	10,312.00	
Purchased educational services	-	-	12,634.68	365,000.32						
Other purchased prof/educ services	-	-	3,325.00							
Purchased technical services	-	-	-		33,329.61					
Other purchased services	195,076.00	195,076.00	-				13,741.16	1,349.49	18,322.25	8,494.99
Contracted services (between home and school)- joint agreements	-	-	-							
Contracted services (other than between home and school)-grants	13,934.00	13,934.00	119,888.37	40,000.00						
Travel	-	-	4,461.70							
Supplies and materials	-	7,759.94	7,617.14				1,099.22	722.28	431.00	
Miscellaneous expenses	-	272.05	-							
Total support services	<u>282,020.00</u>	<u>270,051.99</u>	<u>845,541.93</u>	<u>405,000.32</u>	<u>33,329.61</u>	<u>-</u>	<u>132,554.85</u>	<u>3,920.00</u>	<u>37,560.24</u>	
Facilities acquisition and const. serv.:										
Instructional equipment	-	-	-							
Non-instructional equipment	-	4,153.00	-							
Total facilities acquisition and construction services	<u>-</u>	<u>4,153.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Transfer to charter schools	501,267.00	650,385.47	1,153,028.62	412,044.32	771,130.61	31,703.00	536,419.03	4,179.48	72,967.04	
Total expenditures	<u>501,267.00</u>	<u>650,385.47</u>	<u>1,153,028.62</u>	<u>412,044.32</u>	<u>771,130.61</u>	<u>31,703.00</u>	<u>536,419.03</u>	<u>4,179.48</u>	<u>72,967.04</u>	
Other financing sources (uses)	-	-	-							
Transfer from other funds	-	-	-							
Total outflows	<u>501,267.00</u>	<u>650,385.47</u>	<u>1,153,028.62</u>	<u>412,044.32</u>	<u>771,130.61</u>	<u>31,703.00</u>	<u>536,419.03</u>	<u>4,179.48</u>	<u>72,967.04</u>	
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

HAMILTON TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenue and Expenditure
Budgetary Basis
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Title IV	Title III English Language Enhancement	Title III Immigrant	Carryover Title III Immigrant	Temporary Emergency Impact Aid	Total Federal Funds	Sustainable New Jersey	Atlanticare Healthy Garden	Totals
REVENUES:									
State Sources	\$ 23,712.00	12,987.71	846.39	423.00	26,250.00	3,045,691.20	3,985.00	1,550.53	650,385.47
Federal Sources									3,045,691.20
Local Sources									5,535.53
Total revenues	<u>23,712.00</u>	<u>12,987.71</u>	<u>846.39</u>	<u>423.00</u>	<u>26,250.00</u>	<u>3,045,691.20</u>	<u>3,985.00</u>	<u>1,550.53</u>	<u>3,701,612.20</u>
EXPENDITURES:									
Instruction:									
Salaries of teachers		9,404.00				536,536.27	2,712.00		653,193.27
Other salaries for instruction						99,118.35			166,815.35
Purchased prof. and technical services						737,801.00			860,462.46
Other professional services						31,703.00			32,703.00
Other purchased services		832.65	846.39	423.00		129,122.57	1,550.53		192,963.05
General supplies									8,587.07
Textbooks									790.00
Other Objects						790.00			790.00
Total instruction		<u>10,236.65</u>	<u>846.39</u>	<u>423.00</u>		<u>1,535,071.19</u>	<u>2,712.00</u>	<u>1,550.53</u>	<u>1,915,514.20</u>
Support services:									
Salaries of program directors	9,032.45					149,068.18			149,068.18
Salaries of other professional staff						95,669.30			95,669.30
Salaries of secretarial and clerical assistants						27,130.00			27,130.00
Other salaries						41,010.87			41,010.87
Salaries of family/parent liaison and Community parent involvement specialists						3,037.61			3,037.61
Salaries of facilitators, math coaches, literacy coaches & master teachers						77,621.48			77,621.48
Personnel services- employee benefits	690.98	2,419.00				446,094.73			489,104.73
Purchased educational services						377,635.00			377,635.00
Other purchased prof/educ services						3,325.00			3,325.00
Purchased technical services						51,651.86			51,651.86
Other Purchased Services	1,680.00					25,265.64			220,341.64
Contracted services (between home and school)- joint agreements					26,250.00	26,250.00			26,250.00
Contracted services (other than between home and school-grants)						159,888.37			173,822.37
Travel		332.06				4,793.76			4,793.76
Supplies and materials	12,308.57					22,178.21	1,273.00		31,211.15
Miscellaneous expenses									272.05
Total support services	<u>23,712.00</u>	<u>2,751.06</u>			<u>26,250.00</u>	<u>1,510,620.01</u>	<u>1,273.00</u>		<u>1,781,945.00</u>
Facilities acquisition and const. serv.:									
Instructional equipment									4,155.00
Non-instructional equipment									4,155.00
Total facilities acquisition and construction services									
Transfer to charter schools									
Total expenditures	<u>23,712.00</u>	<u>12,987.71</u>	<u>846.39</u>	<u>423.00</u>	<u>26,250.00</u>	<u>3,045,691.20</u>	<u>3,985.00</u>	<u>1,550.53</u>	<u>3,701,612.20</u>
Other financing sources (uses)									
Transfer from other funds									
Total outflows	<u>23,712.00</u>	<u>12,987.71</u>	<u>846.39</u>	<u>423.00</u>	<u>26,250.00</u>	<u>3,045,691.20</u>	<u>3,985.00</u>	<u>1,550.53</u>	<u>3,701,612.20</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	-	-	-	-	-	-	-	-

HAMILTON TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid
Budgetary Basis
For the Fiscal Year Ended June 30, 2018

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 113,945.00	113,945.00	-
Other Salaries for Instruction	67,697.00	67,697.00	-
Other Purchased Services	1,000.00	1,000.00	-
General Supplies	56,605.00	56,605.00	-
Other Objects			-
	<u>239,247.00</u>	<u>239,247.00</u>	<u>-</u>
Total Instruction			
Support Services:			
Salaries of Secr and Clerical Assistants			-
Personnel Services - Employee Benefits	53,010.00	53,010.00	-
Purchased Technical Services			-
Other Purchased Prof Services	195,076.00	195,076.00	-
Travel			-
Contracted Transportation Services	13,934.00	13,934.00	-
Supplies and Materials			-
	<u>262,020.00</u>	<u>262,020.00</u>	<u>-</u>
Total Support Services			
Facilities acquisition and const. serv.:			
Instructional equipment			-
	<u>501,267.00</u>	<u>501,267.00</u>	<u>-</u>
Total Expenditures			

Total Revised 2017-18 Preschool Education Aid Allocation	501,267.00
Add: Actual ECPA Carryover (June 30, 2017)	
Add: Budgeted Transfer from General Fund 2017-18	-
Total Preschool Education Aid Funds Available for 2017-18 Budget	<u>501,267.00</u>
Less: 2017-18 Budgeted Preschool Education Aid	
(including prior year budgeted carryover)	<u>501,267.00</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2018	-
Add: June 30, 2018 Unexpended Preschool Education Aid	-
Less: 2017-18 Commissioner-approved Transfer to the General Fund	-
2017-18 Carryover - Preschool Education Aid Programs	<u>-</u>

CAPITAL PROJECTS FUND

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HAMILTON TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Statement of Project Expenditures
Year Ended June 30, 2018

Number	Issue/Project Title	Original Date	Appropriations	Expenditures to Date		Transfers (Out)	Unexpended Balance
				Prior Years	Expended		
#1940-120-03-0418	William Davies Middle School Addition	4/17/2003	\$ 24,234,445.00	24,176,382.25	10,000.00		48,062.75
#1940-055/060-120-09-2000	Solar Roof Project	9/29/2009	4,824,000.00	4,491,524.52		(188,400.00)	144,075.48
Totals			\$ <u>29,058,445.00</u>	<u>28,667,906.77</u>	<u>10,000.00</u>	<u>(188,400.00)</u>	<u>192,138.23</u>

HAMILTON TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Projects Revenues, Expenditures, and Changes in
Fund Balance - Budgetary Basis
For the Year Ended June 30, 2018

Revenues and other Financing Sources

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

Expenditures and other Financing Uses

Purchased professional and technical services	-
Legal services	-
Land and improvements	-
Construction services	10,000.00
Equipment purchases	-
Total expenditures	<hr/> 10,000.00 <hr/>

Other financing sources (uses):

Transfer to debt service fund	(188,807.00)
Adjustment to prior year fund balance	407.00
Total other financing sources (uses)	<hr/> (188,400.00) <hr/>

Excess (deficiency) of revenues over (under) expenditures (198,400.00)

Fund balance - beginning 390,538.23

Fund balance - ending \$ 192,138.23

HAMILTON TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Projects Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Addition/Renovations to William Davies Middle School
From Inception and for the Year Ended June 30, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Costs
Revenues and other Financing Sources				
State sources -				
SCC Grant	\$ 8,329,210.00	-	8,329,210.00	
Bond proceeds and transfers	15,865,000.00	-	15,865,000.00	
Local Source	25,000.00	-	25,000.00	
Transfer from capital reserve	16,579.00	-	16,579.00	
Transfer from capital outlay	23,656.00	-	23,656.00	
Total revenues	<u>24,259,445.00</u>	<u>-</u>	<u>24,259,445.00</u>	<u>-</u>
Expenditures and other Financing Uses				
Purchased professional and technical services	2,026,939.25		2,026,939.25	
Construction services	21,261,476.00	10,000.00	21,271,476.00	
Furniture & equipment purchases	912,967.00	-	912,967.00	
Total expenditures	<u>24,201,382.25</u>	<u>10,000.00</u>	<u>24,211,382.25</u>	<u>-</u>
Other financing sources (uses):				
None	-	-	-	
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 58,062.75</u>	<u>(10,000.00)</u>	<u>48,062.75</u>	<u>-</u>
Additional project information:				
Project number	1940-120-03-0418			
Grant date	4/17/03			
Bond Authorization Date	3/11/03			
Bonds Authorized	15,865,000.00			
Bonds Issued	15,865,000.00			
Original Authorized Cost	24,194,210.00			
Additional Authorized Cost	40,235.00			
Revised Authorized Cost	24,234,445.00			
Percentage Increase over Original Authorized Cost	0.17%			
Percentage Completion	99.80%			
Original target completion date	Sep-05			
Revised target completion date	Jun-12			

HAMILTON TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Projects Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Solar Roof Project - 2010 Bonds
From Inception and for the Year Ended June 30, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Costs
Revenues and other Financing Sources				
Bond proceeds and transfers	\$ 4,824,000.00		4,824,000.00	
Total revenues	<u>4,824,000.00</u>	<u>-</u>	<u>4,824,000.00</u>	<u>-</u>
Expenditures and other Financing Uses				
Purchased professional and technical services	348,458.00		348,458.00	
Legal services	17,581.00		17,581.00	
Construction services	3,135,230.00		3,135,230.00	
Furniture & equipment purchases	2,500.00		2,500.00	
Total expenditures	<u>3,503,769.00</u>	<u>-</u>	<u>3,503,769.00</u>	<u>-</u>
Other financing sources (uses):				
Transfer to debt service fund	(987,755.26)	(188,807.00)	(1,176,562.26)	
Adjustment to prior year fund balance	(0.26)	407.00	406.74	
Total other financing sources (uses)	<u>(987,755.52)</u>	<u>(188,400.00)</u>	<u>(1,176,155.52)</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>332,475.48</u>	<u>(188,400.00)</u>	<u>144,075.48</u>	<u>-</u>
Additional project information:				
Project number	1940-060/055/120-09-2000			
Grant date	N/A			
Bond Authorization Date	9/29/09			
Bonds Authorized	4,824,000.00			
Bonds Issued	4,824,000.00			
Original Authorized Cost	4,824,407.00			
Additional Authorized Cost				
Revised Authorized Cost	4,824,407.00			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	72.63%			
Original target completion date	6/30/11			
Revised target completion date	6/30/12			

PROPRIETARY FUNDS

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HAMILTON TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Net Position
June 30, 2018

	Food Service	Kids Corner Program	Community Education	2018
ASSETS:				
Cash and cash equivalents	\$ 11,358.07	305,839.57	291,920.95	609,118.59
Accounts Receivable:				
State	1,484.99	2,125.95		3,610.94
Federal	84,274.10			84,274.10
Other	14,210.02			14,210.02
Interfund Receivable	338.20			338.20
Inventories	9,338.47			9,338.47
Total Current Assets	<u>121,003.85</u>	<u>307,965.52</u>	<u>291,920.95</u>	<u>720,890.32</u>
Fixed Assets:				
Equipment	411,203.19	2,352.72	41,411.92	454,967.83
Accumulated depreciation	(361,258.00)	(2,352.72)	(29,367.87)	(392,978.59)
Total fixed assets	<u>49,945.19</u>	<u>-</u>	<u>12,044.05</u>	<u>61,989.24</u>
Total assets	<u><u>170,949.04</u></u>	<u><u>307,965.52</u></u>	<u><u>303,965.00</u></u>	<u><u>782,879.56</u></u>
LIABILITIES				
Current liabilities:				
Interfund payable	2,989.01	10,513.90	338.20	13,841.11
Accounts payable	47,125.73	-	411.21	47,536.94
Unearned revenue	17,088.01	-	-	17,088.01
Total current liabilities	<u>67,202.75</u>	<u>10,513.90</u>	<u>749.41</u>	<u>78,466.06</u>
Noncurrent liabilities:				
Compensated absences	47,996.28			47,996.28
Total noncurrent liabilities	<u>47,996.28</u>	<u>-</u>	<u>-</u>	<u>47,996.28</u>
Total liabilities	<u>115,199.03</u>	<u>10,513.90</u>	<u>749.41</u>	<u>126,462.34</u>
NET POSITION				
Net investment in capital assets	49,945.19	-	12,044.05	61,989.24
Unrestricted	5,804.82	297,451.62	291,171.54	594,427.98
Total net position	<u>55,750.01</u>	<u>297,451.62</u>	<u>303,215.59</u>	<u>656,417.22</u>
Total liabilities and net position	<u>\$ <u>170,949.04</u></u>	<u><u>307,965.52</u></u>	<u><u>303,965.00</u></u>	<u><u>782,879.56</u></u>

HAMILTON TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Revenues, Expenses
and Changes in Fund Net Position
For the Fiscal Year ended June 30, 2018

	Food Service	Kids Corner Program	Community Education	2018
OPERATING REVENUES:				
Local Sources:				
Daily sales- reimbursable programs				
School lunch and special milk program	\$ 281,020.99			281,020.99
Daily sales non- reimbursable programs	125,393.70			125,393.70
Special functions	21,987.56			21,987.56
Community/Kids Corner service activities	17,775.00	297,420.91	213,255.37	528,451.28
Miscellaneous	4,162.15			4,162.15
	<u>450,339.40</u>	<u>297,420.91</u>	<u>213,255.37</u>	<u>961,015.68</u>
Total Operating Revenues				
OPERATING EXPENSES:				
Cost of sales-reimbursable programs	393,745.77			393,745.77
Cost of sales-non-reimbursable programs	140,118.35			140,118.35
Salaries	644,755.57	208,828.26	167,886.13	1,021,469.96
Employee benefits	220,041.63	35,412.68	24,342.78	279,797.09
Supplies & Materials	42,161.18	23,870.10	27,498.11	93,529.39
Depreciation	20,487.30		3,301.01	23,788.31
Other expenses	15,608.32	1,038.38	21,582.01	38,228.71
	<u>1,476,918.12</u>	<u>269,149.42</u>	<u>244,610.04</u>	<u>1,990,677.58</u>
Total operating expenses				
Operating income/(loss)	<u>(1,026,578.72)</u>	<u>28,271.49</u>	<u>(31,354.67)</u>	<u>(1,029,661.90)</u>
Nonoperating revenues:				
State sources				
State school lunch program	16,176.80			16,176.80
Federal sources				
National school lunch program	736,895.64			736,895.64
National school breakfast program	183,994.19			183,994.19
Special milk program	229.35			229.35
Food Distribution Program	66,939.83			66,939.83
Interest revenue	76.30	426.70	325.11	828.11
Total nonoperating revenues	<u>1,004,312.11</u>	<u>426.70</u>	<u>325.11</u>	<u>1,005,063.92</u>
Net income/(loss)	<u>(22,266.61)</u>	<u>28,698.19</u>	<u>(31,029.56)</u>	<u>(24,597.98)</u>
Other financing sources (uses):				
Adjustment for prior year rounding				
Net position, July 1	<u>78,016.62</u>	<u>268,753.43</u>	<u>334,245.15</u>	<u>681,015.20</u>
Net position, June 30	<u>\$ 55,750.01</u>	<u>297,451.62</u>	<u>303,215.59</u>	<u>656,417.22</u>

HAMILTON TOWNSHIP SCHOOL DISTRICT
Combining Statement of Cash Flows
All Proprietary fund Types and Similar Trust Funds
For the Fiscal Year Ended June 30, 2018

	Food Service	Latckey Program	Community Education	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 446,182.73	296,266.52	213,255.37	955,704.62
Payments to employees	(644,755.57)	(219,342.16)	(167,886.13)	(1,031,983.86)
Payments for employee benefits	(219,793.50)	(35,412.68)	(24,342.78)	(279,548.96)
Payments to suppliers	(57,769.50)	(14,394.58)	(48,668.91)	(120,832.99)
Payments to cost of sales	(445,958.92)	10,513.90		(435,445.02)
Net cash provided/(used) for operating activities	<u>(922,094.76)</u>	<u>37,631.00</u>	<u>(27,642.45)</u>	<u>(912,106.21)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
State Sources	15,685.05	-	-	15,685.05
Federal Sources	893,849.58	-	-	893,849.58
Payments from other funds	2,900.48	-	338.20	3,238.68
Net cash provided by non-capital financing activities	<u>912,435.11</u>	<u>-</u>	<u>338.20</u>	<u>912,773.31</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Acquisition of capital assets	-	-	(2,703.83)	(2,703.83)
Net cash (used) by capital financing activities	<u>-</u>	<u>-</u>	<u>(2,703.83)</u>	<u>(2,703.83)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	76.30	426.70	325.11	828.11
Net cash provided by investing activities	<u>76.30</u>	<u>426.70</u>	<u>325.11</u>	<u>828.11</u>
Net increase/(decrease) in cash and cash equivalents	(9,583.35)	38,057.70	(29,682.97)	(1,208.62)
Balances—beginning of year	20,941.42	267,781.87	321,603.92	610,327.21
Balances—end of year	<u>11,358.07</u>	<u>305,839.57</u>	<u>291,920.95</u>	<u>609,118.59</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income/(loss)	(1,026,578.72)	28,271.49	(31,354.67)	(1,029,661.90)
Adjustments to reconcile operating (loss) to net cash provided by/(used for) operating activities				
Depreciation and net amortization	20,487.30	-	3,301.01	23,788.31
Federal commodities	66,939.83	-	-	66,939.83
Decrease in inventories	4,211.42	-	-	4,211.42
(Increase) in other receivables	(4,156.67)	(1,154.39)	-	(5,311.06)
Increase/(decrease) in accounts payable	(334.06)	10,513.90	411.21	10,591.05
Increase in deferred revenue	17,088.01	-	-	17,088.01
Increase in compensated absences	248.13	-	-	248.13
Total adjustments	<u>104,483.96</u>	<u>9,359.51</u>	<u>3,712.22</u>	<u>117,555.69</u>
Net cash provided/(used) for operating activities	<u>\$ (922,094.76)</u>	<u>37,631.00</u>	<u>(27,642.45)</u>	<u>(912,106.21)</u>

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FIDUCIARY FUNDS

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HAMILTON TOWNSHIP SCHOOL DISTRICT
Fiduciary Fund
Combining Statement of Fiduciary Net Position
June 30, 2018

	Unemployment Compensation	Private Purpose Scholarship Fund	Student Activity	Agency Fund	Total
ASSETS:					
Cash and cash equivalents	\$ 312,203.38	1,319.17	192,794.95	3,155.04	509,472.54
Total Assets	312,203.38	1,319.17	192,794.95	3,155.04	509,472.54
LIABILITIES AND NET POSITION:					
Liabilities:					
Payroll deductions and withholdings				3,155.04	3,155.04
Accounts payable			-		-
Due to student groups			192,794.95		192,794.95
Interfunds payable			-	-	-
Total Liabilities	-	-	192,794.95	3,155.04	195,949.99
Net Position:					
Reserved - Expendable Trust					
Unemployment	312,203.38				312,203.38
Scholarship		1,319.17			1,319.17
Total net position	312,203.38	1,319.17	-	-	313,522.55
Total liabilities and net position	\$ 312,203.38	1,319.17	192,794.95	3,155.04	509,472.54

HAMILTON TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year ended June 30, 2018

H-2

	Unemployment Compensation	Private Purpose Scholarship Fund	Totals
OPERATING REVENUES:			
Contributions:			
Plan Member	\$ 83,547.92	-	83,547.92
Total operating revenues	<u>83,547.92</u>	<u>-</u>	<u>83,547.92</u>
Investment Earnings:			
Interest	438.59	9.53	448.12
Total Revenue	<u>83,986.51</u>	<u>9.53</u>	<u>83,996.04</u>
OPERATING EXPENSES:			
State of New Jersey:			
Employee withholdings	46,583.00		46,583.00
Unemployment claims	11,459.86	-	11,459.86
Scholarships awarded		-	-
Total operating expenses	<u>58,042.86</u>	<u>-</u>	<u>58,042.86</u>
Operating Income	<u>25,943.65</u>	<u>9.53</u>	<u>25,953.18</u>
Change in net position	25,943.65	9.53	25,953.18
Net position, July 1	<u>286,259.73</u>	<u>1,309.64</u>	<u>287,569.37</u>
Net position, June 30	<u>\$ 312,203.38</u>	<u>1,319.17</u>	<u>313,522.55</u>

HAMILTON TOWNSHIP SCHOOL DISTRICT
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2018

H-3

	Balance July 1, 2017	Cash Receipts	Cash Disbursements	Accounts Payable June 30, 2018	Balance June 30, 2018
Shaner	\$ 30,400.43	17,278.36	17,403.69		30,275.10
Hess	45,968.93	47,839.95	53,119.75		40,689.13
Davies	110,609.29	73,728.39	62,506.96		121,830.72
Total all schools	\$ 186,978.65	138,846.70	133,030.40	-	192,794.95

HAMILTON TOWNSHIP SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year ended June 30, 2018

	Balance July 1, 2017	Additions	Deletions	Balance July 1, 2018
ASSETS:				
Cash and cash equivalents	\$ 52,508.84	30,612,822.55	30,662,176.35	3,155.04
Total assets	<u>52,508.84</u>	<u>30,612,822.55</u>	<u>30,662,176.35</u>	<u>3,155.04</u>
LIABILITIES:				
Payroll deductions and withholdings	52,508.84	30,612,822.55	30,662,176.35	3,155.04
Interfund payable		-		-
Total liabilities	<u>\$ 52,508.84</u>	<u>30,612,822.55</u>	<u>30,662,176.35</u>	<u>3,155.04</u>

LONG-TERM DEBT

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HAMILTON TOWNSHIP SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
June 30, 2018

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2017	Issued	Retired	Balance June 30, 2018
			Date	Amount					
Various School Improvements	7/15/2007	\$ 997,000.00	-	-	-	117,000.00	117,000.00	-	
Various School Improvements	7/15/2008	998,000.00	7/15/2018	118,000.00	5.000%	238,000.00	120,000.00	118,000.00	
Solar Roof Project	6/23/2010	4,824,000.00	2/1/2019	300,000.00	3.000%	3,294,000.00	290,000.00	3,004,000.00	
			2/1/2020	310,000.00	3.125%				
			2/1/2021	325,000.00	3.250%				
			2/1/2022	350,000.00	3.350%				
			2/1/2023	400,000.00	3.500%				
			2/1/2024	425,000.00	3.550%				
2/1/2025	450,000.00	4.000%							
2/1/2026	444,000.00	4.000%							
Refunding School Bonds	2/21/2012	10,115,000.00	7/15/2018	2,575,000.00	4.000%	5,060,000.00	2,485,000.00	2,575,000.00	
						\$ 8,709,000.00	-	3,012,000.00	5,697,000.00

HAMILTON TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 2,799,261.00	-	2,799,261.00	2,799,261.00	-
	<u>2,799,261.00</u>	<u>-</u>	<u>2,799,261.00</u>	<u>2,799,261.00</u>	<u>-</u>
State Sources:					
Debt Service Aid Type II	302,614.00	-	302,614.00	302,614.00	-
	<u>302,614.00</u>	<u>-</u>	<u>302,614.00</u>	<u>302,614.00</u>	<u>-</u>
Total - State Sources	3,101,875.00	-	3,101,875.00	3,101,875.00	-
EXPENDITURES:					
Regular Debt Service:					
Interest	278,682.00	-	278,682.00	278,681.88	0.12
Redemption of Principal	3,012,000.00	-	3,012,000.00	3,012,000.00	-
	<u>3,290,682.00</u>	<u>-</u>	<u>3,290,682.00</u>	<u>3,290,681.88</u>	<u>0.12</u>
Total Regular Debt Service	(188,807.00)	-	(188,807.00)	(188,806.88)	0.12
Total expenditures	188,807.00	-	188,807.00	188,807.00	-
Excess (Deficiency) of Revenues Over (Under) Expenditures					
Other Financing Sources (Uses)					
Operating Transfers in:					
Adjustment to prior year fund balance	-	-	-	-	-
Unexpended balances on capital projects					
	<u>0.46</u>	<u>-</u>	<u>0.46</u>	<u>0.46</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses					
Fund Balance, July 1					
	<u>0.46</u>	<u>-</u>	<u>0.46</u>	<u>0.58</u>	<u>0.12</u>
Fund Balance, June 30					

Statistical Section

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

	2009	2010	2011	2012	2013	2014 *	2015	2016	2017	2018
Governmental activities										
Net investment in capital assets	\$ 19,733,282.00	18,677,705.00	24,280,837.00	27,437,989.00	30,280,616.00	33,340,202.00	36,460,816.00	38,315,255.00	39,623,996.34	40,981,020.62
Restricted	2,307,054.00	7,500,741.00	6,378,329.00	1,679,765.00	1,182,768.00	994,118.00	785,258.00	596,292.00	390,538.69	192,138.81
Unrestricted	(2,848,366.00)	(3,454,118.00)	(3,673,443.00)	2,588,721.00	2,915,284.00	(11,284,286.00)	(12,574,728.00)	(13,183,293.00)	(13,513,513.90)	(13,876,057.57)
Total governmental activities net position	19,191,970.00	22,724,328.00	26,985,723.00	31,706,475.00	34,378,668.00	23,050,034.00	24,671,346.00	25,728,254.00	26,501,021.13	27,297,101.86
Business-type activities										
Net investment in capital assets	63,429.00	128,504.00	157,187.00	141,535.00	136,895.00	125,573.00	114,061.00	104,780.00	83,073.72	61,989.24
Unrestricted	949,857.00	895,019.00	584,703.00	491,591.00	583,524.00	588,222.00	611,240.00	604,779.00	597,941.48	594,427.98
Total business-type activities net position	1,013,286.00	1,023,523.00	741,890.00	633,126.00	720,419.00	713,795.00	725,301.00	709,559.00	681,015.20	656,417.22
District-wide										
Net investment in capital assets	19,796,711.00	18,806,209.00	24,438,024.00	27,579,524.00	30,417,511.00	30,417,511.00	36,574,877.00	38,420,035.00	39,707,070.06	41,043,009.86
Restricted	2,307,054.00	7,500,741.00	6,378,329.00	1,679,765.00	1,182,768.00	1,182,768.00	785,258.00	596,292.00	390,538.69	192,138.81
Unrestricted	(1,898,509.00)	(2,559,099.00)	(3,088,740.00)	3,080,312.00	3,498,808.00	3,498,808.00	(11,963,488.00)	(12,578,514.00)	(12,915,572.42)	(13,281,629.59)
Total district net position	\$ 20,205,256.00	23,747,851.00	27,727,613.00	32,339,601.00	35,099,087.00	35,099,087.00	25,396,647.00	26,437,813.00	27,182,036.33	27,953,519.08

* As Restated

Source: CAFR Schedule A-1

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities										
Instruction										
Regular	15,859,397.00	17,379,930.00	16,786,701.00	16,920,040.00	17,054,189.00	18,316,595.00	21,879,556.00	26,476,044.00	12,381,048.30	27,290,963.39
Special education	4,258,963.00	5,479,913.00	4,856,539.00	4,723,836.00	5,102,892.00	5,725,657.00	7,224,479.00	6,898,766.00	4,209,311.86	10,472,501.80
Other instruction	3,238,009.00	2,345,590.00	2,353,785.00	1,892,923.00	2,266,111.00	2,618,619.00	2,963,721.00	2,607,968.00	1,297,407.04	3,367,193.30
Nonpublic school programs				123,395.00	123,865.00	119,302.00				
Adult/continuing education programs	4,220.00	2,230.00	3,181.00							
Support Services:										
Tuition	617,299.00	715,666.00	774,043.00	1,157,145.00	1,429,508.00	915,419.00	810,923.00	821,090.00		1,068,543.49
Student & instruction related services	5,370,499.00	5,777,221.00	5,910,481.00	6,161,829.00	6,250,068.00	6,185,226.00	7,383,844.00	7,969,942.00	782,961.14	9,081,273.93
General administrative services				1,899,231.00	2,059,681.00	2,151,612.00	1,945,156.00	1,704,729.00	7,332,755.33	2,600,667.11
School administrative services	1,775,582.00	1,900,476.00	1,892,274.00	2,133,152.00	2,261,482.00	2,194,757.00	2,165,870.00	2,307,562.00	2,382,381.58	2,808,736.94
Business administrative services	1,707,381.00	1,707,498.00	1,617,512.00						2,485,956.10	
Plant operations and maintenance	4,652,468.00	4,190,828.00	3,993,638.00	4,644,765.00	4,769,850.00	5,139,699.00	4,534,636.00	4,360,663.00		6,506,320.89
Pupil transportation	3,451,981.00	3,491,091.00	2,896,958.00	4,154,109.00	3,989,584.00	4,102,574.00	2,919,775.00	3,160,197.00	5,921,623.65	3,022,398.71
Special Schools	31,024.00			43,649.00					2,856,938.27	
Charter Schools	40,670.00	131,633.00	141,170.00			799,469.00	657,212.00	484,275.00	453,103.26	335,468.88
Interest on long-term debt	1,433,757.00	1,302,805.00	1,307,930.00	1,099,240.00	908,162.00	110,602.00				4,153.00
Capital Outlay					71,729.00					
Unallocated depreciation	983,511.00	1,019,027.00	1,122,235.00							
Total governmental activities expenses	43,424,761.00	45,443,908.00	43,656,447.00	44,956,314.00	46,287,111.00	48,379,531.00	52,485,172.00	56,791,236.00	40,105,486.53	66,558,211.43
Business-type activities:										
Food service	1,320,047.00	1,419,581.00	1,661,589.00	1,634,390.00	1,537,402.00	1,672,589.00	1,604,722.00	1,631,865.00	1,562,057.22	1,476,918.12
Child Care	233,964.00	249,103.00	229,209.00	243,779.00	222,639.00	234,745.00	236,908.00	216,305.00	232,560.43	269,149.42
Community Education	178,331.00	230,690.00	241,891.00	251,020.00	234,478.00	223,807.00	224,388.00	243,870.00	230,829.26	244,610.04
Total business-type activities expense	1,732,342.00	1,899,374.00	2,132,689.00	2,128,189.00	1,994,519.00	2,131,141.00	2,066,018.00	2,092,040.00	2,025,446.91	1,990,677.58
Total district expenses	45,157,103.00	47,343,282.00	45,789,136.00	47,085,503.00	48,281,630.00	50,510,672.00	54,551,190.00	58,883,276.00	42,130,933.44	68,548,889.01
Program Revenues										
Governmental activities:										
Charges for services:										
Business and other support services	62,311.00	43,091.00	89,163.00	28,596.00	4,130.00	9,564.00	2,495,094.00	80,880.00	225,238.71	366,283.90
Operating grants and contributions	8,142,997.00	8,862,900.00	7,757,625.00	5,044,483.00	5,488,348.00	5,166,972.00	9,811,929.00	13,578,322.00	(4,009,989.64)	21,445,765.65
Capital grants and contributions			77,449.00							
Total governmental activities program revenues	8,205,308.00	9,000,259.00	7,924,237.00	5,073,079.00	5,492,478.00	5,176,536.00	12,307,023.00	13,659,202.00	(3,784,750.93)	21,812,049.55

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Business-type activities:										
Charges for services										
Food service	\$ 625,523.00	582,377.00	533,218.00	554,272.00	559,607.00	536,827.00	492,538.00	486,480.00	442,366.08	450,339.40
Child care	236,927.00	228,298.00	237,417.00	233,952.00	251,490.00	268,409.00	268,480.00	274,640.00	290,035.24	297,420.91
Community Education	227,608.00	247,947.00	243,885.00	296,406.00	291,292.00	243,520.00	240,084.00	228,969.00	214,953.31	213,255.37
Operating grants and contributions	877,155.00	848,349.00	829,714.00	934,099.00	982,796.00	1,075,077.00	1,084,759.00	1,085,433.00	1,048,717.43	1,004,235.81
Total business type activities program revenues	1,967,213.00	1,906,971.00	1,844,234.00	2,018,729.00	2,085,185.00	2,123,833.00	2,085,861.00	2,075,522.00	1,986,072.06	1,965,251.49
Total district program revenues	10,172,521.00	10,907,230.00	9,768,471.00	7,091,808.00	7,577,683.00	7,300,369.00	14,392,884.00	15,734,724.00	11,788,678.87	23,777,301.04
Net (Expense)/Revenue										
Governmental activities	(35,219,453.00)	(36,443,649.00)	(35,732,210.00)	(39,883,235.00)	(40,794,633.00)	(43,202,995.00)	(40,178,149.00)	(43,132,034.00)	(43,890,237.46)	(44,746,161.88)
Business-type activities	234,871.00	7,597.00	(288,455.00)	(110,460.00)	90,666.00	(7,308.00)	19,843.00	(16,518.00)	(29,374.85)	(25,428.09)
Total district-wide net expense	(34,984,582.00)	(36,436,052.00)	(36,020,665.00)	(39,993,695.00)	(40,703,967.00)	(43,210,303.00)	(40,158,306.00)	(43,148,552.00)	(43,919,612.31)	(44,771,589.97)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	15,835,561.00	16,190,597.00	16,235,299.00	16,235,299.00	16,235,299.00	16,821,103.00	16,821,103.00	17,183,705.00	17,727,379.00	18,717,452.00
Taxes levied for debt service	2,864,492.00	2,930,426.00	3,155,022.00	3,373,688.00	3,054,898.00	3,054,898.00	3,004,249.00	2,932,768.00	2,816,081.00	2,799,261.00
Unrestricted grants and contributions	19,568,610.00	20,454,786.00	20,128,259.00	22,328,324.00	22,624,962.00	22,927,316.00	20,561,509.00	23,001,703.00	23,313,843.65	23,422,649.33
Federal and state aid restricted				1,687,094.00	1,328,380.00	1,325,441.00	1,325,434.00	831,737.00	305,944.00	302,614.00
Tuition	56,327.00	79,849.00	47,995.00							257.75
Investment earnings	73,739.00	50,823.00	78,167.00	5,966.00	3,190.00	2,167.00	936.00	258.00	255.88	
Miscellaneous income	282,371.00	269,525.00	354,526.00	952,802.00	232,993.00	116,740.00	300,474.00	247,826.00	499,500.60	328,018.50
Special items				(162,152.00)			(14,244.00)	(9,065.00)	0.20	(11,314.97)
Loss on disposal of fixed assets			(5,666.00)		(12,896.00)	(102.00)				(16,695.00)
Transfers	50,000.00									
Total governmental activities	37,731,100.00	39,976,006.00	39,993,602.00	44,401,021.00	43,466,826.00	44,047,563.00	41,799,461.00	44,188,942.00	44,663,004.33	45,542,242.61
Business-type activities:										
Investment earnings	10,712.00	10,301.00	6,822.00	1,696.00	698.00	684.00	728.00	777.00	831.16	828.11
Loss on disposal of fixed assets	(190.00)	(7,662.00)			(4,071.00)		(9,065.00)			
Special items										
Transfers	(60,000.00)									
Total business-type activities	(9,478.00)	2,639.00	6,822.00	1,696.00	(3,373.00)	684.00	(8,337.00)	777.00	831.16	828.11
Total district-wide	37,691,622.00	39,978,645.00	40,000,424.00	44,402,717.00	43,463,453.00	44,048,247.00	41,791,124.00	44,189,719.00	44,663,835.49	45,543,070.72
Change in Net Position										
Governmental activities	\$ 2,511,647.00	3,532,357.00	4,261,392.00	4,517,786.00	2,672,193.00	844,568.00	1,621,312.00	1,056,908.00	772,766.87	796,080.73
Business-type activities	195,393.00	10,236.00	(281,633.00)	(108,764.00)	87,293.00	(6,624.00)	11,506.00	(15,741.00)	(28,543.69)	(24,597.98)
Total district	2,707,040.00	3,542,593.00	3,979,759.00	4,409,022.00	2,759,486.00	837,944.00	1,632,818.00	1,041,167.00	744,223.18	771,482.75

Source: CAFR Schedule A-2

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Restricted			4,853,563.00	3,248,550.00	3,177,726.00	2,345,899.00	2,168,534.00	3,006,115.00	5,170,757.57	3,594,209.94
Committed			(659,443.00)	3,184,364.00	2,609,044.00	1,730,310.00	971,193.00	521,451.00	721,706.52	723,983.70
Unassigned				(1,269,240.00)	(397,254.00)	(799,005.00)	(1,144,538.00)	(1,201,201.00)	(2,735,628.39)	(1,177,601.89)
Reserved	\$ 2,380,899.00	3,457,442.00								
Unreserved	(1,083,924.00)	(1,229,258.00)								
Total general fund	<u>1,296,975.00</u>	<u>2,228,184.00</u>	<u>4,194,120.00</u>	<u>5,163,674.00</u>	<u>5,389,516.00</u>	<u>3,277,204.00</u>	<u>1,995,189.00</u>	<u>2,326,365.00</u>	<u>3,156,835.70</u>	<u>3,140,591.75</u>
All Other Governmental Funds										
Restricted			1,282,878.00	1,568,173.00	1,131,766.00	942,959.00	785,099.00	596,292.00	390,538.23	192,138.23
Committed			244,666.00							
Assigned			(40,194.00)	55,795.00	51,000.00	51,000.00				
Unassigned				(24,188.00)	(24,643.00)	(23,802.00)	(26,777.00)	(17,107.00)	(17,107.40)	(52,758.90)
Reserved	243,398.00	2,714,929.00								
Unreserved, reported in:										
Special revenue fund	(38,548.00)	(40,194.00)								
Capital projects fund	37,115.00	1,645,797.00								
Debt service fund	90.00	1.00		2.00	2.00	159.00	159.00		0.46	0.58
Total all other governmental funds	<u>242,055.00</u>	<u>4,320,533.00</u>	<u>1,487,350.00</u>	<u>1,599,782.00</u>	<u>1,158,125.00</u>	<u>970,316.00</u>	<u>758,481.00</u>	<u>579,185.00</u>	<u>373,431.29</u>	<u>139,379.91</u>

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

Source: CAFR Schedule B-1

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Tax levy	\$ 18,700,053.00	19,121,023.00	19,390,321.00	19,608,987.00	19,290,197.00	19,676,001.00	19,625,352.00	20,116,473.00	20,543,460.00	21,516,713.00
Tuition charges	56,327.00	79,849.00	47,995.00	28,596.00	4,130.00	9,564.00	3,500.00	80,880.00	225,238.71	366,283.90
Interest earnings	5,890.00	5,972.00	15,484.00	5,966.00	3,190.00	2,167.00	936.00	258.00	255.88	257.75
Miscellaneous	412,531.00	357,467.00	506,373.00	952,802.00	232,993.00	116,740.00	300,474.00	247,826.00	499,500.60	328,018.50
Local sources				20,000.00						4,785.50
State sources	25,165,533.00	23,387,964.00	25,432,246.00	26,578,517.00	28,072,555.00	28,010,563.00	28,469,816.00	28,815,543.00	29,072,979.07	35,369,858.90
Federal sources	1,546,074.00	6,023,990.00	2,531,087.00	2,441,384.00	1,369,135.00	1,409,166.00	1,485,900.00	2,717,440.00	2,901,210.94	3,152,715.08
Total revenue	45,886,408.00	48,976,265.00	47,923,506.00	49,636,252.00	48,972,200.00	49,224,201.00	49,885,978.00	51,978,420.00	53,242,645.20	60,738,632.13
Expenditures										
Instruction										
Regular instruction	14,705,721.00	13,369,212.00	12,671,148.00	13,111,734.00	12,671,495.00	13,730,451.00	13,286,056.00	13,636,531.00	14,023,737.06	14,110,547.35
Special education instruction	3,843,458.00	3,905,235.00	3,454,564.00	3,550,592.00	3,680,477.00	4,166,356.00	4,228,389.00	4,292,360.00	4,878,645.10	5,027,910.58
Other special instruction				1,312,282.00	1,468,432.00	1,759,603.00	1,582,254.00	1,490,658.00	1,382,365.31	1,471,042.75
Other instruction	3,041,384.00	1,667,284.00	1,660,692.00	1,113,804.00	164,747.00	138,254.00	150,832.00	130,815.00	128,906.38	128,606.41
Adult/continuing education programs	3,805.00	1,579.00	2,240.00							
Nonpublic programs				126,395.00	123,865.00	119,302.00				
Support Services:										
Tuition	617,299.00	715,666.00	774,043.00	813,610.00	1,006,563.00	649,955.00	810,923.00	780,737.00	782,961.14	1,068,543.49
Student & instruction related services	4,954,851.00	4,307,684.00	4,484,018.00	4,715,917.00	4,513,069.00	4,555,994.00	4,446,085.00	5,416,981.00	4,799,486.40	5,856,780.90
School administrative services	1,632,941.00	1,395,047.00	1,381,856.00	1,446,720.00	1,462,195.00	1,427,087.00	1,439,605.00	1,462,653.00	1,487,734.34	1,591,805.85
Other administrative services	1,623,792.00	1,399,651.00	1,300,778.00	1,401,521.00	1,461,606.00	1,565,488.00	1,423,811.00	1,462,392.00	1,406,749.02	1,440,657.54
Plant operations and maintenance	4,451,720.00	3,506,849.00	3,283,709.00	3,415,374.00	3,389,879.00	3,725,794.00	3,459,673.00	3,295,439.00	3,517,181.19	3,690,851.21
Pupil transportation	3,443,848.00	3,459,250.00	2,863,432.00	3,116,979.00	2,808,804.00	2,960,810.00	2,900,401.00	2,981,993.00	2,858,938.27	3,022,398.71
Unallocated employee benefits	2,414,733.00	8,901,451.00	9,100,911.00	9,839,180.00	11,293,206.00	11,423,292.00	11,961,485.00	12,571,770.00	13,721,862.69	20,068,790.71
Special Schools	28,424.00			43,649.00						
Charter Schools	40,670.00	131,633.00	141,170.00							
Capital outlay	1,342,393.00	1,300,963.00	3,195,043.00	739,402.00	511,718.00	677,764.00	1,126,771.00	341,685.00	318,520.25	208,995.11
Debt service:										
Principal	3,250,000.00	3,455,000.00	3,360,000.00	3,505,000.00	3,695,000.00	3,800,000.00	3,880,000.00	3,430,000.00	2,915,000.00	3,012,000.00
Interest and other charges	1,345,125.00	1,274,074.00	1,117,149.00	1,237,188.00	936,959.00	824,172.00	669,299.00	523,471.00	395,841.26	278,681.88
Total expenditures	46,740,164.00	48,790,578.00	48,790,753.00	48,489,347.00	49,188,015.00	51,524,322.00	51,365,584.00	51,817,485.00	52,617,928.41	60,977,612.49
Excess (Deficiency) of revenues over (under) expenditures	\$ (853,756.00)	185,687.00	(867,247.00)	1,146,905.00	(215,815.00)	(2,300,121.00)	(1,479,606.00)	160,935.00	624,716.79	(238,980.36)

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Other Financing sources (uses)										
Capital leases (non-budgeted)				9,347.00			(14,244.00)	(9,055.00)	0.20	(11,314.97)
Cancellation of prior year receivables/purchase orders				(52,266.00)						
Adjustment to prior year fund balance										
Bond proceeds	998,000.00	4,824,000.00								
Transfer to capital projects	50,000.00			359,677.00	369,028.00	359,243.00	320,927.00	188,807.00	188,816.26	188,807.00
Transfers in				(381,677.00)	(369,028.00)	(359,243.00)	(320,927.00)	(188,807.00)	(188,816.26)	(188,807.00)
Transfers out				(64,919.00)	-	-	(14,244.00)	(9,055.00)	0.20	(11,314.97)
Total other financing sources (uses)	1,048,000.00	4,824,000.00	-	(64,919.00)	-	-	(14,244.00)	(9,055.00)	0.20	(11,314.97)
Net change in fund balances	\$ 194,244.00	5,009,687.00	(867,247.00)	1,081,986.00	(215,815.00)	(2,300,121.00)	(1,493,850.00)	151,880.00	624,716.99	(250,295.33)
Debt service as a percentage of noncapital expenditures	10.12%	9.96%	9.82%	9.93%	9.52%	9.09%	9.06%	7.68%	6.33%	5.42%

Source: CAFR Schedule B-2

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

Fiscal Year Ended June 30,	Interest on Investments	Refund of Prior Year Expenditures	Use of Facilities	Proceeds from Bond Escrow Issuance/Restruct.	Energy Rebate/ Sale of SREC's/	Misc.	Total
2009	73,739.00	12,761.00	62,936.00	215,816.00	-	53,168.00	418,420.00
2010	44,851.00	13,495.00	43,091.00	198,127.00	-	63,875.00	363,439.00
2011	78,167.00	29,109.00	89,163.00	100,319.00	-	225,099.00	521,857.00
2012	25,594.00	9,259.00	95,716.00	17,395.00	680,723.00	124,115.00	952,802.00
2013	12,691.00	43.00	31,365.00	15,513.00	51,890.00	121,491.00	232,993.00
2014	9,586.00	7,740.00	37,450.00	-	-	61,964.00	116,740.00
2015	7,766.00	17,408.00	39,625.00	-	217,358.00	18,317.00	300,474.00
2016	7,433.00	19,811.00	19,683.00	-	197,872.00	3,027.00	247,826.00
2017	8,268.88	24,501.52	44,474.80	-	199,515.00	222,740.40	499,500.60
2018	9,874.24	4,903.42	72,291.45	-	96,600.00	144,349.39	328,018.50

Source: District Records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Ofarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2009	68,670,500.00	882,041,900.00	7,359,500.00	1,857,200.00	282,155,300.00	15,196,700.00	56,945,500.00	1,314,226,600.00	4,028,166.00	1,318,254,766.00	1.45	2,745,220,254.00
2010	64,734,600.00	895,118,800.00	7,016,300.00	1,843,300.00	289,334,500.00	15,076,200.00	56,945,500.00	1,310,069,200.00	4,177,676.00	1,314,246,876.00	1.45	2,653,286,355.00
2011	121,238,800.00	1,618,991,400.00	12,246,700.00	1,895,486.00	505,541,800.00	25,366,500.00	106,584,800.00	2,391,865,486.00	7,628,595.00	2,399,494,081.00	0.82	2,609,111,189.00
2012	112,511,900.00	1,628,180,200.00	11,964,600.00	1,874,686.00	494,835,500.00	25,056,500.00	106,584,800.00	2,381,008,186.00	7,388,392.00	2,388,396,578.00	0.81	2,429,207,259.97
2013	99,901,800.00	1,618,394,900.00	11,854,900.00	1,866,086.00	496,187,500.00	25,056,500.00	103,361,000.00	2,356,622,486.00	6,442,727.00	2,363,065,213.00	0.83	2,414,987,443.03
2014	91,181,800.00	1,558,340,300.00	11,866,300.00	1,864,986.00	481,205,900.00	22,256,500.00	102,611,000.00	2,269,346,786.00	5,660,600.00	2,275,007,386.00	0.86	2,286,669,399.94
2015	72,039,700.00	1,425,100,400.00	10,403,700.00	1,866,764.00	463,333,600.00	20,819,200.00	96,686,600.00	2,085,370,686.00	6,518,081.00	2,091,888,767.00	0.94	2,201,524,696.91
2016	70,820,600.00	1,425,931,400.00	11,216,500.00	1,900,358.00	463,053,000.00	20,419,200.00	89,686,600.00	2,090,249,964.00	6,475,735.00	2,096,725,699.00	0.98	2,255,513,875.86
2017	69,721,800.00	1,432,295,100.00	10,336,700.00	1,918,863.00	462,111,300.00	20,419,200.00	89,686,600.00	2,083,027,658.00	7,715,481.00	2,090,743,139.00	1.03	2,139,086,493.76
2018								2,086,489,363.00	7,859,274.00	2,094,348,637.00	1.04	2,142,994,614.75

Source: District records Tax list summary & Municipal Tax Assessor

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

* Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

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

Fiscal Year Ended June 30,	Township of Hamilton Board of Education			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Atlantic County	Greater Egg Harbor Regional	Municipal Local Purpose	
2009	1.229	0.221	1.450	0.613	0.724	1.010	3.797
2010	1.228	0.222	1.450	0.644	0.673	1.307	4.074
2011	0.677	0.140	0.817	0.392	0.414	0.740	2.363
2012	0.680	0.128	0.808	0.379	0.428	0.740	2.355
2013	0.703	0.129	0.833	0.481	0.475	0.739	2.528
2014	0.731	0.134	0.863	0.475	0.519	0.770	2.627
2015	0.818	0.144	0.962	0.520	0.559	0.837	2.878
2016	0.840	0.140	0.980	0.495	0.593	0.850	2.918
2017	0.895	0.134	1.029	0.571	0.602	0.863	3.065
2018	0.908	0.134	1.042	0.569	0.640	0.863	3.114

Source: District Records and Municipal Tax Collector

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

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

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

Taxpayer	2018				2009			
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value		
RVT Wrangleboro Consumer Square, LLC	96,198,100	1	4.59%	60,000,000	1	4.55%		
Hamilton Mall Associates	94,844,300	2	4.53%	53,821,200	2	4.08%		
Benderson-Wainberg Associates				21,779,200	3	1.65%		
BFW Pike Associates LLC	50,990,100	3	2.43%					
RVT Hamilton Commons LLC	38,460,800	4	1.84%	19,072,500	4	1.45%		
JSM at Timber Glen				9,500,000	6	0.72%		
Greenwood ACRA, Inc./Racetrack								
DD Residential, LP	32,215,800	5	1.54%					
RH Macy and Company, LLC	18,761,400	6	0.90%	11,755,400	5	0.89%		
Hornetown Mays Landing MHC, L.L.C.	18,487,200	7	0.88%					
Wal-Mart Property Tax Department	18,157,800	8	0.87%	7,800,000	10	0.59%		
Sears Roebuck and Company	15,547,500	9	0.74%	9,497,800	7	0.72%		
Atlantic Southern Properties, Inc.				9,200,000	8	0.70%		
Festival at Hamilton LLC				8,900,000	9	0.68%		
Joey T. LLC	14,000,000	10	0.67%					
Total	397,663,000		18.32%	211,326,100		16.03%		

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

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2009	18,700,053	18,700,053	100%	-
2010	19,121,023	19,121,023	100%	-
2011	19,390,321	19,390,321	100%	-
2012	19,608,987	19,608,987	100%	-
2013	19,290,197	19,290,197	100%	-
2014	19,676,001	19,676,001	100%	-
2015	19,625,352	19,625,352	100%	-
2016	20,116,473	20,116,473	100%	-
2017	20,543,460	20,543,460	100%	-
2018	21,516,713	21,516,713	100%	-

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

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

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

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Capital Leases	Capital Leases				
2009	32,335,000	78,368			32,413,368	3.47%	1,332
2010	33,704,000	37,408			33,741,408	3.31%	1,268
2011	30,344,000	2,941			30,346,941	2.86%	1,134
2012	26,429,000	-			26,429,000	2.43%	982
2013	22,734,000	-			22,734,000	2.07%	844
2014	18,934,000	-			18,934,000	1.68%	705
2015	15,054,000	-			15,054,000	1.31%	564
2016	11,624,000	-			11,624,000	0.99%	439
2017	8,709,000				8,709,000	0.75%	330
2018	5,697,000				5,697,000	0.49%	216

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

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

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

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

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
2009	32,335,000	-	32,335,000	2.45%	1,329
2010	33,704,000	-	33,704,000	2.56%	1,267
2011	30,344,000	-	30,344,000	1.26%	1,134
2012	26,429,000	-	26,429,000	1.11%	982
2013	22,734,000	-	22,734,000	0.96%	844
2014	18,934,000	-	18,934,000	0.83%	705
2015	15,054,000	-	15,054,000	0.72%	564
2016	11,624,000	-	11,624,000	0.55%	439
2017	8,709,000	-	8,709,000	0.42%	330
2018	5,697,000	-	5,697,000	0.27%	216

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

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

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2018
Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Township of Hamilton	\$ 13,603,165.57	100.00%	13,603,165.57
Other debt			
Greater Egg Harbor Regional High School District	49,576,000.00	38.09%	18,885,912.60
Atlantic County	155,902,988.00	6.93%	10,803,359.11
Subtotal, overlapping debt			43,292,437.28
Township of Hamilton School District debt	8,709,000.00	100.00%	8,709,000.00
Total direct and overlapping debt	\$		<u><u>52,001,437.28</u></u>

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2018

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	79,151,665	80,252,811	79,177,088	76,719,672	74,556,414	72,347,630	70,954,553	46,621,306	66,753,086	65,132,915
Total net debt applicable to limit	32,335,000	33,704,000	30,344,000	28,429,000	22,734,000	18,934,000	15,054,000	11,624,000	8,709,000	8,709,000
Legal debt margin	46,816,665	46,548,811	48,833,088	50,290,672	51,822,414	53,413,630	55,900,553	34,997,306	58,044,086	56,423,915
Total net debt applicable to the limit as a percentage of debt limit	40.85%	42.00%	38.32%	34.45%	30.49%	26.17%	21.22%	24.93%	13.05%	13.37%

	2017	2018
Average equalized valuation of taxable property	2,171,097,175	2,171,097,175
Debt limit (3% of average)	65,132,915	65,132,915
Net bonded school debt	8,709,000	8,709,000
Legal debt margin	56,423,915	56,423,915

	2015	2016	2017	2018
Equalized valuation basis	2,131,410,680	2,131,410,680	2,131,410,680	2,131,410,680
	2,138,581,915	2,138,581,915	2,138,581,915	2,138,581,915
	2,243,298,931	2,243,298,931	2,243,298,931	2,243,298,931
	6,513,291,526	6,513,291,526	6,513,291,526	6,513,291,526

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

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

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2009	24,326	932,853	38,348	10.70%
2010	26,606	1,019,143	38,305	10.90%
2011	26,755	1,062,655	39,718	11.90%
2012	26,900	1,088,186	40,453	12.90%
2013	26,927	1,099,914	40,848	11.50%
2014	26,871	1,127,104	41,945	9.60%
2015	26,682	1,146,632	42,974	9.60%
2016	26,488	1,172,200	44,254	8.60%
2017	26,408	1,168,660	44,254	6.80%
2018	26,408	1,168,660	44,254	6.60%

Source:

a Population information provided by the NJ Dept of Labor and Workforce Development
April 1, 2010 to July 1, 2017

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

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

Estimates for 2010-2016 reflect county population estimates available as of March 2017.

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

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

Employer	2018			2009		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
Atlantic City Electric	300		2.40%			
Atlantic County Special Services School District	300		2.40%			
Hamilton Township Schools	375		3.00%			
WalMart	230		1.84%			
Macy's	220		1.76%			
Atlantic County Jail	250		2.00%			
Recovery Centers of America	200		1.60%			
Greater Egg Harbor Regional High School District (Oakcrest High School)	150		1.20%			
Hamilton Township	147		1.18%			
Kohl's	130		1.04%			
Atlantic County Sheriff	130		1.04%			
	<u>2,432</u>		<u>19.47%</u>	<u>-</u>		<u>-</u>

This information is not available for this year.

GASB requires this table present the principal employers for the current year and nine years ago, however information from 2009 was not available. Also, the Township does not update this information on an annual basis, therefore the most recent information is reported.

Source: Township of Hamilton Tax Assessor (Atlantic County Library/Reference USA)

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

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Instruction	192.0	194.0	186.0	185.0	194.0	200.0	184.0	183.0	180.0	183.0
Regular	75.0	71.0	62.0	66.0	67.0	72.0	71.0	71.0	96.0	96.0
Special education	28.0	30.0	25.0	28.0	25.0	22.0	26.0	26.0	26.0	27.0
Other instruction	2.0	3.0	2.0	3.0	2.0	2.0	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Student & instruction related services	83.0	93.0	84.0	86.0	81.0	71.0	78.0	74.0	53.0	57.0
General administrative services	5.0	5.0	5.0	4.0	5.0	5.0	4.0	4.0	4.0	4.0
School administrative services	21.0	22.0	20.0	18.0	22.0	21.0	20.0	20.0	21.0	21.0
Business administrative services	11.0	11.0	11.0	10.0	10.0	11.0	10.0	10.0	10.0	10.0
Plant operations and maintenance	48.0	41.0	38.0	40.0	37.0	38.0	34.0	34.0	34.0	34.0
Pupil transportation	2.0	2.0	2.0	2.0	2.0	2.0	1.0	1.0	1.0	1.0
Food Service	20.0	29.0	22.0	23.0	25.0	27.0	22.0	22.0	22.0	22.0
Child Care	2.0	2.0	2.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0
Total	489.0	503.0	459.0	466.0	471.0	472.0	452.0	447.0	449.0	457.0

Source : District Personnel Records

HAMILTON TOWNSHIP SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year	Pupil/Teacher Ratio										
	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Elementary	Middle School	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2009	3,349	40,802,646	12,184	15.99%	288	1:12.6	1:10.0	3,204	3,026	-1.02%	94.44%
2010	3,295	42,760,541	12,977	6.52%	297	1:12.3	1:9.5	3,336	3,140	4.12%	94.12%
2011	3,200	41,118,561	12,850	-0.99%	284	1:12.2	1:9.6	3,209	3,026	-3.81%	94.30%
2012	3,147	43,007,757	13,666	6.36%	262	1:12.6	1:10.2	3,151	2,982	-1.81%	94.64%
2013	3,179	44,044,338	13,855	1.38%	255	1:12.9	1:10.7	3,079	2,909	-2.28%	94.48%
2014	3,114	46,222,386	14,843	7.14%	254	1:13.1	1:10.7	3,114	2,942	1.14%	94.48%
2015	3,034	45,689,514	15,059	1.45%	255	1:13.5	1:9.2	3,036	2,919	-2.50%	96.15%
2016	3,023	47,522,329	15,720	4.39%	254	1:13.5	1:9.2	2,994	2,834	-1.38%	94.66%
2017	3,035	48,988,567	16,141	2.68%	255	1:13.5	1:9.2	2,989	2,812	-0.17%	94.08%
2018	2,943	57,477,936	19,530	21.00%	258	1:13.1	1:9.2	2,946	2,757	-1.44%	93.58%

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

Note: Enrollment based on annual October district count.

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

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

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

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<u>District Building</u>										
<u>Elementary</u>										
Joseph Shaner School (1957)	78,921	78,921	78,921	78,921	78,921	78,921	78,921	78,921	78,921	78,921
Square Feet	639	639	639	639	639	639	639	639	639	639
Capacity (students)	624	744	756	619	639	640	632	586	600	607
Enrollment										
George Hess Educational Complex (1992)	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000
Square Feet	1,616	1,616	1,616	1,616	1,616	1,616	1,616	1,616	1,616	1,616
Capacity (students)	1,662	1,524	1,460	1,522	1,472	1,488	1,380	1,356	1,403	1,332
Enrollment										
<u>Middle School</u>										
William Davies Middle School (1989, addition 2006)										
Square Feet	202,670	202,670	202,670	202,670	202,670	202,670	202,670	202,670	202,670	202,670
Capacity (students)	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120
Enrollment	1,063	1,027	993	1,006	987	986	1,022	1,035	1,048	1,004
<u>Other</u>										
J. Harold Duberson School (1927)										
(vacant as of 9/1/06)										
Square Feet	36,715	36,715	36,715	36,715	36,715	36,715	36,715	36,715	36,715	36,715
Capacity (students)	485	485	485	485	485	485	485	485	485	485
Enrollment	-	-	-	-	-	-	-	-	-	-

Number of Schools at June 30, 2018
 Elementary = 2
 Middle School = 1
 Other = 1

Source: District records, ASSA

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

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

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

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

School Facilities	Project # (s)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Joseph C. Shaner School	N/A	\$ 364,250.00	111,630.00	95,979.00	92,881.00	106,825.00	121,096.00	96,949.00	123,521.00	127,606.92	140,392.00
George Hess Educational Complex	N/A	445,251.00	241,197.00	210,611.00	254,684.00	254,209.00	289,798.00	227,154.00	244,051.00	354,786.09	399,318.15
William Davies Middle School	N/A	451,423.00	206,833.00	197,547.00	234,082.00	222,625.00	247,971.00	214,287.00	218,273.00	224,577.18	259,693.04
Total School Facilities		1,260,924.00	559,660.00	504,137.00	581,647.00	583,659.00	658,865.00	538,390.00	585,845.00	706,970.19	799,403.19
Other Facilities		25,210.00	26,580.00	25,830.00	5,564.00	31,890.00	31,298.00	25,458.00	4,054.00	3,055.91	3,461.02
Grand Total		\$ 1,286,134.00	586,240.00	529,967.00	587,211.00	615,549.00	690,163.00	563,848.00	589,899.00	710,026.10	802,864.21

HAMILTON TOWNSHIP SCHOOL DISTRICT

Insurance Schedule

June 30, 2018

Unaudited

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

HAMILTON TOWNSHIP SCHOOL DISTRICT

Insurance Schedule

June 30, 2018

Unaudited

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

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

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Single Audit Section

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FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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K-1 INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Hamilton Township School District, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Hamilton Township School District's basic financial statements, and have issued our report thereon dated January 19, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

Leon P. Costello

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

January 19, 2019



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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K-2 INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

We have audited the Hamilton Township School District, County of Atlantic, State of New Jersey compliance with the types of compliance requirements described in the *OMB Circular Uniform Guidance Compliance Supplement*, the *New Jersey OMB State Grant Compliance Supplement* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey that could have a direct and material effect on each of the Hamilton Township School District's major federal and state programs for the year ended June 30, 2018. The Hamilton Township School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal and State Program

In our opinion, the Hamilton Township School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

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

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

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

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

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

Leon P. Costello

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

January 19, 2019

HAMILTON TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2018

Balance at June 30, 2018

Federal Grant/Pass-Through/Grantor/Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period	Balance at June 30, 2017	Carryover Amount	Cash Received	Pass Through	Direct	Total	(Accounts Receivable)	Unearned Revenue	Due to Grantor
U.S. Department of Agriculture														
Passed-through State Department of Education:														
Enterprise Fund:														
Food Distribution Program	10.555	181NJ304N1089	N/A	71,242.02	7/1/17 - 6/30/18	\$ -	-	71,242.02	(66,939.83)	-	(66,939.83)	-	4,302.19	-
National School Breakfast Program	10.553	171NJ304N1089	N/A	177,516.67	7/1/16 - 6/30/17	(9,658.09)	-	9,658.09	-	-	-	-	-	-
National School Breakfast Program	10.553	181NJ304N1089	N/A	183,994.19	7/1/17 - 6/30/18	(183,994.19)	-	167,788.10	(183,994.19)	-	(16,206.09)	-	-	-
National School Lunch Program	10.555	171NJ304N1089	N/A	758,676.82	7/1/16 - 6/30/17	(47,321.10)	-	47,321.10	-	-	-	-	-	-
National School Lunch Program	10.555	181NJ304N1089	N/A	736,895.64	7/1/17 - 6/30/18	(736,895.64)	-	668,845.39	(736,895.64)	-	(68,050.25)	-	-	-
Special Milk Program	10.556	171NJ304N1089	N/A	451.41	7/1/16 - 6/30/17	(25.31)	-	25.31	-	-	-	-	-	-
Special Milk Program	10.556	181NJ304N1089	N/A	229.35	7/1/17 - 6/30/18	-	-	211.59	(229.35)	-	(17.76)	-	-	-
Total U.S. Department of Agriculture														
				985,091.60		(67,004.50)	-	985,091.60	(988,059.01)	-	(988,059.01)	(84,274.10)	4,302.19	-
U.S. Department of Health and Human Services														
Passed-through State Department of Health and Human Services:														
General Fund:														
Medical Assistance Program (SEMI)	93.778	1705NJ5MAP	N/A	103,429.53	7/1/17 - 6/30/18	-	-	103,429.53	(103,429.53)	-	(103,429.53)	-	-	-
Total General Fund														
				103,429.53		-	-	103,429.53	(103,429.53)	-	(103,429.53)	-	-	-
Special Revenue Fund:														
Title I, Part A	84.010A	S010A150030	NCLB-1310-16	552,453.00	7/1/15 - 6/30/16	(3,144.00)	-	3,144.00	-	-	-	-	-	-
Title I, Part A	84.010A	S010A160030	NCLB-1310-17	645,222.00	7/1/16 - 6/30/17	(182,035.52)	-	185,252.00	(4,179.48)	-	(4,179.48)	(963.00)	-	-
Title I, Part A	84.010A	S010A170030	NCLB-1310-18	542,377.00	7/1/17 - 6/30/18	-	-	390,632.00	(536,419.03)	-	(155,787.03)	(155,787.03)	-	-
Total Title I, Part A				1,740,052.00		(185,179.52)	-	568,028.00	(640,598.51)	-	(77,570.51)	(156,750.03)	-	-
Title II, Part A	84.367A	S367A160029	NCLB-1310-17	63,545.00	7/1/16 - 6/30/17	(12,845.00)	-	12,845.00	-	-	-	-	-	-
Title II, Part A	84.367A	S367A170029	NCLB-1310-18	84,307.00	7/1/17 - 6/30/18	-	-	56,137.00	(72,967.04)	-	(16,830.04)	(16,830.04)	-	-
Total Title II, Part A				147,852.00		(12,845.00)	-	68,982.00	(145,934.08)	-	(76,852.08)	(33,660.08)	-	-
Title III, English Language Enhancement	84.365A	S365A150030	NCLB-1310-16	12,630.00	7/1/15 - 6/30/16	(1,937.00)	-	1,937.00	-	-	-	-	-	-
Title III, English Language Enhancement	84.365A	S365A160030	NCLB-1310-17	19,665.00	7/1/16 - 6/30/17	(9,623.00)	-	9,623.00	-	-	-	-	-	-
Title III, English Language Enhancement	84.365A	S365A170030	NCLB-1310-18	15,966.00	7/1/17 - 6/30/18	-	-	6,055.00	(12,987.71)	-	(6,932.71)	(423.00)	-	-
Title III, Immigrant	84.365A	S365A160030	NCLB-1310-17	16,434.00	7/1/16 - 6/30/17	(1,895.00)	-	1,895.00	(423.00)	-	(423.00)	(423.00)	-	-
Title III, Immigrant	84.365A	S365A170030	NCLB-1310-18	1,964.00	7/1/17 - 6/30/18	-	-	161.00	(846.39)	-	(685.39)	(685.39)	-	-
Total Title III				66,659.00		(13,455.00)	-	19,671.00	(14,257.10)	-	(14,257.10)	(8,041.10)	-	-
Title IV, Student Support and Academic Enrichment	84.424	S424A170031	NCLB-1310-18	25,000.00	7/1/17 - 6/30/18	-	-	17,778.00	(23,712.00)	-	(23,712.00)	(5,934.00)	-	-
Total U.S. Department of Health and Human Services														
				2,540,958.00		(336,579.52)	-	1,635,315.00	(2,000,514.63)	-	(365,199.63)	(203,852.12)	4,302.19	-
Other Federal Programs:														
ID.E.A. Part B - Basic	84.027	H027A150100	IDEA2012	790,895.00	9/1/11 - 8/31/12	(8,809.00)	-	-	-	-	-	(8,809.00)	-	-
ID.E.A. Part B - Basic	84.027	H027A160100	IDEA2017	772,889.00	7/1/16 - 6/30/17	(66,541.39)	-	66,541.39	-	-	-	-	-	-
ID.E.A. Part B - Basic	84.027	H027A170100	IDEA2018	768,312.00	7/1/17 - 6/30/18	-	-	698,325.61	(771,130.61)	-	(77,805.00)	(82,805.00)	-	-
ID.E.A. Part B - Preschool	84.173	H173A170114	IDEA2018	31,703.00	7/1/17 - 6/30/18	(75,350.39)	-	31,703.00	(31,703.00)	-	-	-	-	-
Total ID.E.A. Part B				2,363,809.00		(149,700.78)	-	1,424,895.61	(1,574,669.22)	-	(159,773.61)	(165,610.00)	-	-
Race to the Top - Preschool Expansion	84.419B	B419B150020	N/A	1,287,383.00	7/1/15 - 6/30/16	(259.00)	-	259.00	-	-	-	-	-	-
Race to the Top - Preschool Expansion	84.419B	B419B160020	N/A	1,486,853.00	7/1/16 - 6/30/17	(202,806.66)	-	569,722.00	(412,044.32)	-	(412,044.32)	(25,129.00)	-	-
Race to the Top - Preschool Expansion	84.419B	B419B170020	N/A	1,522,913.00	7/1/17 - 6/30/18	-	-	988,760.00	(1,153,028.62)	-	(164,268.62)	(284,268.62)	-	-
Total Race to the Top - Preschool Expansion				4,297,149.00		(462,065.66)	-	1,458,741.00	(1,565,072.94)	-	(1,106,331.94)	(309,397.62)	-	-
Hurricane Education Recovery	84.938C	S938C18005	N/A	26,250.00	7/1/17 - 6/30/18	-	-	-	(26,250.00)	-	(26,250.00)	(26,250.00)	-	-
Temporary Emergency Impact Aid				3,045,691.20		(3,045,691.20)	-	3,045,691.20	-	-	-	-	-	-
Total Special Revenue Fund				3,045,691.20		(3,045,691.20)	-	3,045,691.20	-	-	-	(614,816.79)	-	-
Total Federal Financial Awards														
				3,989,291.13		(546,900.69)	-	3,989,291.13	(4,137,179.74)	-	(4,137,179.74)	(639,030.89)	4,302.19	-

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2018

Federal Grantor/Pass-Through Grantor/ Program Title	Grant or State Project Number	Award Amount	Grant Period	Balance at June 30, 2017			Balance at June 30, 2018			MEMO				
				Unearned Revenue (Acctg Receivable)	Due to Grantor	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Year's Balances		Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable
State Department of Education														
General Fund:														
State Aid Public Cluster														
Equalization Aid	18-495-034-5120-078	19,654,328.00	7/1/17-6/30/18										1,865,431.00	19,654,328.00
Special Education, Categorical Aid	18-495-034-5120-089	1,768,740.00	7/1/17-6/30/18										1,768,740.00	1,768,740.00
Categorical Security Aid	18-495-034-5120-084	767,425.00	7/1/17-6/30/18										767,425.00	767,425.00
Child Nutrition Cluster	18-495-034-5120-085	1,850,000.00	7/1/17-6/30/18										1,850,000.00	1,850,000.00
PKCC Per Capita Aid	18-495-034-5120-088	29,645.00	7/1/17-6/30/18										29,645.00	29,645.00
Per Pupil Growth Aid	18-495-034-5120-087	29,645.00	7/1/17-6/30/18										29,645.00	29,645.00
Professional Learning Community Aid	18-495-034-5120-101	29,100.00	7/1/17-6/30/18										29,100.00	29,100.00
Total State Aid Public Cluster		22,241,424.40											22,241,424.40	22,241,424.40
Categorical Transportation Aid	18-495-034-5120-014	764,014.00	7/1/17-6/30/18										764,014.00	764,014.00
Nonpublic School Transportation Aid	17-495-034-5120-014	17,158.00	7/1/16-6/30/17	(17,158.00)										17,158.00
Nonpublic School Transportation Aid	18-495-034-5120-014	19,110.00	7/1/17-6/30/18						(19,110.00)					19,110.00
Special Education, Categorical Aid	18-495-034-5120-089	1,768,740.00	7/1/17-6/30/18	(193,383.00)										1,768,740.00
Special Education, Categorical Aid	18-100-034-5120-073	242,989.00	7/1/17-6/30/18						(242,989.00)					242,989.00
Lead Water Testing for Schools Aid	17-495-034-5120-104	6,744.75	7/1/16-6/30/17	(6,744.75)										6,744.75
Reimbursed TPAF Social Security Contributions	17-495-034-5094-003	1,410,952.25	7/1/16-6/30/17	(1,410,952.25)										1,410,952.25
Reimbursed TPAF Social Security Contributions	18-495-034-5094-003	1,458,605.94	7/1/17-6/30/18											1,458,605.94
On-behalf OPEB - GASB 75	18-495-034-5094-001	5,122,243.00	7/1/17-6/30/18											5,122,243.00
On-behalf Teachers Pension & Annuity Fund	18-495-034-5094-002	2,764,417.00	7/1/17-6/30/18											2,764,417.00
On-behalf Teachers Pension & Annuity Fund - Post	18-495-034-5094-001	1,785,478.00	7/1/17-6/30/18											1,785,478.00
On-behalf Teachers Pension & Annuity Fund -		3,556.00	7/1/17-6/30/18											3,556.00
Non-Contributory Insurance	18-495-034-5094-004			(323,388.87)					(323,388.87)					
Total General Fund		501,267.00	7/1/17-6/30/18	448,508.10									52,758.90	501,267.00
Special Revenue Fund:														
Principals Education Aid	18-100-034-5120-086	8,820.00	7/1/17-6/30/18											8,820.00
Nonpublic School Transportation Aid	18-100-034-5120-084	8,820.00	7/1/17-6/30/18											8,820.00
Auxiliary Services:														
Compensatory Education	18-100-034-5120-067	65,552.00	7/1/17-6/30/18											65,552.00
English As A Second Language	18-100-034-5120-067	5,962.00	7/1/17-6/30/18											5,962.00
English As A Second Language	17-100-034-5120-067	3,654.00	7/1/16-6/30/17	915.50					(913.50)					3,654.00
Handicapped Services:														
Examination and Classification	18-100-034-5120-068	21,671.00	7/1/17-6/30/18											21,671.00
Individualized Education Programs	18-100-034-5120-068	14,989.00	7/1/17-6/30/18											14,989.00
Corrective Speech	18-100-034-5120-068	19,437.00	7/1/17-6/30/18											19,437.00
Supplemental Instruction	18-100-034-5120-068	13,242.00	7/1/17-6/30/18											13,242.00
Nursing	18-100-034-5120-070	14,670.00	7/1/17-6/30/18											14,670.00
Security Aid	18-100-034-5120-599	12,075.00	7/1/17-6/30/18											12,075.00
Security Aid	17-100-034-5120-599	8,150.00	7/1/16-6/30/17											8,150.00
Technology	18-100-034-5120-573	5,957.00	7/1/17-6/30/18											5,957.00
Total Special Revenue Fund		302,614.00	7/1/17-6/30/18	302,614.00										302,614.00
Debt Service Fund:														
Debt Service Aid Type II	18-495-034-5120-017													
Total Debt Service Fund														
State Department of Agriculture														
Enterprise Fund:														
Child Nutrition Cluster:														
Nutrition Lunch Program (State Share)	18-100-010-3360-067	16,043.53	7/1/16-6/30/17	(963.24)										16,043.53
Nutrition Lunch Program (State Share)	18-100-010-3360-067	16,176.80	7/1/17-6/30/18	(983.24)										16,176.80
Total Child Nutrition Cluster		32,220.33		(1,946.48)										32,220.33
Total Enterprise Fund		32,220.33		(1,946.48)										32,220.33
Total State Financial Assistance		255,097.33		(331,633.22)	7,241.31				(277,745.53)				2,370,594.70	255,097.33
Less On-Behalf TPAF Pension System Contributions									(7,241.31)					
Total for State Financial Assistance Major Program Determination														
		\$		\$					\$				\$	
		(95,868,137.21)		(95,868,137.21)					(95,868,137.21)				(95,868,137.21)	

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

**Hamilton Township Board of Education
Notes to the Schedules of Financial Assistance
June 30, 2018**

NOTE 1 - GENERAL

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

NOTE 2 - BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10% de minimis indirect cost rate.

NOTE 3 - RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from budgetary basis to GAAP basis is \$(121,135.20) for the general fund and \$(33,816.49) for the special revenue fund. See the following schedule for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

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**Hamilton Township Board of Education
Notes to the Schedules of Financial Assistance
June 30, 2018**

	<u>General fund</u>	<u>Special Revenue fund</u>	<u>Debt service fund</u>	<u>Food service fund</u>	<u>Total</u>
State Assistance:					
Actual amounts (budgetary) “revenues” from the Schedule of Expenditures of State Financial Assistance	\$ 34,574,654.94	650,385.47	302,614.00	16,176.80	35,543,831.21
Difference – budget to “GAAP”					
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	2,196,690.60	17,107.40			2,213,798.00
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(2,317,825.80)	(52,758.90)			(2,370,584.70)
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(1,008.81)			(1,008.81)
Total State revenue as reported on the statement of revenues, expenditures and changes in fund balances	<u>\$ 34,453,519.74</u>	<u>613,725.16</u>	<u>302,614.00</u>	<u>16,176.80</u>	<u>35,386,035.70</u>

**Hamilton Township Board of Education
Notes to the Schedules of Financial Assistance
June 30, 2018**

	General Fund	Special Revenue Fund	Food Service Fund	Total
Federal Assistance:				
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of Federal Awards	\$ 103,429.53	3,045,691.20	988,059.01	4,137,179.74
Difference - budget to "GAAP" Grant accounting budgetary basis differs from "GAAP" in that encumbrances are recognized as expenditures, and the related revenue is recognized.		3,594.35		3,594.35
Total Federal revenue as reported on the statement of revenue, expenditures, and changes in fund balance	\$ 103,429.53	3,049,285.55	988,059.01	4,140,774.09

NOTE 4 - RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5 - OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. The amounts reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the district for the year ended June 30, 2018. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2018.

**HAMILTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Part I -- Summary of Auditor's Results

State Awards Section

Internal Control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular 15-08? _____ yes X no

Identification of major programs:

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

Dollar threshold used to distinguish between Type A and Type B programs: _____ \$776,044 _____

Auditee qualified as low-risk auditee? X yes _____ no _____

EXHIBIT K-6

**HAMILTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Part 2 -- Schedule of Financial Statement Findings

None

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

None

EXHIBIT K-7

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

STATUS OF PRIOR YEAR FINDINGS

None