

Comprehensive Annual Financial Report

of the

Hamilton Township School District

County of Mercer

Hamilton, New Jersey

For the Fiscal Year Ended June 30, 2018

Prepared by

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

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INTRODUCTORY SECTION



HAMILTON TOWNSHIP SCHOOL DISTRICT

OFFICE OF THE SUPERINTENDENT OF SCHOOLS

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February 27, 2019

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

Dear Board Members:

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

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

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

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

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

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

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

The District provides a full range of educational services appropriate to grade levels pre-K through 12. These include regular and vocational as well as special education for handicapped youngsters. The District completed the 2017-18 fiscal year with an average daily enrollment of 11,419. The following details the changes in the student enrollment of the District over the last ten years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2017-18	11,419.1	-1.50%
2016-17	11,598.6	-0.64%
2015-16	11,673.1	-1.97%
2014-15	11,907.9	-1.32%
2013-14	12,067.1	-0.15%
2012-13	12,085.2	-1.96%
2011-12	12,327.4	-1.55%
2010-11	12,521.6	-1.49%
2009-10	12,711.5	-1.10%
2008-09	12,853.9	-0.45%

2) MAJOR INITIATIVES:

DISTRICT

The District continued implementation of an \$18M Energy Savings Improvement Program to provide needed upgrades to the District's infrastructure and energy management systems. In addition, a new roof was installed at Klockner Elementary School and a new outdoor stadium was installed at Hamilton High School West. A \$53 million bond referendum was passed by the voters in the fall of 2017 for security and life safety improvements, roof and window replacements, and ceiling and ADA upgrades districtwide. The referendum capital work will span multiple summers.

Through the efforts of the Department of Student Services and Programs, the district recouped \$1,032,411 in Extraordinary Aid.

The following educational initiatives took place during the 2017-2018 School Year:

English Language Arts

- Implementation of Foundations Phonics program for Grade 1;
- Expansion of Reading Recovery for intervention;
- Implementation of K-8 diagnostic assessment (iReady);
- Selection of new novels and purchase of additional copies of existing titles;
- Revised Curriculum (where applicable)
- Professional Development (where applicable)

English as a Second Language

- After school ESL Tutoring Program implemented at elementary and middle school levels;
- Additional staff and instructional supplies to address increased number of ELLs.
- Revised Curriculum (where applicable)
- Professional Development (where applicable)
- HISPA Program

Mathematics

- Implementation of double period for at-risk high school Algebra I students;
- Revised Curriculum (where applicable)
- Professional Development (where applicable)

World Language

- Continued application for bi-literacy certification for high school students;
- Revised Curriculum (where applicable)
- Professional Development (where applicable)

Science

- Implementation of Mystery Science (K-5)
- Revision and update of curriculum to align with Next Generation Science standards;

- Purchase of Foss Science kits and materials for elementary science;
- Revision to elementary report card;

Social Studies

- Revised Curriculum (where applicable)
- Professional Development (where applicable)

Technology & Staff Evaluation

- iReady technology based instructional licenses for adaptive and differentiated instruction
- Continuation of MLP/OASYS Platform

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

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

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

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

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

5) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The

accounting system of the District is organized on the basis of funds, which is explained in the “Notes to the Financial Statements,” Note 1: Summary of Significant Accounting Policies.

6) FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the district continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund, special revenue fund, capital projects fund and debt service fund revenues for the fiscal year ended June 30, 2018 and the amount and percentage of increase in relation to prior year revenues.

	Revenue	Percentage of Total	(Decrease)/ Increase From 2017	Percentage Decrease/ Increase
Local Sources	\$ 116,449,710	49.49%	\$ 3,500,409	3.01%
State Sources	112,708,294	47.90%	14,041,492	12.46%
Federal Sources	6,160,606	2.62%	114,116	1.85%
Total	<u>\$ 235,318,610</u>	<u>100.00%</u>	<u>\$ 17,656,017</u>	

The following schedule presents a summary of general fund, special revenue fund, capital projects fund and debt service fund expenditures for the fiscal year ended June 30, 2018 and the percentage of increases and decreases in relation to prior year amounts.

	Expenditure	Percentage of Total	(Decrease)/ Increase From 2017	Percentage Decrease/ Increase
Current Expenditures:				
Instruction	\$ 77,809,063	32.18%	\$ 1,296,659	1.67%
Support Services & Undistributed Costs	142,824,260	59.08%	10,863,567	7.61%
Special Revenue:				
Instruction	5,465,583	2.26%	(122,438)	-2.24%
Support Services & Undistributed Costs	1,741,182	0.72%	162,268	9.32%
Debt Service:				
Principal	4,025,000	1.66%	25,000	0.62%
Interest	886,658	0.37%	(64,387)	-7.26%
Capital Outlay	9,009,963	3.73%	(753,225)	-8.36%
Total	<u>\$ 241,761,709</u>	<u>100.00%</u>	<u>\$ 11,407,444</u>	

7) DEBT ADMINISTRATION: On June 30, 2018, the District reported outstanding principal debt of \$82,883,000 of general obligation bonds.

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

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

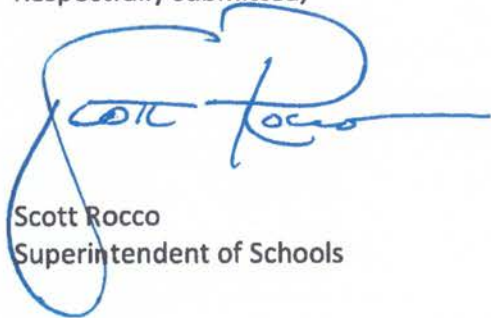
10) OTHER INFORMATION:

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

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

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

Respectfully submitted,



Scott Rocco
Superintendent of Schools



Katherine Attwood
School Business Administrator

**HAMILTON TOWNSHIP BOARD OF EDUCATION
HAMILTON, NEW JERSEY
MERCER COUNTY**

**ROSTER OF OFFICIALS
June 30, 2018**

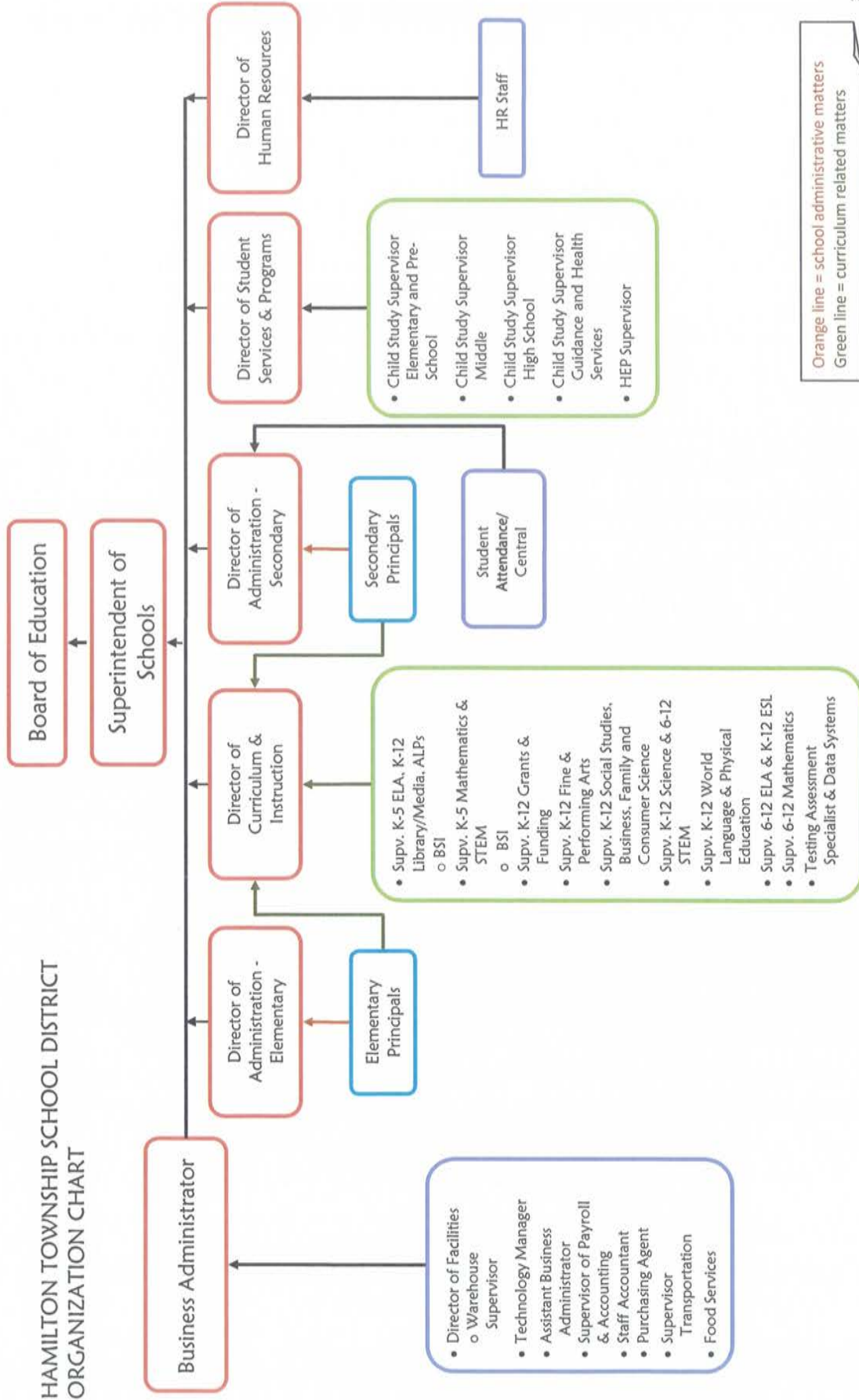
<u>Members of the Board of Education</u>	<u>Term Expires</u>
Susan Lombardo, President	2020
Pamela Kelly, Vice President	2019
Cameron Cardinale	2020
Anthony Celentano	2019
Michelle Episcopo	2018
Dr. Susan Ferrara	2018
Albert Gayzik	2020
Richard J. Kanka	2018
Jessica Young	2019

Other Officials

Dr. Scott Rocco, Superintendent

Katherine Attwood, Business Administrator/Board Secretary

HAMILTON TOWNSHIP SCHOOL DISTRICT ORGANIZATION CHART



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

HAMILTON TOWNSHIP BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

AUDIT FIRM

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Suplee, Clooney & Company
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Westfield, New Jersey 07090

ATTORNEY

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Lenox, Socey, Formidoni, Giordano, Cooley, Lang & Casey
136 Franklin Corner
Lawrenceville, New Jersey 08648

ARCHITECT

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

OFFICIAL DEPOSITORY

The Bank of Princeton
Princeton, NJ

FINANCIAL SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

Telephone 908-789-9300

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E-mail info@senco.com

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Hamilton Township School District
County of Mercer
Hamilton, New Jersey 08690

Report on the Financial Statements

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

SUPLEE, CLOONEY & COMPANY

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

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

Opinion

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

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 7 to the basic financial statements, in 2018, the District adopted Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

SUPLEE, CLOONEY & COMPANY

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 27, 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 effectiveness of the Hamilton Township School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Hamilton Township School District's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 948

February 27, 2019

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

HAMILTON TOWNSHIP SCHOOL DISTRICT
Hamilton, New Jersey
Mercer County

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
June 30, 2018

UNAUDITED

This section of the district's annual financial report presents a discussion and analysis of the district's financial performance during the fiscal year ending June 30, 2018. It should be read in conjunction with the transmittal letter at the front of this report and the district's financial statements, which immediately follow this section.

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

FINANCIAL HIGHLIGHTS

The key financial highlights for the 2017-2018 fiscal year include the following:

In the District-Wide statements, net position of governmental activities decreased \$236,698 which represents a 1.08% increase from fiscal year 2017.

The Board realized a positive change in net position in the District's food service program in the amount of \$112,458 resulting in total net position of \$1,446,210 for the fiscal year ended June 30, 2018.

Governmental funds reported a total fund balance of \$70,186,655 which is a 225% increase from last year's total governmental fund balance. This increase was, in large part, the result of the proceeds from the District's \$55,393,000.00 bond issuance. The general or operating fund balance was reported at \$15,385,274 of which \$7,958,251 was appropriated toward the 2018-19 budget. Total expenditures for all governmental funds was \$241,761,710. Total revenues, including the Other Financing Sources were \$290,380,400 resulting in an excess of revenues over expenditures of \$48,618,691 for the year. Revenues and Other Financing Sources increased \$68,362,254 over last year mainly due to the issuance of the bonds mentioned above. Included in the revenues are \$118,868,900 in state and federal aid and \$113,475,694 in local taxes.

The district issued an RFP and the Board approved a change of banks effective in the next fiscal year which will lead to higher interest earnings. In addition, the district invested the bond proceeds and approved the interest earned to offset future debt payments on the issued bonds.

In fiscal year 2018 the District implemented GASB 75 "Accounting and Financial Reporting for Post-Retirement Benefits Other than Pensions". Prior Year information has not been restated.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

Figure A-1

Organization of the School District Annual Financial Report

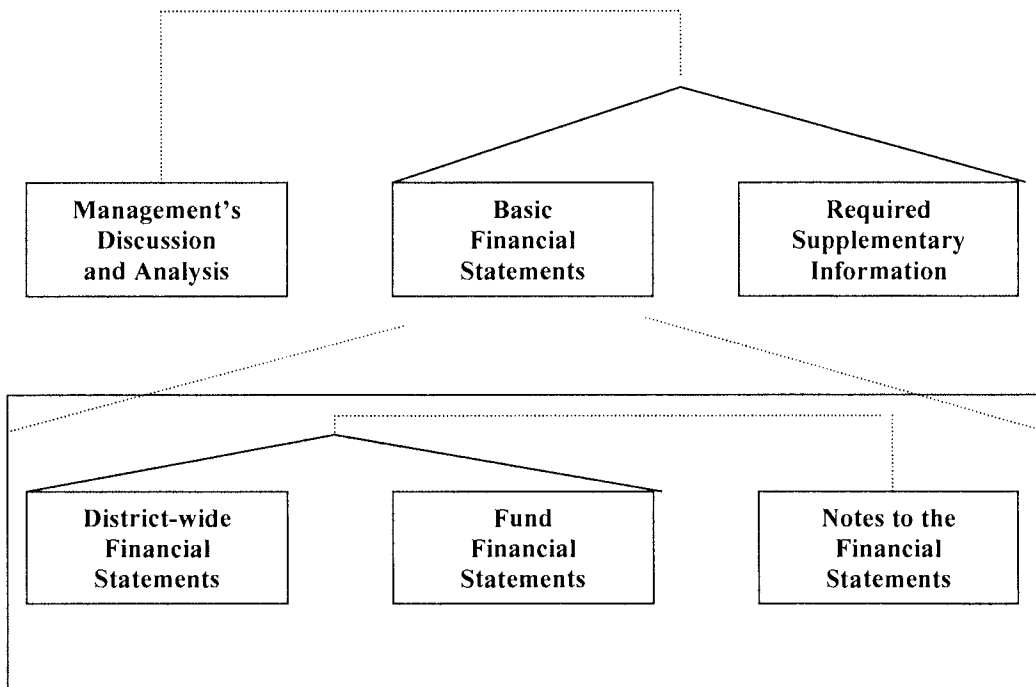


Figure A-2 summarizes the major features of the district’s financial statements, including the portion of the district’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and the contents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

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

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

District-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The district has three kinds of funds:

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The school district's Governmental Activities net position was a deficit \$22,226,654 at June 30, 2018 representing a decrease of .71% over fiscal year 2017. This amount included an unrestricted deficit amount of \$62,061,242. This large deficit is the result of the accrual of the District's share of the Net Pension Liability required by GASB 68 which reduced the unrestricted portion of Net Position by \$64,688,679. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the school district's ability to use those assets for day-to-day operations. Our analysis below focuses on the net position (Figure A-3) and change in net position (Figure A-4) of the school district's governmental activities.

**Figure A-3
Net Position**

	2018			2017		
	Governmental Activities	Business Activities	Total	Governmental Activities	Business Activities	Total
ASSETS						
Current & Other Assets	\$75,036,158	\$2,469,847	\$77,506,005	\$30,244,765	\$2,736,484	\$32,981,249
Capital Assets	80,502,463	316,162	80,818,626	78,064,434	351,401	78,415,835
TOTAL ASSETS	155,538,621	2,786,009	158,324,631	108,309,199	3,087,885	111,397,084
DEFERRED OUTFLOWS OF RESOURCES:						
Loss on Refunding of Long Term Debt	1,411,369		1,411,369	1,641,796		1,641,796
Premium on Refunding of Long Term Debt	803,934		803,934	1,014,260		1,014,260
Pension Related	21,696,935		21,696,935	30,575,833		30,575,833
TOTAL DEFERRED OUTFLOWS	23,912,238		23,912,238	33,231,890		33,231,890
LIABILITIES						
Long-Term Liabilities	169,128,920		169,128,920	143,154,418	286	143,154,704
Other Liabilities	16,136,032	1,339,799	17,475,831	19,703,225	1,753,847	21,457,072
TOTAL LIABILITIES	185,264,952	1,339,799	186,604,751	162,857,643	1,754,133	164,611,776
DEFERRED INFLOWS OF RESOURCES:						
Pension Related	15,884,761		15,884,761			
Gain on Refunding Bonds	527,800		527,800	673,400		673,400
	16,412,561		16,412,561	673,400		673,400
NET POSITION						
Net investment in capital assets	31,447,415	316,162	31,763,578	26,309,244	351,401	26,660,645
Restricted	8,387,173		8,387,173	11,085,767		11,085,767
Unrestricted:						
Pension related (deficit)	(64,688,679)		(64,688,679)	(62,002,503)		(62,002,503)
Other	2,627,437	1,130,048	3,757,485	2,617,538	982,351	3,599,889
TOTAL NET POSITION	(\$22,226,654)	\$1,446,210	(\$20,780,443)	(\$21,989,954)	\$1,333,752	(\$20,656,202)

The unrestricted net position of governmental activities is broken into two elements. The deficit of \$64,688,679 represents the effect of the required accrual of the District's share of the Net Pension Liability the remainder of a positive \$2,627,437 which represents the accumulated results of all past years' operations.

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

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

	2018			2017		
	Governmental Activities	Business Activities	Total	Governmental Activities	Business Activities	Total
Revenues:						
Program Revenues:						
Operating Grants & Contributions	\$78,330,202	\$2,381,049	\$80,711,251	\$68,389,102	\$2,370,372	\$70,759,474
Charges for Services		954,345	954,345		864,848	864,848
General Revenues						
Property Taxes	113,475,694		113,475,694	111,165,617		111,165,617
Grants (includes State Aid) and Entitlements	74,721,485		74,721,485	74,492,137		74,492,137
Other Revenues	2,814,923	10,567	2,825,490	1,647,104	8,829	1,655,933
Cancellation of Prior Year Account Receivable	(250,371)		(250,371)			
Disposal of Capital Assets	(45,207)		(45,207)	(11,488)	(3,088)	(14,576)
	<u>269,046,726</u>	<u>3,345,961</u>	<u>272,392,687</u>	<u>255,682,472</u>	<u>3,240,961</u>	<u>258,923,433</u>
Expenses:						
Instruction	162,879,107		162,879,107	159,723,600		159,723,600
Support Services & Undistributed Costs	100,050,122		100,050,122	98,517,637		98,517,637
Interest on Long-Term Debt	1,893,942		1,893,942	1,243,324		1,243,324
Unallocated Depreciation	4,460,254		4,460,254	3,521,532		3,521,532
Business-Type		3,233,503	3,233,503		3,236,226	3,236,226
Total Expenses	<u>269,283,424</u>	<u>3,233,503</u>	<u>272,516,927</u>	<u>263,006,093</u>	<u>3,236,226</u>	<u>266,242,319</u>
Change in Net Position	(236,698)	112,458	(124,240)	(7,323,621)	4,735	(7,318,886)
Net Position July 1, (deficit)	(21,989,956)	1,333,752	(20,656,204)	(14,666,335)	1,329,017	(13,337,318)
Net Position June 30, (deficit)	<u>(22,226,654)</u>	<u>1,446,210</u>	<u>(20,780,444)</u>	<u>(21,989,956)</u>	<u>1,333,752</u>	<u>(20,656,204)</u>

As reported in the Statement of Activities, expenditures for governmental activities this year totaled \$269,283,424. These costs were financed by \$113,475,694 in local property school taxes, \$153,051,687 in operating grants and federal and state aid, and \$2,519,345 in miscellaneous income.

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

Figure A-5

	Total Cost of Services <u>2018</u>	Total Cost of Services <u>2017</u>	Net Cost of Services <u>2018</u>	Net Cost of Services <u>2017</u>
Instruction	162,879,107	\$159,723,600	\$108,666,628	\$110,008,749
Support Services & Undistributed Costs	100,050,122	98,517,637	75,932,399	79,843,386
Interest on Long-Term Debt	1,893,942	1,243,324	1,893,942	1,243,324
Business-Type	3,233,503	3,236,226	(101,891)	1,006
Other	4,460,254	3,521,532	4,460,254	3,521,532
Total Expenses	<u>\$272,516,927</u>	<u>\$266,242,319</u>	<u>\$190,851,331</u>	<u>\$194,617,997</u>

Financial Analysis of the District’s Funds

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

As the school district completed this year, our governmental funds reported a combined fund balance of \$70,186,655 which represents an increase of \$48,618,691 from the previous year. This is due mainly to the District’s issuance of \$55,393,000.00 in bonds

General Fund Budgetary Highlights

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

Actual revenues reflect a positive variance of \$37,433,347. This is due primarily to two factors:

1. The State reimbursement in the amount of \$5.9 million for social security contributions and \$30.2 million on behalf of contributions for TPAF pension and post retirement medical. This is always a non-budgeted item that the State requires to be included in the final audit.
2. Miscellaneous revenue in excess of projection.

Actual expenditures reflect a negative variance of \$25,790,850 million This again is primarily due to the State requirement to include social security contributions and on behalf of TPAF pension and post retirement medical benefits contributions in the audit.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2018, the school district had \$80,502,463 invested in a broad range of capital assets, including land, buildings, building improvements, other improvements, construction in progress, vehicles, furniture and equipment. This amount represents a net increase (including additions, deductions and depreciation) of \$2,438,029 or 3.12% from fiscal year 2017.

Figure A-6

	Net Investment in Capital Assets	
	Governmental Activities	
	<u>2018</u>	<u>2017</u>
Land	\$1,248,202	\$1,248,202
Construction in Progress	26,637,148	33,750,310
Buildings & Improvements	48,812,792	38,850,526
Furniture, Equipment & Vehicles	<u>3,804,321</u>	<u>4,215,396</u>
	<u>\$80,502,463</u>	<u>\$78,064,434</u>

This year's net additions are reported at \$7,598,729. Depreciation totaled \$5,115,493.

Long-Term Debt

At the end of this year, the school district has \$176,386,553 outstanding, as detailed below, versus \$151,106,528 last year – a net increase of 17%. The great majority of the increase is attributable to the Bonds Payable which increased as a result of the District's issuance of \$55,393,000 in Bonds to finance projects authorized in the FY2017 Referendum. The long-term debt consisted of the following:

	Balance	Balance
	June 30,	June 30,
	<u>2018</u>	<u>2017</u>
Compensated Absences	\$3,477,774	\$3,382,462
Bonds Payable	82,883,000	31,515,000
Unamortized Bond Premium	803,934	1,014,260
Net Pension Liability	67,587,189	89,843,367
Capital Leases Payable	<u>21,634,655</u>	<u>25,351,439</u>
	<u>\$176,386,553</u>	<u>\$151,106,528</u>

The school district's general obligation bond rating continues to be AA. The state limits the amount of general obligation debt that cities can issue to 4.0% of the average state equalized assessed value of the taxable property within the school district's corporate limits. The school district's outstanding general obligation debt of 82,883,000 is significantly below the statutorily-imposed limit.

FACTORS AFFECTING THE DISTRICT'S FUTURE

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

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2018

DISTRICT-WIDE FINANCIAL STATEMENTS

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2018

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS:			
Cash and cash equivalents	\$66,495,340	\$1,934,612	\$68,429,952
Receivables, net	2,804,577	527,911	3,332,488
Inventory	261,594	7,324	268,918
Interfunds	102,411		102,411
Restricted assets:			
Cash and cash equivalents	5,372,236		5,372,236
Capital assets:			
Land and Construction in progress	27,885,350		27,885,350
Other Capital Assets net of depreciation	52,617,113	316,162	52,933,275
Total Assets	155,538,621	2,786,009	158,324,631
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions	21,696,935		21,696,935
Related to loss on Refunding Bonds	1,411,369		1,411,369
Related to Premium on Refunding Bonds	803,934		803,934
Total Deferred Outflow of Resources	23,912,238		23,912,238
LIABILITIES:			
Accounts payable	7,370,448	291,047	7,661,495
Interfunds payable		176,567	176,567
Payable to state government	276,694		276,694
Unearned revenue	116,025	46,682	162,707
Accrued Interest Payable	1,115,232		1,115,232
Accrued Liability for Insurance Claims		825,503	825,503
Noncurrent liabilities:			
Due within one year:			
Bonds and capital leases payable	7,257,633		7,257,633
Due beyond one year:			
Net Pension Liability	67,587,189		67,587,189
Compensated absences payable	3,477,774		3,477,774
Bonds and capital leases payable	98,063,957		98,063,957
Total liabilities	185,264,952	1,339,799	186,604,751
DEFERRED INFLOWS OF RESOURCES:			
Related to pensions	15,884,761		15,884,761
Gain on Refunding Bonds	527,800		527,800
	16,412,561		16,412,561
NET POSITION:			
Net investment in capital assets	31,447,415	316,162	31,763,577
Restricted for:			
Capital Projects	5,764,405		5,764,405
Debt service fund (deficit)	(892,890)		(892,890)
Other purposes	3,515,658		3,515,658
Unrestricted (deficit)	(62,061,242)	1,130,048	(60,931,194)
Total net position	(\$22,226,654)	\$1,446,210	(\$20,780,444)

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
JUNE 30, 2018

Functions/Programs	Expenses	Indirect Cost Allocation	Programs Revenues		Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 69,711,613	\$ 36,053,140	\$	\$ 35,478,881	\$ (70,285,873)	\$	\$ (70,285,873)
Special	27,067,904	18,368,246		14,819,662	(30,616,188)		(30,616,188)
Other instruction	7,800,464	3,878,039		3,913,936	(7,764,567)		(7,764,567)
Support services:							
Tuition	10,017,715	(10,017,715)					
Student and instruction related services	28,585,910	12,844,758		14,613,586	(26,817,082)		(26,817,082)
General administrative services	2,748,140	168,368		98,509	(2,816,000)		(2,816,000)
School administrative services	11,071,913	5,343,740		5,393,670	(11,021,983)		(11,021,983)
Central service/Admin information technology	4,596,926	1,170,539		684,091	(5,083,374)		(5,083,374)
Plant operations and maintenance	18,775,658	3,136,535		2,381,580	(19,520,612)		(19,520,612)
Pupil transportation	11,450,103	159,532		936,288	(10,673,348)		(10,673,348)
Unallocated benefits	70,447,943	(70,447,943)					
Interest on Long-Term Debt	1,893,942				(1,893,942)		(1,893,942)
Unallocated depreciation	5,115,493	(655,239)			(4,460,254)		(4,460,254)
Total governmental activities	269,283,424			78,330,202	(190,953,222)		(190,953,222)
Business-type activities							
Food Service	3,233,503		954,345	2,381,049		101,891	101,891
Total business-type activities	3,233,503		954,345	2,381,049		101,891	101,891
Total primary government	\$ 272,516,927	\$	\$ 954,345	\$ 80,711,251	\$ (190,953,222)	\$ 101,891	\$ (190,851,331)
General Revenues:							
Taxes:							
Property taxes, levied for general purposes, net					\$ 108,661,758		\$ 108,661,758
Taxes levied for debt service					4,813,936		4,813,936
Federal and state aid not restricted					74,495,125		74,495,125
Federal and state aid restricted					226,360		226,360
Miscellaneous income					2,814,923.10	10,567	2,825,490
Disposal of capital asset (net)					(45,207)		(45,207)
Prior Year Accounts Receivable Cancelled					(250,371)		(250,371)
Total general revenues and special items					190,716,524	10,567	190,727,091
Change in Net Position					(236,698)	112,458	(124,240)
Net Position - beginning					(21,989,956)	1,333,752	(20,656,204)
Net Position ending					(22,226,654)	1,446,210	(20,780,444)

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

MAJOR FUND FINANCIAL STATEMENTS

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS:					
Cash and cash equivalents	\$ 9,908,082	\$	\$ 56,587,258	\$	\$ 66,495,340
Receivables from other governments	1,437,575	1,102,782			2,540,357
Other receivables	261,059	859	2,302		264,220
Interfund Accounts Receivable	1,349,741			222,342	1,572,083
Inventory	261,594				261,594
Restricted cash and cash equivalents	5,372,236				5,372,236
Total assets	\$ 18,590,287	\$ 1,103,641	\$ 56,589,560	\$ 222,342	\$ 76,505,830
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	3,153,694	671,820	631,270		4,456,784
Intergovernmental accounts payable		276,694			276,694
Interfund payables	40,089	50,332	1,379,251		1,469,672
Unearned revenue	11,230	104,795			116,025
Total liabilities	3,205,013	1,103,641	2,010,521		6,319,175
Fund balances:					
Nonspendable:					
Inventory	228,815				228,815
Restricted:					
Capital reserve account	5,764,405				5,764,405
Maintenance reserve account	689,592				689,592
Reserved Excess Surplus designated for subsequent years expenditures	2,597,251				2,597,251
Capital Projects			36,343,794		36,343,794
Debt Service				222,342	222,342
Committed for:					
For Encumbrances			18,235,245		18,235,245
Assigned:					
Subsequent Year's Expenditures	5,361,000				5,361,000
For Encumbrances	744,211				744,211
Unassigned					
General fund					
Total fund balances	15,385,274		54,579,039	222,342	70,186,655
Total liabilities and fund balances	\$ 18,590,287	\$ 1,103,641	\$ 56,589,560	\$ 222,342	\$ 76,505,830

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

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

Total Fund Balances (Brought Forward)	\$	70,186,655
Amounts Reported for Governmental Activities in the Statement of Net Position (A-1) are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Cost of Assets	\$ 155,468,309	
Accumulated Depreciation	<u>(74,965,846)</u>	80,502,463
Long term liabilities, including bonds payable, and other related amounts that are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Net Pension Liability	(67,587,189)	
Compensated Absences	(3,477,774)	
Bonds Payable	(82,883,000)	
Deferred Amount on Gain on Refunding Bonds	(803,935)	
Capital Leases	<u>(21,634,655.00)</u>	(176,386,553)
Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.		
Pensions:		
Deferred Outflows		
Pension related	21,696,935	
Loss on Refunding Bonds	1,411,369	
Premium on Refunding Bonds	<u>803,934</u>	23,912,238
Deferred Inflows:		
Pension related	(15,884,761)	
Gain on Refunding Bonds	<u>(527,800)</u>	(16,412,561)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.		
Accounts Payable - Pension Related	(2,913,664)	
Accrued Interest Payable	<u>(1,115,232)</u>	<u>(4,028,896)</u>
Net Position of Governmental Activities	\$	<u><u>(22,226,654)</u></u>

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

HAMILTON TOWNSHIP BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local sources:					
Local tax levy	\$ 108,661,758			\$ 4,813,936	\$ 113,475,694
Tuition from Individuals	104,615				104,615
Tuition from Other LEAs	84,556				84,556
Interest Earned on Capital Reserve	62,834				62,834
Interest Earned on Maintenance Reserve	7,989				7,989
Interest on Investments	185,103				185,103
Unrestricted Miscellaneous Revenue	2,034,895	78,254	334,931		2,448,080
Total - local sources	111,141,750	78,254	334,931	4,813,936	116,368,871
State sources	111,279,007	1,318,349	110,938		112,708,294
Federal sources	235,022	5,925,584			6,160,606
Total revenues	222,655,779	7,322,187	445,869	4,813,936	235,237,771
EXPENDITURES:					
Current expense:					
Regular instruction	54,508,021				54,508,021
Special instruction	17,300,737	5,465,583			22,766,320
Other Instruction	6,000,305				6,000,305
Support services:					
Tuition	10,017,715				10,017,715
Student & instruction related services	20,925,347	1,741,182			22,666,529
General administrative services	3,490,111				3,490,111
School administrative services	7,671,941				7,671,941
Central service/Admin information technology	3,354,387				3,354,387
Plant operations and maintenance	15,766,624				15,766,624
Pupil transportation	11,245,505				11,245,505
Unallocated benefits	70,352,631				70,352,631
Debt Service:					
Principal				4,025,000	4,025,000
Interest				886,658	886,658
Capital outlay	1,755,764	115,422	7,138,777		9,009,963
Total expenditures	222,389,087	7,322,187	7,138,777	4,911,658	241,761,710
Excess (deficiency) of revenues over (under) expenditures	266,692		(6,692,908)	(97,722)	(6,523,938)
Other financing sources (uses):					
Transfers In/out	223,527		(445,869)	222,342	
Bond Sale Proceeds			55,393,000		55,393,000
Accounts Receivable Cancelled			(250,371)		(250,371)
Total other financing sources/(uses)	223,527		54,696,761	222,342	55,142,629
Net change in fund balances	490,219		48,003,852	124,620	48,618,691
Fund balances, July 1, 2017	\$ 14,895,055	\$ -0-	\$ 6,575,187	\$ 97,722	\$ 21,567,964
Fund balances, June 30, 2018	\$ 15,385,274	\$ -0-	\$ 54,579,039	\$ 222,342	\$ 70,186,655

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Total net change in fund balances - governmental funds (from B-2)		48,618,691
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		(5,115,493)
Capital outlays	9,009,963	
Less: Capital Outlays not capitalized	<u>(1,411,234)</u>	7,598,729
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		
Bonds Paid by Budget		4,025,000
Proceeds from debt issues are a financing source in governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position.		
Bond Proceeds		(55,393,000)
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		
Payment of capital lease payable		3,716,784
In the statement of activities, interest on long-term debt is accrued, regardless of when due. In governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.		
		(775,887)
Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
		(84,827)
District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.		
District pension contributions	2,689,717	
Less: Pension expense	<u>(5,375,893)</u>	(2,686,176)
In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-). When the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
		<u>(95,312)</u>
Change in net position of governmental activities (A-2)		<u><u>(236,698)</u></u>

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

OTHER FUNDS

HAMILTON TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
JUNE 30, 2018

	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>GOVERNMENTAL ACTIVITIES</u>
	<u>ENTERPRISE FUND</u>	<u>INTERNAL SERVICE FUND</u>
	<u>FOOD SERVICE FUND</u>	<u>WORKERS' COMPENSATION FUND</u>
ASSETS:		
Current assets:		
Cash and cash equivalents	\$932,542	\$1,002,070
Accounts receivable		
State	7,907	
Federal	442,509	
Other	61,877	
Interfund Receivable	15,618	
Inventories	7,324	
	<hr/>	<hr/>
Total current assets	1,467,777	1,002,070
	<hr/>	<hr/>
Noncurrent assets:		
Furniture, machinery and equipment	1,066,204	
Less accumulated depreciation	(750,042)	
	<hr/>	<hr/>
Total noncurrent assets	316,162	
	<hr/>	<hr/>
Total assets	1,783,939	1,002,070
	<hr/>	<hr/>
LIABILITIES:		
Current liabilities:		
Interfund payable		176,567
Accounts payable	291,047	
Unearned revenue	46,682	
Claims payable		825,503
	<hr/>	<hr/>
Total liabilities	337,729	1,002,070
	<hr/>	<hr/>
NET POSITION:		
Net investment in capital assets	316,162	
Unrestricted	1,130,048	
	<hr/>	<hr/>
Total net position	\$1,446,210	<hr/> <hr/>

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>GOVERNMENTAL ACTIVITIES</u>
	<u>ENTERPRISE FUND</u>	<u>INTERNAL SERVICE FUND</u>
	<u>FOOD SERVICE FUND</u>	<u>WORKERS' COMPENSATION FUND</u>
OPERATING REVENUES:		
Charges for services:		
Daily sales - reimbursable programs	\$645,438	
Daily sales - non-reimbursable programs	308,907	
Total operating revenues	<u>954,345</u>	
OPERATING EXPENSES:		
Salaries	1,013,344	
Employee benefits	249,362	
Management and consultant fees	38,614	
Supplies and materials	90,403	
Administrative Expense	189,849	
Repairs and Other	7,582	
Depreciation	91,241	
Cost of sales - reimbursable	1,165,564	
Cost of sales - non-reimbursable	117,391	
Direct expense	270,153	
Total operating expenses	<u>3,233,503</u>	
Operating income (loss)	<u>(2,279,158)</u>	
NONOPERATING REVENUES (EXPENSES):		
State sources		
State school lunch program	38,425	
Federal sources:		
National school lunch program	1,707,688	
National school breakfast program	359,178	
Healthy Hunger-Free Kids Act	43,033	
Special Milk	1,238	
Fresh Fruit and Vegetable	13,208	
Food Distribution Program	218,279	
NSLP Equipment Assistance		
Interest & Investment Revenue	10,567	
Total Nonoperating Revenues/(Expenses)	<u>2,391,616</u>	
Excess (deficiency) of revenues over (under) expenditures	112,458	
Other financing sources (uses):		
Claims Cancelled		(126,567)
Transfers In/out		126,567
Total other financing sources (uses)		
Net change in fund balances	112,458	
Total net position - beginning	<u>1,333,752</u>	
Total net position - ending	<u>\$1,446,210</u>	

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>GOVERNMENTAL ACTIVITIES</u>
	<u>ENTERPRISE FUND</u>	<u>INTERNAL SERVICE FUND</u>
	<u>FOOD SERVICE FUND</u>	<u>WORKERS' COMPENSATION FUND</u>
Cash flows from operating activities:		
Receipts from customers	\$914,835	
Payments to employees	(1,351,676)	
Payments to employee benefits	(249,648)	
Payments to suppliers	(1,013,344)	
Cash Payments for Employee Benefits - Net		\$92,674
Net cash provided by (used for) operating activities	(1,699,833)	92,674
Cash flows from noncapital financing activities:		
Federal and State sources	2,083,790	
Transfers to other funds	(700,378)	(76,567)
Net cash provided by noncapital financing activities	1,383,412	(76,567)
Cash flows from capital and related financing activities:		
Acquisition of Capital Assets	(40,330)	
Net cash provided by (used for) capital and related financing activities	(40,330)	
Cash Flows From Investing Activities:		
Interest on Deposits	10,567	
Net Cash Provided/(Used) by Investing Activities	10,567	
Net increase (decrease) in cash and cash equivalents	(346,184)	16,107
Cash and cash equivalents, July 1, 2017	1,278,726	985,963
Cash and cash equivalents, June 30, 2018	\$932,542	\$1,002,070
Reconciliation of operating income (loss) to net cash provided (used) by operating activities		
Operating income (loss)	(\$2,279,158)	
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	91,241	
Federal commodities	218,279	
(Increase) decrease in inventories	50,810	
(Increase) decrease in other accounts receivable	(39,041)	
Increase (decrease) in accounts payable	274,015	
Increase (decrease) in compensated absences	(286)	
Increase (decrease) in unearned revenue	(15,693)	
Increase (decrease) in claims payable		92,674
Total Adjustments	579,325	92,674
Net cash provided by (used for) operating activities	(\$1,699,833)	\$92,674

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	PRIVATE PURPOSE			AGENCY FUNDS		JUNE 30 2018
	UNEMPLOYMENT COMPENSATION TRUST	SCHOLARSHIP	PAYROLL AGENCY	STUDENT ACTIVITY		
ASSETS:						
Cash and cash equivalents	\$ 2,194,187	\$ 162,244	\$ 115,209	\$ 567,056	\$ 3,038,696	
Interfunds Receivable		77,953			77,953	
Total assets	2,194,187	240,197	115,209	567,056	3,116,649	
LIABILITIES:						
Payroll Deductions and Withholdings			46,636		46,636	
Interfund Payable			19,415		19,415	
Due to Employees			49,158		49,158	
Due to Student Groups				567,056	567,056	
Total liabilities			115,209	567,056	682,265	
NET POSITION:						
Held in Reserve for Unemployment Claims	2,194,187				2,194,187	
Reserved for Scholarships		240,197			240,197	
Total net position	\$ 2,194,187	\$ 240,197	\$ 115,209	\$ 567,056	\$ 2,434,384	

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>UNEMPLOYMENT COMPENSATION TRUST</u>	<u>PRIVATE PURPOSE SCHOLARSHIP</u>	<u>TOTAL</u>
ADDITIONS:			
Contributions:			
Plan Members	\$ 305,466	\$	305,466
Other		300	300
Investment Earnings:			
Interest Earned	<u>18,262</u>	<u>1,110</u>	<u>19,372</u>
Total Additions	<u>323,728</u>	<u>1,410</u>	<u>325,138</u>
DEDUCTIONS:			
Unemployment Claims	452,049		452,049
Scholarships Awarded		<u>10,000</u>	<u>10,000</u>
Total deductions	<u>452,049</u>	<u>10,000</u>	<u>462,049</u>
Change in net position	(128,321)	(8,590)	(136,911)
Net position beginning of year	<u>2,322,508</u>	<u>248,787</u>	<u>2,571,295</u>
Net position end of year	<u>\$ 2,194,187 \$</u>	<u>\$ 240,197 \$</u>	<u>\$ 2,434,384</u>

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

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

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

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

Basis of Presentation

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

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

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

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

Governmental Funds

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

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

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Proprietary Funds

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

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

Fiduciary Funds

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

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

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

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting-Measurement Focus

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

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

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval. In accordance with P.L. 2011, c. 202, which became effective January 17, 2012, the District elected to move the April 2013 school Board election to the date of the November general election thereby eliminating the vote on the annual base budget. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(f)1. Expenditures may not legally exceed budgeted appropriations at the line item level. All budget amendments and transfers must be approved by School Board resolution. Budget amendments during the year ended June 30, 2018 totaled \$534,518.00

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

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control (Continued)

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

Encumbrance Accounting

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

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

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

Interfunds

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

Inventories and Prepaid Expenses

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

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

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

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

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

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

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

Compensated Absences

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

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences (Continued)

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

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

Fund Equity

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

Unearned Revenue

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

Accrued Liabilities and Long-Term Obligations

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

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

Fund Balance Restrictions

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

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

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

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

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Restrictions (Continued)

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

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

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

Revenues Exchange and Non-exchange Transactions

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

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues Exchange and Non-exchange Transactions (Continued)

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

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

Operating Revenues and Expenses

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

Allocation of Indirect Expenses

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

Extraordinary and Special Items

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

Management Estimates

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting and Financial Reporting for Pensions

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

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

Deferred Outflows/Inflows of Resources

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

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

Deposits

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

The Township of Hamilton School District had the following cash and cash equivalents at June 30, 2018:

<u>Fund Type</u>	<u>Amount</u>
Cash in Bank:	
Governmental Funds	\$ 77,327,912
Proprietary Funds	1,770,792
Fiduciary Funds	4,442,686
Total Cash in Bank	\$ 83,541,390
Less: Reconciling Items	(6,700,506)
Reconciled Balance	\$ <u>76,840,884</u>

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

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

Deposits

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2018, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank of \$83,541,390, \$399,086 was covered by Federal Depository Insurance; \$27,504,356 was covered under the provisions of NJGUDPA; \$1,947,252 was held in escrow with fiscal agents and \$53,690,697 was on deposit with the New Jersey Assets Rebate Management (NJARM).

Investments

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

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

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

Investments (Continued)

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

As of June 30, 2018, the District has \$53,690,697 on deposit with NJARM. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1, and existing investment practices of NJARM, the District is generally not exposed to credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risk for its deposits and investments.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 3: CAPITAL ASSETS

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

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions &</u> <u>Transfers</u>	<u>Ending</u> <u>Balance</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$1,248,202			\$1,248,202
Construction in Progress	33,750,310	5,873,713	(12,986,875)	26,637,148
Total Capital Assets not being depreciated	<u>34,998,512</u>	<u>5,873,713</u>	<u>(12,986,875)</u>	<u>27,885,350</u>
Buildings & Building Improvements	99,375,254		12,986,875	112,362,129
Machinery & Equipment	13,541,021	1,725,016	(45,207)	15,220,830
Totals at historical cost	<u>112,916,275</u>	<u>1,725,016</u>	<u>12,941,668</u>	<u>127,582,959</u>
Gross Assets (Memo only)	<u>147,914,787</u>	<u>7,598,729</u>	<u>(45,207)</u>	<u>155,468,309</u>
Less: Accumulated Depreciation				
Buildings & Building Improvements	(60,524,728)	(3,541,676)		(64,066,404)
Machinery & Equipment	(9,325,625)	(1,573,817)		(10,899,442)
Total Depreciation	<u>(69,850,353)</u>	<u>(5,115,493)</u>		<u>(74,965,846)</u>
Total capital assets being depreciated, net of depreciation	<u>43,065,922</u>	<u>(3,390,477)</u>	<u>12,941,668</u>	<u>52,617,113</u>
Total Governmental Fund Activities	<u>\$78,064,434</u>	<u>\$2,483,236</u>	<u>(\$45,207)</u>	<u>\$80,502,463</u>

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 3: CAPITAL ASSETS (CONTINUED)

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions &</u> <u>Transfers</u>	<u>Ending</u> <u>Balance</u>
Proprietary Activities:				
Machinery & Equipment	<u>\$1,027,857</u>	<u>\$56,001</u>	<u>\$17,655</u>	<u>\$1,066,203</u>
Totals at historical cost	<u>1,027,857</u>	<u>56,001</u>	<u>17,655</u>	<u>1,066,203</u>
Less: Accumulated Depreciation				
Machinery & Equipment	<u>(676,456)</u>	<u>(91,241)</u>	<u>(17,655)</u>	<u>(750,042)</u>
Total Depreciation	<u>(676,456)</u>	<u>(91,241)</u>	<u>(17,655)</u>	<u>(750,042)</u>
Total Proprietary Fund Activities	<u><u>\$351,401</u></u>	<u><u>(\$35,240)</u></u>		<u><u>\$316,161</u></u>

Depreciation expense was charged to functional expenses areas of the

District for Governmental Funds as follows:

Instruction:

 Regular (85,676)

Support services:

 Student & Instruction Related Services (33,467)

 General Administrative Services (25,527)

 School administrative services (45,635)

 Central Service/Adm Tech (244,081)

 Plant Operations & Maintenance (191,134)

 Pupil transportation (29,719)

 Direct Expense of various functions (\$4,460,254)

(\$5,115,493)

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 4: LONG-TERM LIABILITIES

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

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

The following is a summary of transactions that affect long-term liabilities for the year ended June 30, 2018:

Governmental Funds:

	Balance June 30, <u>2017</u>	<u>Additions</u>	<u>Reductions</u>	Balance June 30, <u>2018</u>	Amounts due Within <u>one year</u>
Bonds Payable	\$31,515,000	\$55,393,000	\$4,025,000	\$82,883,000	\$4,265,000
Unamortized Bond Premium	1,014,260		210,325	803,935	210,326
Compensated Absences	3,382,462	95,312		3,477,774	
Capital Leases Payable	25,351,439		3,716,784	21,634,655	2,782,307
Net Pension Liability	89,843,367		22,256,178	67,587,189	
Balance June 30, 2018	<u>\$151,106,528</u>	<u>\$55,488,312</u>	<u>\$30,208,287</u>	<u>\$176,386,553</u>	<u>\$7,257,633</u>

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Debt Service Requirements:

The annual requirements to amortize all debt outstanding as of June 30, 2018, including interest payments on issued debt, are as follows:

Fiscal Year	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>June 30,</u> FY2019	\$4,265,000	\$3,377,154	\$7,642,154
FY2020	5,473,000	2,400,765	7,873,765
FY2021	5,725,000	2,227,345	7,952,345
FY2022	5,820,000	2,047,220	7,867,220
FY2023	4,840,000	1,850,160	6,690,160
FY2024	4,980,000	1,721,288	6,701,288
FY2025	5,065,000	1,584,400	6,649,400
FY2026	1,905,000	1,485,850	3,390,850
FY2027	2,020,000	1,426,975	3,446,975
FY2028	2,020,000	1,366,375	3,386,375
FY2029	2,020,000	1,305,775	3,325,775
FY2030	2,020,000	1,245,175	3,265,175
FY2031	2,020,000	1,184,575	3,204,575
FY2032	2,020,000	1,123,975	3,143,975
FY2033	2,020,000	1,063,375	3,083,375
FY2034	2,020,000	1,002,775	3,022,775
FY2035	2,020,000	942,175	2,962,175
FY2036	2,040,000	880,000	2,920,000
FY2037	2,040,000	816,250	2,856,250
FY2038	2,040,000	752,500	2,792,500
FY2039	2,040,000	687,475	2,727,475
FY2040	2,040,000	621,175	2,661,175
FY2041	2,040,000	554,875	2,594,875
FY2042	2,050,000	488,413	2,538,413
FY2043	2,050,000	420,506	2,470,506
FY2044	2,050,000	351,319	2,401,319
FY2045	2,060,000	281,963	2,341,963
FY2046	2,060,000	206,000	2,266,000
FY2047	2,060,000	123,600	2,183,600
FY2048	2,060,000	41,200	2,101,200
	<u>\$82,883,000</u>	<u>\$33,580,631</u>	<u>\$116,463,631</u>

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

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

<u>Issue</u>	<u>Amount Outstanding June 30, 2018</u>
\$28,275,000.00 in Refunding School Bonds dated December 4, 2012, due in remaining annual installments ranging between \$2,320,000.00 and \$3,200,000.00 beginning August 15, 2018 and ending August 15, 2024 with interest from 1.50% to 2.63%	\$20,480,000
\$9,910,000.00 in Refunding School Bonds dated November 20, 2015, due in remaining annual installments ranging between \$410,000.00 and \$1,790,000.00 beginning February 15, 2019 and ending February 15, 2022 with interest from 4.00% to 5.00%	\$7,010,000
\$55,393,000.00 in School Bonds dated December 28, 2017, due in remaining annual installments ranging between \$1,033,000.00 and \$2,060,000.00 beginning December 15, 2019 and ending December 15, 2047 with interest from 3.00% to 4.00%	<u>\$55,393,000</u>
	<u><u>\$82,883,000</u></u>

Refunding School Bonds

2006 Refunding

The district issued \$87,650,000.00 in Refunding School bonds to advance refund \$83,425,000.00 of the districts previously issued and outstanding school bonds. The reacquisition price exceeded the net carrying amount by \$4,225,000.00. This amount is being amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. The current year portion charged to the Statement of Activities was \$201,190.48 leaving a balance of \$1,411,368. which is reflected on the Statement of Net Position as a Deferred Outflow. Under the escrow agreement, the escrow is irrevocably pledged to the payment of principal and interest on the refunded bonds. As a result, the \$83,425,000.00 of the refunded obligations are considered to be defeased and the liability for those bonds has been removed from the financial statements.

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

2015 Refunding

In October 2015, the District issued \$9,010,000 of refunding bonds to provide resources to refund a portion of the District's outstanding debt. As a result, \$9,920,000 of refunded bonds are considered defeased and the liability has been removed from the basic financial statement. This advance refunding was undertaken to reduce the total debt service payments over the next seven years by \$819,372 and resulted in a net present value savings of \$782,057. As of June 30, 2015, \$9,920,000 of the defeased debt remains outstanding. The difference between the re-acquisition price of the defeased debt of \$10,220,778 and the net carrying value amount of the old bonds of \$9,920,000 is being amortized over the remaining life of the defeased debt. The current year portion of the gain on the refunding charged to the Statement of Activities was \$145,600 leaving a balance of \$527,800 which is reflected on the Statement of Net Position as a Deferred Inflow.

Bonds Authorized But Not Issued

As of June 30, 2018, the District had no Bonds Authorized but not issued.

Capital Leases Payable

The District is leasing technology equipment and energy improvements totaling \$31,014,740 under capital leases. This capital leases are for terms of five years, with the exception of the Energy Saving Improvement Program lease which carries a term of 15 years. The following is a schedule of the future minimum lease payments under the capital lease and the present value of the net minimum lease payments at June 30, 2018:

Fiscal Year Ended	Governmental
<u>June 30,</u>	<u>Funds</u>
2019	\$3,296,483
2020	2,676,477
2021	2,163,875
2022	1,759,835
2023	1,075,820
2024-2026	3,469,512
2027-2031	6,226,002
2032-2035	<u>5,506,270</u>
Total Minimum Lease Payments	26,174,273
Less: Amount Representing Interest	<u>4,539,618</u>
Present Value of Lease Payments	<u><u>\$21,634,655</u></u>

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 5: PENSION PLANS

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

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

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

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 5: PENSION PLANS (CONTINUED)

Significant Legislation

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

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

Funding Changes

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

COLA Suspension

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

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

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

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 5: PENSION PLANS (CONTINUED)

Contribution Requirements (Continued)

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

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

Three Year Trend Information for PERS

<u>Year Ended June 30,</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2018	\$2,735,029.00	100%	-0-
2017	\$2,694,912.00	100%	-0-
2016	\$2,494,210.00	100%	-0-

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

<u>Year Ended June 30,</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2018	\$11,157,610.00	100%	-0-
2017	\$8,597,651.00	100%	-0-
2016	\$6,062,825.00	100%	-0-

In accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District for the years ended June 30, 2018, 2017 and 2016 \$5,923,799, \$5,967,462 and \$5,642,642 respectively for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

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

Public Employees Retirement System (PERS)

At June 30, 2018, the District reported a liability of \$67,587,189.00 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 July 1, 2016 which was rolled forward to June 30, 2017. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2017, the District's proportion was 0.2903429124 percent, which was a decrease of 0.0130064041 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$5,393,166.00 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2017 measurement date.

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Differences between expected and actual experience		\$1,591,445.00
Changes of assumptions	\$13,566,569.00	13,616,489.00
Net difference between projected and actual earnings on pension plan investments		460,223.00
Changes in proportion and differences between District contributions and proportionate share of contributions	2,318,192.00	3,115,114.00
District contributions subsequent to the measurement date		<u>2,913,664.00</u>
	<u>\$15,884,761.00</u>	<u>\$21,696,935.00</u>

The \$2,913,664.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2018, the plan measurement date is June 30, 2017) will be recognized as a reduction of the net pension liability in the year ended June 30, 2019.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

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

Public Employees Retirement System (PERS) (Continued)

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

Year Ended	<u>Amount</u>
<u>June 30</u>	
2019	\$2,091,995.00
2020	2,901,887.00
2021	1,746,753.00
2022	(2,183,414.00)
2023	<u>(1,658,710.00)</u>
	<u>\$2,898,511.00</u>

Actuarial Assumptions

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

Inflation	2.25 Percent
Salary Increases	
Through 2026	1.65-4.15 Percent (based on age)
Thereafter	2.65-5.15 Percent (based on age)
Investment Rate of Return	7.00 Percent

Mortality Rate

Preretirement 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. Postretirement 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.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

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

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017 and 7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

Long-Term Rate of Return (continued)

Best estimates of arithmetic 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
US 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 estate	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed market equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts venture capital	8.25%	13.08%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 5.00% and 3.98% as of June 30, 2017 and 2016, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and 7.65%, and a municipal bond rate of 3.58% and 2.85% as of June 30, 2017 and 2016, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

Discount Rate (Continued)

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 employer contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 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 collective net pension liability to changes in the discount rate.

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

	1% Decrease <u>4.00%</u>	At Current Discount Rate <u>5.00%</u>	1% Increase <u>6.00%</u>
District's proportionate share of the pension liability	83,846,495.00	67,587,189.00	54,041,172.00

Pension Plan Fiduciary Net Position.

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

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

Teachers Pensions and Annuity Fund (TPAF)

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

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2018 was as follows:

Net Pension Liability:	
Districts proportionate share	-0-
State's proportionate share associated with the District	<u>\$534,038,268</u>
	<u><u>\$534,038,268</u></u>

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 June 30, 2016. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2017, the proportion of the TPAF net pension liability associated with the District was .79206642357% which was a decrease of .0029054855 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized on-behalf pension expense and revenue of \$36,995,467.00 in the government-wide financial statements for contributions provided by the State. This pension expense and revenue was based on the pension plans June 30, 2017 measurement date.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

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

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date 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 actuarial assumptions, applied to all periods 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%

Mortality Rate

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

The actuarial assumptions used in the July 1, 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% and 7.65% at June 30, 2017 and June 30, 2016 respectively) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

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

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions (Continued)

Long-Term Expected Rate of Return (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
US 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 estate	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed market equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts venture capital	8.25%	13.08%
	<u>100.00%</u>	

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

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

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 4.25% and 3.22% as of June 30, 2017 and 2016, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and 7.65, and a municipal bond rate of 3.58% and 2.85% as of June 30, 2017 and 2016, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 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 Net Pension Liability to Changes in the Discount Rate

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

Pension Plan Fiduciary Net Position.

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75

Plan Description and Benefits Provided

The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan, with that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Employees Covered by Benefit Terms

The State Health Benefit Local Education Retired Employees Plan Membership covered by the benefit terms consisted of the following:

Active Plan Members	223,747
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	142,331
Inactive Plan Members or Beneficiaries	
Not Yet Receiving Benefits	<u>- 0 -</u>
Total Plan Members	<u>366,078</u>

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Total OPEB Liability

The portion of the Total OPEB Liability that was associated with the District at June 30, 2018 was as follows:

Total OPEB Liability:	
District's Proportionate Share	-0-
State's Proportionate Share associated With the District	<u>\$482,816,104.00</u>
	<u>\$482,816,104.00</u>

The total nonemployer OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017.

The total OPEB Liability was determined separately based on actual data of the District.

For the year ended June 30, 2018, the District recognized on-behalf post-employment expense and revenue of \$27,363,620.00 in the government-wide financial statements for contributions provided by the State. This expense and revenue was based on the plans June 30, 2017 measurement date.

At June 30, 2017, the District's proportion was 0.9001072473 percent, which was a decrease of .003045778 from its proportion measured as of June 30, 2016.

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, TPAF/ABP and PFRS participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Consequently, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

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:

Inflation 2.5 percent

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases			
Through 2026	1.55-4.55% Based on years Of Service	2.15-4.15% Based on Age	2.10-8.98% Based of Age
Thereafter	2.00-5.45% Based on years Of Service	3.15-5.15% Based on Age	3.10-9.98% Based of Age

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Post-Retirement mortality rates were based on the RP-2014 Headcount- Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 - June 30, 2015, July 1, 2010 - June 30, 2013, and July 1, 2011 - June 30, 2014 for TPAF, PFRS and PERS, respectively.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.9% and decreases to a 5.0% long-term trend rate after nine years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long-term trend rate after nine years. For prescription drug benefits, the initial trend rate is 10.5% decreasing to a 5.0% long-term trend rate after eight years. For the Medicare Pan B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount Rate

The discount rate for June 30, 2017 and 2016 was 3.58% and 2.85%, respectively. This represents the municipal bond return rate as chosen by the Division. The source is 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.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Changes in the Total OPEB Liability

Shown below are details regarding The Total OPEB Liability for the Measurement Period from June 30, 2016 to June 30, 2017

Balance at 6/30/16			\$522,308,236
Changes for the year:			
Service cost		\$18,915,951	
Interest		15,272,477	
Changes in assumptions or other inputs		(62,909,302)	
Benefit payments		(11,183,046)	
Contributions from Members		411,788	
Net change in OPEB Liability		(39,492,132)	(39,492,132)
Balance at 6/30/17			\$482,816,104

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total nonemployer OPEB liability associated with the District as of June 30, 2017 calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2017		
	1.00% <u>Decrease (2.58%)</u>	At Discount Rate (3.58)	1.00% <u>Increase (4.58%)</u>
State of New Jersey's Share of Nonemployer OPEB Liability Associated with the District	\$573,137,549	\$482,816,104	\$411,172,276

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Sensitivity of the Total OPEB Liability to Changes in Healthcare Trends

The following presents the total nonemployer OPEB liability associated with the District as of June 30, 2017 respectively, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2017		
	<u>1.00% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1.00% Increase</u>
State of New Jersey's Share of Nonemployer OPEB Liability Associated with the District	\$397,069,572	\$482,816,104	\$596,686,490

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

At June 30, 2017, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB associated with the District from the following sources:

	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Changes of assumptions	\$ 57,100,725	-
Changes in proportion	1,390,835	-
	<u>\$ 58,491,560</u>	<u>\$ -</u>

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB associated with the District will be recognized in OPEB expense as follows:

Year Ended	Amount
<u>June 30,</u>	
2019	(\$6,964,435)
2020	(\$6,964,435)
2021	(\$6,964,435)
2022	(\$6,964,435)
2023	(\$6,964,435)
Total Thereafter	<u>(\$23,669,387)</u>
	<u><u>(\$58,491,560)</u></u>

In accordance with GASBS No. 75, the District'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 in the financial statements.

State Health Benefit Local Education Retired Employee Plan Information

The New Jersey Division of Pension and Benefits issues publicly available reports on the OPEB plan. Those reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295 or on their website at <http://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 8: LITIGATION

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

A claim brought by various retirees of the Board, alleging that cash payments for prescription coverage for the retirees and their dependents had not been paid in 2013, 2014 and 2015, has been settled. As part of the settlement agreement there will be 10 payments of \$1.3 million with the first payment beginning in the 2018-19 school year. Payments will be provided for in each future budget.

NOTE 9: CONTINGENCIES

The District receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2017-2018 fiscal year were subject to the Uniform Guidance and New Jersey OMB Circular 15-08 which mandates that grant revenues and expenditures be audited in conjunction with the District's annual audit if expenditures for federal or state programs exceed \$750,000.00 Findings and questioned costs, if any, relative to federal and state financial assistance programs are discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. The District's management does not believe any such audit would result in material amounts of disallowed costs.

NOTE 10: RISK MANAGEMENT

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

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 10: RISK MANAGEMENT (CONTINUED)

Worker's Compensation Insurance

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

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

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

Established reserves are subject to change as facts and circumstances relating to claims dictate, and no provision is made for estimated losses relating to claims incurred but not reported. At June 30, 2018 the District, based upon the plan administrator's estimate, has established a reserve for reported claims in the amount of \$825,503.

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

<u>Year Ended</u> <u>June 30,</u>	<u>Interest</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2018	\$18,262	\$305,466	\$452,049	\$2,194,187
2017	18,466	359,166	318,342	2,322,508
2016	17,946	293,738	289,953	2,263,218

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 11: COMPENSATED ABSENCES

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

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

The liability for vested compensated absences of the governmental fund types are recorded in the district - wide statement of net position. As of June 30, 2018, a liability existed for compensated absences for governmental fund-types in the district- wide statement of net position of \$3,477,774.

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 12: FUND BALANCE APPROPRIATED

General Fund The table below reflects the District's Fund Balance at June 30, 2018 on both a GAAP (Exhibit B-1) and Budgetary (Exhibit C-1) basis including the required adjustment related to the last state aid payment which under GAAP is not recognized:

	<u>Budgetary</u> <u>Basis</u>	<u>Adjustment</u>	<u>GAAP</u> <u>Basis</u>
Non-Spendable			
Inventory	\$ 228,815	\$	\$ 228,815
Restricted:			
Excess Surplus:			
Designated for Subsequent			
Year's Expenditures	2,597,251		2,597,251
Current Year	2,415,173	(2,415,173)	
Maintenance Reserve	689,592		689,592
Capital Reserve	5,764,405		5,764,405
Assigned:			
Designated for Subsequent			
Year's Expenditures	5,361,000		5,361,000
Encumbrances	802,793	(58,582)	744,211
Unassigned	4,252,815	(4,252,815)	
	<u>\$ 22,111,844</u>	<u>\$ (6,726,570)</u>	<u>\$ 15,385,274</u>

Debt Service Fund Debt Service Fund Balance at June 30, 2018 of \$222,342 is restricted in accordance with N.J.S.A. 18A:7F-41c(2).

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 13: CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS

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

General Fund Expenditures:		
Fiscal Year Ended, June 30 2018		\$222,389,087.00
Less:		
Reimb. TPAF Social Security Contributions	\$5,923,799.00	
Reimb. TPAF Pension Contributions	<u>30,271,008.00</u>	
		<u>36,194,807.00</u>
Adjusted General Fund Expenditures		\$186,194,280.00
Excess Surplus Percentage		<u>2.00%</u>
		<u>\$3,723,886.00</u>
Increased by:		
Extraordinary Aid (unbudgeted)	\$432,411.00	
Non-Public Transportation Aid (unbudgeted)	<u>96,518.00</u>	
		<u>528,929.00</u>
Maximum Unreserved/Undesignated General Fund Balance		\$4,252,815.00
Actual Unassigned General Fund Balance		<u>6,667,988.00</u>
Excess Surplus		<u><u>\$2,415,173.00</u></u>
Recapitulation of Excess Surplus, June 30, 2018:		
Restricted for Excess Surplus - Designated for Subsequent Year's Expenditure		\$2,597,251.00
Restricted for Excess Surplus		<u>2,415,173.00</u>
		<u><u>\$5,012,424.00</u></u>

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

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

Based on the preceding calculation, as of June 30, 2018, \$2,597,251 is reported as Restricted Fund Balance Excess Surplus Designated for Subsequent Year's Expenditure and is required to be appropriated for property tax relief in the 2018-19 budget. \$2,415,173 is reported as Restricted Fund Balance Excess Surplus and is required to be appropriated for property tax relief in the 2019-20 budget.

NOTE 14: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2018:

<u>Fund</u>	<u>Interfund Balance</u>	
	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 1,349,741	\$ 40,089
Special Revenue Fund		50,332
Capital Projects Fund		1,379,251
Debt Service Fund	222,342	
Enterprise Fund	15,618	176,567
Fiduciary Fund	77,953	19,415
	\$ 1,665,654	\$ 1,665,654

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

NOTE 15: CAPITAL RESERVE ACCOUNT

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

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 15: CAPITAL RESERVE ACCOUNT (CONTINUED)

The activity of the capital reserve for the July 1, 2017 to June 30, 2018 fiscal year is as follows:

Balance, July 1, 2017 (Budgetary Basis)		\$	3,207,046.00
Interest Earnings			62,834.00
Deposits:			
Board Resolution dated 06/19/18	2,900,000.00		
Unexpended Appropriations	<u>110,938.00</u>		
			<u>3,010,938.00</u>
			6,280,818.00
Withdrawals:			
Board Resolution dated 03/28/18	\$ 367,313.00		
Board Resolution dated 05/23/18	<u>149,100.00</u>		
			<u>516,413.00</u>
Balance, June 30, 2018 (Budgetary Basis)		\$	<u><u>5,764,405.00</u></u>

NOTE 16: MAINTENANCE RESERVE ACCOUNT

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

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

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 16: MAINTENANCE RESERVE ACCOUNT (CONTINUED)

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

At June 30, 2018, the balance of the Maintenance Reserve Account was within the statutory limitations.

The activity of the maintenance reserve for the July 1, 2017 to June 30, 2018 fiscal year is as follows:

Balance, July 1, 2017 (Budgetary Basis)	\$	481,603.00
Interest Earnings		7,989.00
Deposits:		
Board Resolution dated 06/19/18	\$	<u>200,000.00</u>
		<u>200,000.00</u>
Balance, June 30, 2018 (Budgetary Basis)	\$	<u><u>689,592.00</u></u>

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 17: INVENTORY

Inventory in the General Fund at June 30, 2018 consisted of the following:

Paper, Custodial, Maintenance, Computer and General School Supplies	<u>\$228,815.</u>
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Inventory in the Food Service Fund at June 30, 2018 consisted of the following:

Food and Supplies	<u>\$7,324.</u>
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The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Act Amendment of 1996) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

NOTE 18: DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary' until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 19: TAX ABATEMENTS

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

The District has identified several agreements that have been entered into by Hamilton Township that require disclosure under this statement. The gross dollar amount, on an accrual basis, by which the District's property tax revenues were potentially reduced during the reporting period as a result of tax abatement agreements totaled \$429,314. It is important to note that the District Tax Levy is guaranteed to be paid in full by the municipalities and that the District collected its full tax levy for FY2018.

The property owner under the terms of these agreements are required to pay the municipalities an annual service charge in lieu of taxes. In certain cases, a portion of this fee is remitted to the school district. During FY2018 the District received \$399,588 under the terms of the agreements

NOTE 20: SUBSEQUENT EVENTS

The Board of Education has evaluated subsequent events occurring after the financial statement date through February 27, 2019 which is the date the financial statements were available to be issued. The District has determined that there are no material subsequent events that need to be disclosed.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

HAMILTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

REVENUES	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Local sources:					
Local tax levy	\$ 108,661,758	\$	108,661,758	\$ 108,661,758	\$
Tuition from Individuals	70,000	18,105	88,105	104,615	16,510
Tuition from Other LEAs				84,556	84,556
Interest Earned on Capital Reserve				62,834	62,834
Interest Earned on Maintenance Reserve	260,000		260,000	7,989	7,989
Interest on Investments	1,505,743		1,505,743	185,103	(74,897)
Unrestricted Miscellaneous Revenue				2,034,895	529,152
Total-local sources	110,497,501	18,105	110,515,606	111,141,750	626,144
State sources:					
Equalization Aid	64,409,125		64,409,125	64,409,125	
Categorical Special Education Aid	7,629,324		7,629,324	7,629,324	
Categorical Transportation Aid	824,097		824,097	824,097	
Categorical Security Aid	630,559		630,559	630,559	
PARCC Readiness Aid	120,020		120,020	120,020	
Per Pupil Growth Aid	120,020		120,020	120,020	
Under Adequacy Aid	40,007		40,007	40,007	
Professional Learning Community Aid	114,950		114,950	114,950	
Extraordinary Aid	600,000		600,000	1,032,411	432,411
Other State Aid				96,518	96,518
On-behalf TPAF Non-Contributory Insurance (non-budgeted)				270,767	270,767
On-behalf TPAF Pension (non-budgeted)				11,157,610	11,157,610
On-behalf TPAF Long-Term Disability (non-budgeted)				16,454	16,454
On-behalf TPAF Post Retirement Contributions (non-budgeted)				18,826,177	18,826,177
Reimbursed TPAF Social Security Contributions (non-budgeted)				5,923,799	5,923,799
Total - state sources	74,488,102		74,488,102	111,211,838	36,723,736
Federal sources:					
Medicaid reimbursement	232,394		232,394	235,022	2,628
Total - federal sources	232,394		232,394	235,022	2,628
Total revenues	185,217,997	18,105	185,236,102	222,588,610	37,352,508

HAMILTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

EXPENDITURES	ADOPTED BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
CURRENT EXPENSE:					
Instruction - regular programs:					
Salaries of teachers:					
Pre-K	\$ 1,730	\$ 1,730	\$ 1,730	\$ 1,730	
Kindergarten	2,790,013	(107,426)	2,682,587	2,672,200	10,387
Grades 1-5	16,867,275	(92,906)	16,774,369	16,644,463	129,905
Grades 6-8	11,924,638	(82,786)	11,841,852	11,539,869	301,983
Grades 9-12	17,356,322	284,582	17,640,904	17,306,024	334,880
Total Salaries of teachers:	48,938,248	3,193	48,941,441	48,164,287	777,155
Regular Programs - Home Instruction:					
Salaries of teachers	245,000	38,340	283,340	283,340	
Purchased professional educational services	178,000	(13,200)	164,800	97,403	67,397
Total Regular Programs - Home Instruction:	423,000	25,140	448,140	380,743	67,397
Regular programs - undistributed instruction:					
Other salaries for instruction	80,870	(882)	79,988	35,091	44,897
Purchased professional educational services	694,003	609,310	1,303,312	1,220,841	82,472
Purchased technical services	45,075	1,156	46,231	36,795	9,435
Other purchased services(400-500 series)	2,408,665	621,163	3,029,828	2,806,307	223,521
General supplies	1,795,358	62,401	1,857,758	1,611,040	246,718
Textbooks	371,082	(73,890)	297,192	235,137	62,055
Other Objects	34,860	465	35,325	17,781	17,544
Total Regular programs - undistributed instruction	5,429,913	1,219,721	6,649,634	5,962,991	686,643
Total Regular Programs - Instruction	54,791,161	1,248,055	56,039,215	54,508,021	1,531,195

HAMILTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	ADOPTED BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Special education:					
Learning and / or Language Disabilities:					
Salaries of teachers	\$ 2,258,566	\$ 387,750	\$ 2,646,316	\$ 2,597,092	\$ 49,223
Other salaries for instruction	751,168	232,711	983,879	954,849	29,030
Purchased professional educational services	250	2,356	2,606	2,586	20
General supplies	26,713	749	27,462	20,085	7,378
Total Learning and / or Language Disabilities	3,036,697	623,567	3,660,264	3,574,612	85,652
Behavioral Disabilities:					
Salaries of teachers	1,269,514	(21,281)	1,248,233	1,248,232	1
Other salaries for instruction	732,459	(51,724)	680,735	680,730	5
Purchased professional educational services		3,180	3,180	3,180	
General Supplies	23,500	(5,705)	17,795	11,520	6,275
Textbooks	1	1,500	1,501	642	859
Other objects		1,500	1,500	356	1,144
Total Behavioral Disabilities:	2,025,474	(72,530)	1,952,944	1,944,660	8,284
Multiple Disabilities:					
Salaries of teachers	1,038,221	104,746	1,142,967	1,142,897	70
Other salaries for instruction	654,997	64,421	719,418	716,403	3,015
General supplies	18,000	1,117	19,117	17,646	1,471
Total Multiple Disabilities:	1,711,218	170,283	1,881,501	1,876,946	4,556

HAMILTON TOWNSHIP SCHOOL DISTRICT
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IN FUND BALANCE - BUDGET AND ACTUAL
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	ADOPTED BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Resource room/resource center:					
Salaries of teachers	\$ 7,216,493	\$ (672,647)	\$ 6,543,846	\$ 6,543,844	3
Other salaries for instruction	851,407	(101,658)	749,749	736,421	13,328
Purchased professional educational services	5,000	102,077	107,077	106,860	217
Purchased technical services	9,000	(9,000)			
General supplies	51,823	26,619	78,442	66,179	12,264
Total Resource room/resource center	<u>8,133,723</u>	<u>(654,609)</u>	<u>7,479,114</u>	<u>7,453,303</u>	<u>25,811</u>
Autism:					
Salaries of teachers	603,253	(5,510)	597,743	586,278	11,466
Other salaries for instruction	415,896	126,617	542,513	529,471	13,042
General supplies	16,000		16,000	11,017	4,983
Total Autism	<u>1,035,149</u>	<u>121,107</u>	<u>1,156,256</u>	<u>1,126,765</u>	<u>29,491</u>
Preschool disabilities-part -time:					
Salaries of teachers	371,085	3,988	375,073	368,317	6,756
Other salaries for instruction	331,682	7,934	339,616	315,652	23,964
General supplies	10,000		10,000	8,741	1,259
Total Preschool disabilities-part -time	<u>712,767</u>	<u>11,922</u>	<u>724,689</u>	<u>692,710</u>	<u>31,979</u>
Preschool disabilities-full -time:					
Salaries of teachers	285,745	4,032	289,777	289,127	650
Other salaries for instruction	292,805	53,052	345,857	342,615	3,242
Total Preschool disabilities-full -time	<u>578,550</u>	<u>57,084</u>	<u>635,634</u>	<u>631,741</u>	<u>3,893</u>
Total special education	<u>17,233,578</u>	<u>256,824</u>	<u>17,490,402</u>	<u>17,300,737</u>	<u>189,666</u>

HAMILTON TOWNSHIP SCHOOL DISTRICT
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IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	ADOPTED BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
\$	2,480,059	(50,000)	2,430,059	2,410,237	\$ 19,822
	88,750		88,750	87,064	1,686
	<u>2,568,809</u>	<u>(50,000)</u>	<u>2,518,809</u>	<u>2,497,300</u>	<u>21,508</u>
Basic skills/remedial:					
Salaries of teachers	850,189	87,361	937,550	934,211	3,339
General Supplies	1,600	12,310	13,910	13,910	
Total basic skills/remedial	5,090	(1,900)	3,190	3,113	77
	16,000	3,500	19,500	19,500	
	<u>872,879</u>	<u>101,270</u>	<u>974,149</u>	<u>970,733</u>	<u>3,416</u>
Bilingual education:					
Salaries of teachers	649,233	(21,702)	627,531	618,300	9,231
Purchased professional educational services	30,690	2,000	32,690	1,909	91
General supplies	22,380	(970)	21,410	17,583	12,137
Textbooks	702,303	350	702,653	17,840	4,890
Total bilingual education		<u>(20,322)</u>	<u>681,981</u>	<u>655,631</u>	<u>26,350</u>
School sponsored cocurricular activities:					
Salaries	1,093,233	20,702	1,113,935	1,111,204	2,731
Purchased Services	9,500	1,700	11,200	4,199	7,001
Supplies and materials	178,090	(14,172)	163,918	160,416	3,502
Other objects	243,550	16,885	260,435	251,407	9,028
Total school sponsored cocurricular activities	<u>1,524,373</u>	<u>25,115</u>	<u>1,549,488</u>	<u>1,527,226</u>	<u>22,262</u>
School sponsored athletics:					
Salaries	150,000	(13,288)	136,712	133,151	3,560
Purchased Services	69,000	3,243	72,243	72,243	
Supplies and Materials	3,000		3,000	864	2,136
Other Objects	1,113		1,113	1,113	
Total instructional alt ed programs	<u>223,113</u>	<u>(10,045)</u>	<u>213,068</u>	<u>206,258</u>	<u>6,810</u>

HAMILTON TOWNSHIP SCHOOL DISTRICT
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IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	ADOPTED BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Alternative Education Program Support:					
Salaries	\$ 119,051	\$ 9,865	\$ 128,916	\$ 128,916	\$ 22,231
Purchased Services (400-500 series)	22,231		22,231		22,231
Total instructional alt ed programs support	141,282	9,865	151,147	128,916	
Total instructional alternative ed program	364,395	(180)	364,215	335,174	29,041
Other instructional programs					
Salaries	4,000		4,000	150	3,850
Purchased Services	1,000		1,000		1,000
Other objects	500		500		500
Total other instructional programs	5,500		5,500	150	5,350
Community service programs/operations					
Salaries	5,550	180	5,730	5,730	
Supplies and materials		220	220	220	
Other objects	8,750	(220)	8,530	8,140	390
Total other instructional programs	14,300	180	14,480	14,090	390
Total other instructional programs	2,610,871	4,793	2,615,664	2,532,272	83,392
Total - instruction	78,077,297	1,560,942	79,638,240	77,809,062	1,829,177

HAMILTON TOWNSHIP SCHOOL DISTRICT
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COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	ADOPTED BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Undistributed expenditures:					
Instruction:					
Tuition to other LEA's within the state-regular	\$ 169,799	\$ (60,326)	\$ 109,473	\$ 35,119	\$ 74,354
Tuition to other LEA's within the state-special	249,625	(40,000)	209,625	121,524	88,101
Tuition to county vocational school district-regular	706,702	134,326	841,028	838,434	2,594
Tuition to county vocational school district-special	369,410	(30,000)	339,410	327,026	12,384
Tuition to CSSD and regional day schools	4,557,693	(609,126)	3,948,567	2,687,717	1,260,850
Tuition to private schools for the disabled w/i state	4,231,409	(114,223)	4,117,186	3,455,224	661,962
Tuition-state facilities	65,904		65,904		
Tuition-other	704,994	(15,000)	689,994	473,355	216,639
Transfer of Funds to Charter Schools	2,001,790	11,623	2,013,413	2,013,413	
Total undistributed expenditures - instruction	13,057,326	(722,726)	12,334,600	10,017,715	2,316,885
Attendance and social work services:					
Salaries	927,131	(44,722)	882,409	845,420	36,989
Unused Vacation Payment to Terminated/Retired Staff		17,838	17,838	7,141	10,697
Purchased professional and technical services	3,880		3,880	3,138	742
Other purchased services (400-500) series	7,620		7,620	3,620	4,000
Supplies and Materials	3,500		3,500	2,300	1,200
Total attendance and social work services	942,131	(26,885)	915,246	861,619	53,628
Health services:					
Salaries	2,105,710	(9,855)	2,095,855	2,056,644	39,212
Purchased professional and technical services	141,455	(7,442)	134,013	126,250	7,762
Other Purchased Services (400-500 series)	2,000	(2,000)			
Supplies and materials	44,067	(15,976)	28,091	24,428	3,663
Total health services	2,293,232	(35,273)	2,257,959	2,207,322	50,637

HAMILTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
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IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	ADOPTED BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE/ FAVORABLE/ (UNFAVORABLE)
Other support services - student related services:					
Salaries	\$ 1,859,389	\$ 49,774	\$ 1,909,163	\$ 1,874,056	\$ 35,107
Purchased professional - Education services	663,200	29,325	692,525	687,702	4,823
Supplies and materials	20,000	(551)	19,449	19,449	
Total other support services - students related services	2,542,589	78,547	2,621,136	2,581,207	39,930
Other support services- Students- Extra Services					
Salaries	582,186	111,410	693,596	670,963	22,633
Purchased professional - Education services	1,223,500	211,471	1,434,971	1,220,475	214,496
Total other support services- Students- Extra Services	1,805,686	322,881	2,128,567	1,891,438	237,129
Undist. Expenditures - Guidance:					
Salaries of other professional staff	3,607,430	16,638	3,624,068	3,597,536	26,532
Salaries of secretarial and clerical assistants	556,299		556,299	545,350	10,948
Purchased Professional - Educational Services	64,527	(1,302)	63,224	48,255	14,969
Other Purchased Services (400-500 series)	2,000		2,000	1,350	650
Supplies and Materials	13,655	(101)	13,554	8,574	4,980
Other objects	7,420		7,420	5,743	1,677
Total Undist. Expenditures - Guidance	4,251,331	15,235	4,266,565	4,206,809	59,757
Undist. Expenditures - Child Study Team					
Salaries of other professional staff	4,625,587	9,098	4,634,685	4,616,927	17,758
Salaries of secretarial and clerical assistants	651,609	(25,827)	625,782	604,846	20,935
Unused Vacation Payment		24,518	24,518	24,493	24
Purchased Professional - Educational Services	689,481	187,600	877,081	850,077	27,005
Purchased Professional and technical Services	10,266	(4,948)	5,318	1,580	3,738
Other Purchased Serv (400-500 series)	32,816	4,904	37,720	34,927	2,793
Supplies and Materials	30,000	(3,235)	26,765	25,533	1,232
Other objects	300	150	450	449	1
Total Undist. Expenditures - Child Study Team	6,040,059	192,259	6,232,318	6,158,833	73,485

HAMILTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>ADOPTED</u> <u>BUDGET</u>	<u>BUDGET</u> <u>TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FAVORABLE/</u> <u>(UNFAVORABLE)</u>
Improvement of instruction services:					
Salaries of Supervisors of Instruction	\$ 1,066,604	\$ 32,404	\$ 1,099,007	\$ 1,082,798	\$ 16,209
Salaries of other professional staff	151,399	(13,269)	138,130	137,578	551
Salaries of secretarial and clerical assistants	320,236	(14,931)	305,305	286,217	19,089
Unused Vacation Payment		2,846	2,846	2,846	
Purchased Prof- Educational Services	1,000		1,000		1,000
Other Purchased Services (400-500)	26,858	(4,000)	22,858	14,378	8,480
Supplies and Materials	84,569	(3,064)	81,505	46,907	34,598
Total improvement of instruction services:	1,650,666	(14)	1,650,652	1,570,724	79,928
Educational media services/school library:					
Salaries	1,199,355	30,358	1,229,713	1,196,332	33,380
Purchased Professional and Technical Services	105,769	(11,638)	94,131	64,171	29,960
Supplies and Materials	106,653	(7,561)	99,092	84,977	14,115
Total educational media services/school library	1,411,777	11,159	1,422,936	1,345,480	77,455
Instructional Staff Training Services:					
Salaries of supervisors of Instruction		3,000	3,000	2,888	113
Salaries of other professional staff	30,000	30,400	60,400	56,937	3,463
Purchased professional - Education services	49,486	(1,241)	48,245	31,174	17,071
Other purchased services (400-500 series)	19,425	(615)	18,810	8,091	10,719
Supplies and materials	3,750	(840)	2,910	2,826	84
Other objects					
Total instructional staff training services:	102,661	30,704	133,365	101,916	31,449

HAMILTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	ADOPTED BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Support services general administration:					
Salaries	\$ 380,890	\$ 137	\$ 381,027	\$ 369,675	\$ 11,352
Legal services	220,000	40,642	260,642	245,801	14,841
Audit Fees	63,240		63,240	61,350	1,890
Architectural/Engineering Services	226,936	(99,545)	127,392	38,514	88,878
Other purchased professional services	186,500	98,723	285,223	235,484	49,740
Communications/telephone	319,300	10,680	329,980	278,173	51,806
BOE Other purchased services(580-585)	9,000	(3,118)	5,882	742	5,140
Other purchased services	711,489	175,500	886,989	737,005	149,984
General supplies	20,300	(500)	19,800	8,509	11,291
BOE in-house training/meeting supplies	2,500	(2,500)			
Judgements		1,465,925	1,465,925	1,465,925	
Miscellaneous expenditures	8,350	13,818	22,168	20,771	1,397
BOE membership dues and fees	28,500		28,500	28,163	337
Total support services general administration	2,177,005	1,699,762	3,876,767	3,490,111	386,656
Support services school administration:					
Salaries of principals/asst. principals	5,475,773	(57,146)	5,418,628	5,349,044	69,583
Salaries of secretarial and clerical assistants	1,961,352	98,023	2,059,375	2,018,220	41,155
Unused Vacation Payment		134,040	134,040	131,528	2,512
Purchased Professional and Technical Services	20,361	(1,239)	19,122	15,713	3,408
Other Purchased Services (400-500 series)	58,294	16,460	74,754	55,816	18,938
Supplies and Materials	131,682	1,682	133,364	101,620	31,744
Total support services school administration	7,647,462	191,820	7,839,282	7,671,941	167,341

HAMILTON TOWNSHIP SCHOOL DISTRICT
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IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	ADOPTED BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Central Services:					
Salaries	\$ 1,634,511	(48,692)	\$ 1,585,818	\$ 1,507,345	\$ 78,473
Unused Vacation Payment		2,495	2,495	2,495	
Purchased professional services		31,500	31,500	25,735	5,765
Purchased technical services	300	5,877	6,177	1,000	5,177
Misc. purchased services (400-500 series)	121,213	(3,124)	118,089	110,921	7,168
Supplies and materials	21,850	(3,253)	18,597	15,797	2,800
Miscellaneous Expenditures	69,300	(4,000)	65,300	58,893	6,407
Total central services	1,847,173	(19,197)	1,827,976	1,722,186	105,790
Administrative Information. Technology					
Salaries	1,111,156	6,456	1,117,612	1,089,319	28,293
Unused Vacation Payment		17,411	17,411	17,411	
Purchased technical services	436,689	150,000	586,689	398,604	188,085
Other Purchased Services (400- 500 series)	96,850	15,078	111,928	102,681	9,247
Supplies and Materials	20,160	39,922	60,082	23,936	36,146
Other Objects	300		300	250	50
Total Administrative Information. Technology	1,665,155	228,866	1,894,021	1,632,201	261,821
Required Maintenance for School Facilities:					
Salaries	2,247,804	30,010	2,277,814	2,260,377	17,436
Unused Vacation Payment		3,119	3,119	3,119	
Cleaning, Repair and Maintenance Services	930,819	(107,971)	822,848	512,994	309,854
General supplies	526,305	(4,325)	521,980	447,695	74,285
Other objects	11,100		11,100	1,020	10,080
Total Required Maintenance for School Facilities	3,716,027	(79,167)	3,636,861	3,225,206	411,655

HAMILTON TOWNSHIP SCHOOL DISTRICT
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IN FUND BALANCE - BUDGET AND ACTUAL
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	ADOPTED BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Custodial Services:					
Salaries	\$ 6,009,468	\$ (12,846)	\$ 5,996,622	\$ 5,783,582	213,039
Unused Vacation Payment		44,857	44,857	44,856	1
Purchased professional and technical services	38,830	399	39,229	39,229	
Cleaning, repair and maint. services	649,042	(40,678)	608,364	546,854	61,511
Rental of Land/Building - Other than Lease purch. Agreement	120,000		120,000	92,661	27,339
Lease purchase pymnts - Energy Savings Impr. Programs	1,817,952		1,817,952	1,817,952	
Other purchased property services	367,950	64,376	432,326	415,041	17,285
Insurance	280,000		280,000	238,782	41,218
Miscellaneous Purchased Services(580-590)	9,500	(2,500)	7,000	1,150	5,850
General supplies	421,700	(14,499)	407,201	284,652	122,549
Energy (Natural Gas)	795,615	75,000	870,615	666,068	204,547
Energy (Electricity)	1,643,600	(79,753)	1,563,847	1,196,216	367,631
Energy (Gasoline)	59,250		59,250	50,971	8,279
Other objects	11,300		11,300	11,239	61
Total Custodial Services	12,224,207	34,357	12,258,564	11,189,253	1,069,310
Care & Upkeep of Grounds					
Salaries	680,342	(1,949)	678,392	634,067	44,326
Unused Vacation Payment		15,949	15,949	15,949	
Cleaning, Repair and Maintenance Services	71,000	(4,000)	67,000	32,122	34,878
General supplies	115,000	(10,000)	105,000	85,337	19,663
Total Care and Upkeep of Grounds	866,342	(0)	866,342	767,475	98,867
Security					
Salaries	448,628	4,200	452,828	416,093	36,735
Purchased Professional & Technical Services (300-500)	162,590	2,560	165,150	164,220	930
Other Objects	7,300		7,300	4,378	2,922
Total Security	618,518	6,760	625,278	584,691	40,587
Total operation and maintenance of plant services	17,425,094	(38,050)	17,387,044	15,766,624	1,620,420

HAMILTON TOWNSHIP SCHOOL DISTRICT
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IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	ADOPTED BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Student transportation services:					
Salaries for pupil transportation (between home and school)-regular	\$ 220,354	1,250	\$ 221,604	\$ 221,236	\$ 368
Salaries for pupil transportation (between home and school)-Special Ed	220,210		220,210	208,440	11,770
Other Purchased Prof. & Technical Serv	6,350		6,350	6,293	57
Cleaning, Repair, & Main Serv	13,000		13,000	8,258	4,742
Contract Svcs. - Aid in Lieu of Paymmts - Nonpublic Students	320,000		320,000	287,710	32,290
Contract Svcs. - (Bet. Home & Sch) - Vendors	3,480,000	(49,609)	3,430,391	3,406,160	24,231
Contract Svcs. - (Other than bet. Home & Sch) - Vendors	676,297	7,145	683,442	626,354	57,088
Contract Svcs. - (Sp Ed Stds) - Vendors	5,327,647	(40,698)	5,286,949	5,275,194	11,755
Contract Svcs. - (Sp Ed Students) - ESC & CTSA	1,000,000	205,000	1,205,000	1,176,310	28,690
Misc Purchased Serv- Transportation	1,800		1,800		1,800
General Supplies	2,000		2,000	1,310	690
Transportation Supplies	40,000		40,000	26,680	13,320
Other Objects	1,878		1,878	1,560	318
Total student transportation services	11,309,536	123,089	11,432,624	11,245,505	187,119
Unallocated Benefits - Employee Benefits:					
Group Insurance	155,000		155,000	143,081	11,919
Social Security Contributions	2,457,506	(50,000)	2,407,506	2,076,491	331,016
T.P.A.F. Contributions	250	975	1,225	1,225	
Other retirement contributions - regular	2,892,499	(83,493)	2,809,006	2,800,981	8,025
Workers Compensation	782,340	46,414	828,754	702,187	126,567
Health Benefits	32,112,447	(3,634,207)	28,478,241	27,139,849	1,338,392
Tuition Reimbursements	265,000		265,000	248,326	16,674
Other Employee Benefits	820,000	44,672	864,672	864,672	
Unused Sick Payment to Terminated/Retired Staff	572,000		572,000	181,013	390,987
Total Unallocated Benefits - Employee Benefits:	40,057,043	(3,675,639)	36,381,404	34,157,824	2,223,580
Total personal services	40,057,043	(3,675,639)	36,381,404	34,157,824	2,223,580

HAMILTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	ADOPTED BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
On-behalf TPAF Non-Contributory Insurance (non-budgeted)	\$	\$	\$	270,767	\$ (270,767)
On-behalf TPAF Pension (non-budgeted)				11,157,610	(11,157,610)
On-behalf TPAF Long-Term Disability (non-budgeted)				16,454	(16,454)
On-behalf TPAF Post Retirement Contributions (non-budgeted)				18,826,177	(18,826,177)
Reimbursed TPAF Social Security Contributions (non-budgeted)				5,923,799	(5,923,799)
Total Undistributed Expenditures	<u>116,225,925</u>	<u>(1,623,462)</u>	<u>114,602,463</u>	<u>142,824,261</u>	<u>(28,221,798)</u>
TOTAL EXPENDITURES - CURRENT EXPENSE FUND 11	<u>194,303,223</u>	<u>(62,520)</u>	<u>194,240,703</u>	<u>220,633,323</u>	<u>(26,392,620)</u>
CAPITAL OUTLAY:					
Equipment:					
Grades 9 - 12		53,685	53,685	41,948	11,737
Multiple Disabilities		6,150	6,150	6,090	60
Undist. Expend. - Required Main for School Fac.		20,790	20,790	18,790	2,000
Total Equipment		<u>80,625</u>	<u>80,625</u>	<u>66,828</u>	<u>13,797</u>
Facilities acquisition and construction services:					
Construction services	1,614,327	516,413	2,130,740	1,542,766	587,974
Assessment for Debt Service on SDA Funding	<u>146,170</u>		<u>146,170</u>	<u>146,170</u>	
Total facilities acquis. and const. services	<u>1,760,497</u>	<u>516,413</u>	<u>2,276,910</u>	<u>1,688,936</u>	<u>587,974</u>
TOTAL CAPITAL OUTLAY	<u>1,760,497</u>	<u>597,038</u>	<u>2,357,535</u>	<u>1,755,764</u>	<u>601,771</u>

HAMILTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>ADOPTED BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE/ (UNFAVORABLE)</u>
TOTAL EXPENDITURES	196,063,719	534,518	196,598,238	222,389,087	(25,790,850)
Excess (deficiency) of revenues over (under) expenditures	(10,845,722)	(516,413)	(11,362,136)	199,523	11,561,659
Other financing sources					
Transfer of funds				223,527	(223,527)
Total other financing sources				223,527	(223,527)
Excess of Revenues and other Financing Sources Over Expenditures and Other Expenditures and other Financing Sources	(10,845,722)	(516,413)	(11,362,136)	423,050	11,338,132
Fund balances, July 1	21,688,794		21,688,794	21,688,794	
Fund balances, June 30	<u>10,843,072</u>	<u>(516,413)</u>	<u>10,326,658</u>	<u>22,111,844</u>	<u>11,338,132</u>
Recapitulation:					
Non-Spendable:				\$	
Inventory				228,815	
Restricted:					
Excess Surplus - Designated for Subsequent Year's Expenditures				2,597,251	
Excess Surplus - Current Year				2,415,173	
Maintenance Reserve				689,592	
Capital Reserve				5,764,405	
Assigned:					
Designated for Subsequent Year's Expenditures				5,361,000	
Encumbrances				802,793	
Unassigned				4,252,815	
				<u>22,111,844</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				(6,726,570)	
Fund Balance per Governmental Funds (GAAP)				<u>15,385,274</u>	

HAMILTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
State sources	\$ 1,539,713	\$ 102,804	\$ 1,642,517	\$ 1,365,824	(276,693)
Federal sources	4,157,330	2,600,273	6,757,603	5,936,960	(820,643)
Other sources	32,268	73,595	105,863	57,986	(47,877)
Total revenues	5,729,311	2,776,672	8,505,983	7,360,770	(1,145,213)
EXPENDITURES:					
Instruction:					
Salaries of teachers	636,432	147,218	783,650	647,692	135,958
Other salaries for instruction	75,000	96,045	171,045	147,938	23,107
Sal of Facilitators & Ed. Coaches		2,000	2,000		2,000
Purchased professional - technical services	49,732	(26,501)	23,231	20,679	2,552
Purchased professional - educational services	1,275,040	20,111	1,295,151	1,000,629	294,522
Tuition	2,258,714	912,946	3,171,660	3,171,660	
Supplies and materials	128,189	461,243	589,432	432,738	156,694
Textbooks	92,420	(6,415)	86,005	82,208	3,797
Other Objects		793	793		793
Total instruction	4,515,527	1,607,441	6,122,968	5,503,544	619,424
Support services:					
Salaries of Other professional staff					
Other Salaries	310,263	322,344	632,607	608,652	23,955
Personal services - employee benefits	200,000	168,962	368,962	355,234	13,728
Purchased professional - technical services	412,189	461,926	874,115	456,840	417,275
Purchased professional - educational services	145,005	8,352	153,357	145,071	8,286
Contracted services(btw home & school) - Vendors		3,581	3,581	2,865	716
Contracted services(other than btw home & school) - Vendors		1,082	1,082	321	761
Contracted services(other than btw home & school) - Grant Agreements		4,000	4,000	2,937	1,063
Travel	39,000	4,393	43,393	15,142	28,251
Supplies and materials	107,327	79,157	186,484	154,742	31,742
Total support services	1,213,784	1,053,797	2,267,581	1,741,804	525,777
Facilities acquisition and construction services:					
Instructional equipment		115,434	115,434	115,422	12
Total facilities acquisition and construction serv.		115,434	115,434	115,422	12
Total expenditures	5,729,311	2,776,672	8,505,983	7,360,770	1,145,213
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-

HAMILTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$222,588,610.18	\$7,360,770.00
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Add prior year encumbrances		20,866.00
Less current year encumbrances		(59,449.00)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year	(6,726,570.00)	
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	6,793,739.00	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$222,655,779.18	\$7,322,187.00
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	\$222,389,087.34	\$7,360,770.00
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Add prior year encumbrances		20,866.00
Less current year encumbrances		(59,449.00)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$222,389,087.34	\$7,322,187.00

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.2903429124%	0.3033493165%	0.2901148926%	0.2798236728%	0.2730809259%
District's proportionate share of the net pension liability (asset)	\$67,587,189	\$89,843,367	\$65,124,980	\$52,390,645	\$52,191,191
District's covered-employee payroll	20,287,601	19,844,925	18,447,735	19,754,726	19,395,974
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	333.15%	452.73%	353.02%	265.21%	269.08%
Plan fiduciary net position as a percentage of the total pension liability	48.10%	40.14%	47.92%	52.08%	48.72%

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

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

	2018	2017	2016	2015	2014
Contractually required contribution	\$ 2,913,664	\$ 2,689,717	\$ 2,694,912	\$ 2,494,210	\$ 2,306,826
Contributions in relation to the contractually required contribution	2,913,664	2,689,717	2,494,210	2,306,826	2,057,609
Contribution deficiency (excess)	\$ -	\$ -	\$ 200,702.00	\$ 187,384.00	\$ 249,217.00
District's covered-employee payroll	19,590,657	20,287,601	19,844,925	18,447,735	19,754,726
Contributions as a percentage of covered-employee payroll	14.87%	13.26%	13.58%	13.52%	11.68%

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

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.7920642357%	0.7949697212%	0.7972858278%	0.7890660282%	0.7844176179%
State's proportionate share of the net pension liability (asset) associated with the District	\$534,038,268	\$625,373,799	\$503,918,690	\$421,730,111	\$396,438,495
District's covered-employee payroll	81,262,246	78,460,870	79,224,264	79,538,226	77,482,940
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0%	0%	0%	0%	0%
Plan fiduciary net position as a percentage of the total pension liability	25.41%	22.33%	28.71%	33.64%	33.76%

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSION (GASB 68)
NOTE TO RSI III
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Public Employees Retirement System

Change in benefit terms: None

Change in assumptions: The discount rate changed from 3.98% to 5.00% as of
June 30, 2017.

Teacher Pension and Annuity Fund

Change in benefit terms: None

Change in assumptions: The discount rate changed from 3.22% to 4.25% as of
June 30, 2017.

**SCHEDULE RELATED TO ACCOUNTING AND REPORTING FOR POST-RETIREMENT BENEFITS
OTHER THAN PENSION (GASB 75)**

HAMILTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE
TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST TEN YEARS

	Fiscal Year Ended June <u>30, 2018</u>
Changes for the year:	
Service cost	\$18,915,951
Interest	15,272,477
Changes in assumptions or other inputs	(62,909,302)
Benefit payments	(11,183,046)
Contributions from Members	411,788
Net changes	(39,492,132)
Beginning Balance	\$522,308,236
Ending Balance	\$482,816,104
Covered Employee Payroll	101,549,847
Total OPEB Liability as a percentage of Covered Employee Payroll	-0-

Change of Benefit Terms:

No Change in Benefits terms between the June 30, 2016 actuarial valuation and the June 30, 2017 actuarial valuation.

Change of Assumptions:

The Discount Rate Changed from 2.85% at the June 30, 2016 measurement date to 3.58% at the 6/30/2017 measurement date.

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

OTHER SUPPLEMENTARY INFORMATION

**SPECIAL REVENUE FUND
DETAIL STATEMENTS**

HAMILTON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	TITLE I A	TITLE II A	TITLE III	TITLE III IMMIGRANT	IDEA PART B	IDEA PRESCHOOL	CARL D PERKINS
REVENUES:							
Slate sources	\$ 1,870,034.00	\$ 195,285.00	\$ 57,106.00	\$ 28,437.00	\$ 3,408,875.00	\$ 135,511.00	\$ 57,586.00
Federal sources							
Local sources							
Total revenues	\$ 1,870,034.00	\$ 195,285.00	\$ 57,106.00	\$ 28,437.00	\$ 3,408,875.00	\$ 135,511.00	\$ 57,586.00
EXPENDITURES:							
Instruction:							
Salaries of teachers	\$ 585,463.00	\$	\$ 20,529.00	\$	\$	\$	\$ 1,184.00
Other salaries for instruction	147,938.00		7,525.00				4,967.00
Purchased professional - technical services	22,773.00		2,300.00		3,040,624.00	2,342.00	
Purchased professional - educational services					78,370.00	131,036.00	
Tuition						2,133.00	
Supplies and materials	186,650.00		17,764.00	22,421.00			31,091.00
Textbooks							
	942,824.00		48,118.00	22,421.00	3,118,994.00	135,511.00	37,242.00
Support services:							
Salaries of Other professional staff							
Other Salaries	547,850.00	47,949.00	2,442.00	264.00			10,147.00
Personal services - employee benefits	355,234.00						
Purchased professional - technical services	10,972.00	133,799.00	529.00	2,150.00	289,881.00		7,260.00
Purchased professional - educational services							
(btw home & school) - Vendors	321.00			2,865.00			
(other than btw home & school - Vendors							
(other than btw home & school-Grant Agreements							
Travel		11,952.00	3,190.00				2,937.00
Supplies and materials	12,833.00	1,585.00	2,827.00	737.00			
	927,210.00	195,285.00	8,988.00	6,016.00	289,881.00		20,344.00
Total support services	\$ 927,210.00	\$ 195,285.00	\$ 8,988.00	\$ 6,016.00	\$ 289,881.00		
Facilities acquisition and construction serv:							
Instructional equipment							
Total facilities acquisition and construction serv.							
Total expenditures	\$ 1,870,034.00	\$ 195,285.00	\$ 57,106.00	\$ 28,437.00	\$ 3,408,875.00	\$ 135,511.00	\$ 57,586.00

HAMILTON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	NHTSA SIMULATOR	NON-PUBLIC NJ CH.192 TRANSPORTATION	NON-PUBLIC NJ CH.192 COMPENSATORY EDUCATION	ENGLISH AS SECOND LANGUAGE	CORRECTIVE SPEECH	NON-PUBLIC NJ CH.193 SUPPLEMENTAL INSTRUCTION	EXAMINATION AND CLASSIFICATION
REVENUES:							
State sources	\$ 115,422.00	\$ 31,597.00	\$ 435,755.00	\$ 15,612.00	\$ 104,459.00	\$ 164,349.00	\$ 202,401.00
Federal sources							
Local sources							
Total revenues	\$ 115,422.00	\$ 31,597.00	\$ 435,755.00	\$ 15,612.00	\$ 104,459.00	\$ 164,349.00	\$ 202,401.00
EXPENDITURES:							
instruction:							
Salaries of teachers	\$	\$	\$	\$	\$	\$	\$
Other salaries for instruction							
Purchased professional - technical services							
Purchased professional - educational services		31,597.00	435,755.00	15,612.00	104,459.00	164,349.00	202,401.00
Tuition							
Supplies and materials							
Textbooks							
Total instruction		\$ 31,597.00	\$ 435,755.00	\$ 15,612.00	\$ 104,459.00	\$ 164,349.00	\$ 202,401.00
Support services:							
Salaries of Other professional staff							
Other Salaries							
Personal services - employee benefits							
Purchased professional - technical services							
Purchased professional - educational services							
(btw home & school) - Vendors							
(other than btw home & school - Vendors							
(other than btw home & school-Grant Agreements							
Travel							
Supplies and materials							
Total support services							
Facilities acquisition and construction serv.							
Instructional equipment	115,422.00						
Total facilities acquisition and construction serv.	115,422.00						
Total expenditures	\$ 115,422.00	\$ 31,597.00	\$ 435,755.00	\$ 15,612.00	\$ 104,459.00	\$ 164,349.00	\$ 202,401.00

HAMILTON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	NONPUBLIC TEXTBOOKS	NON-PUBLIC HOME INSTRUCTION	NONPUBLIC TECHNOLOGY	NONPUBLIC NURSING	NONPUBLIC SECURITY AID	TITLE I SIA	Title III
REVENUES:							
State sources	\$ 82,208.00	10,820.00	57,333.00	144,212.00	117,078.00	60,703.00	8,001.00
Federal sources							
Local sources							
Total revenues	\$ 82,208.00	10,820.00	57,333.00	144,212.00	117,078.00	60,703.00	8,001.00
EXPENDITURES:							
Instruction:							
Salaries of teachers		\$	\$	\$	\$	\$	
Other salaries for instruction						40,516.00	
Purchased professional - technical services						8,187.00	
Purchased professional - educational services		10,820.00					
Tuition			57,333.00				7,752.00
Supplies and materials	82,208.00						
Textbooks							
Total instruction	\$ 82,208.00	10,820.00	57,333.00			48,703.00	7,752.00
Support services:							
Salaries of Other professional staff							
Other Salaries							
Personal services - employee benefits						12,000.00	249.00
Purchased professional - technical services				144,212.00			
Purchased professional - educational services							
(btw home & school) - Vendors							
(other than btw home & school - Vendors							
(other than btw home & school-Grant Agreements							
Travel							
Supplies and materials					117,078.00		
Total support services				144,212.00	117,078.00	12,000.00	249.00
Facilities acquisition and construction serv.							
Instructional equipment							
Total facilities acquisition and construction serv.							
Total expenditures	\$ 82,208.00	10,820.00	57,333.00	144,212.00	117,078.00	60,703.00	8,001.00

HAMILTON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	SAFETY GRANT	HEF FOUNDATION	FOUNDATION GRANTS	LOWES	OTHER LOCAL	2018
REVENUES:						
State sources	\$	\$	\$	\$	\$	1,365,824.00
Federal sources	15,682.00	8,300.00	5,630.00	5,630.00	22,744.00	5,936,960.00
Local sources						57,986.00
Total revenues	\$ 15,682.00	\$ 8,300.00	\$ 5,630.00	\$ 5,630.00	\$ 22,744.00	\$ 7,360,770.00
EXPENDITURES:						
Instruction:						
Salaries of teachers	\$	\$	\$	\$	\$	647,692.00
Other salaries for instruction						147,938.00
Purchased professional - technical services						20,679.00
Purchased professional - educational services				2,985.00	5,236.00	1,000,629.00
Tuition						3,171,660.00
Supplies and materials		8,300.00	5,630.00	2,645.00	12,649.00	432,738.00
Textbooks						82,208.00
Total instruction		8,300.00	5,630.00	5,630.00	17,885.00	5,503,544.00
Support services:						
Salaries of Other professional staff						608,652.00
Other Salaries						355,234.00
Personal services - employee benefits						456,840.00
Purchased professional - technical services					859.00	145,071.00
Purchased professional - educational services (btw home & school) - Vendors (other than btw home & school - Vendors (other than btw home & school-Grant Agreements Travel						2,865.00 321.00 2,937.00 15,142.00 154,742.00
Supplies and materials	15,682.00				4,000.00	
Total support services	15,682.00				4,859.00	1,741,804.00
Facilities acquisition and construction serv:						
Instructional equipment						115,422.00
Total facilities acquisition and construction serv						115,422.00
Total expenditures	\$ 15,682.00	\$ 8,300.00	\$ 5,630.00	\$ 5,630.00	\$ 22,744.00	\$ 7,360,770.00

**CAPITAL PROJECTS FUND
DETAIL STATEMENTS**

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2018

Revenues and Other Financing Sources:		
Bond Proceeds	\$	55,393,000
State sources - SDA grant		110,938
Interest		334,931
		<hr/>
Total revenues		55,838,868
		<hr/>
Expenditures and Other Financing Uses:		
Architectural Services		3,239,706
Purchased professional and technical services		5,850
Equipment		3,651,933
Construction services		16,635,955
Miscellaneous Expenditures		1,095
		<hr/>
Total expenditures		23,534,538
		<hr/>
Excess (deficiency) of revenues over (under) expenditures		32,304,330
Other financing sources (uses):		
Transfers out		(445,869)
Accounts Receivable Cancelled		(250,370)
		<hr/>
Total other financing sources (uses)		(696,239)
Net change in fund balance		31,608,091
Fund balance - beginning		4,735,703
		<hr/>
Fund balance - ending	\$	36,343,794
		<hr/> <hr/>
Fund Balance - budgetary basis	\$	36,343,794
Current Year Encumbrances		18,235,245
Less: ROD Grants not recognized under GAAP		<hr/>
Fund Balance - GAAP basis (B-1)	\$	54,579,039
		<hr/> <hr/>
Expenditures - budgetary basis	\$	23,534,538
Add: prior year encumbrances		1,839,484
		<hr/>
		25,374,022
Less:		
Current year encumbrances		18,235,245
		<hr/>
Expenditures - GAAP basis (B-2)	\$	7,138,777
		<hr/> <hr/>

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
SAYEN ELEMENTARY SCHOOL - ROOF REPLACEMENT PROJECT
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - ROD Grant	\$ 189,972	\$	189,972	189,972
Transfer from capital reserve	284,957	(85,300)	199,657	199,657
<u>Total reserve</u>	<u>474,929</u>	<u>(85,300)</u>	<u>389,629</u>	<u>389,629</u>
Expenditures and Other Financing Uses:				
Purchased professional and technical services	25,774		25,774	25,774
Construction services	363,855		363,855	363,855
<u>Total expenditures and other financing uses</u>	<u>389,629</u>	<u>0</u>	<u>389,629</u>	<u>389,629</u>
Excess (deficiency) of revenues over (under) expenditures	\$ 85,300	\$ (85,300)	\$ 0	\$ 0

Additional project information:

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
 RICHARD C. CROCKETT MIDDLE SCHOOL - ROOF REPLACEMENT PROJECT
 FOR THE YEAR ENDED JUNE 30, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources - ROD Grant	1,303,140 \$	\$	1,303,140 \$	1,303,140
Transfer from capital reserve	1,954,711	(559,441)	1,395,270	1,395,270
Total reserve	3,257,851	(559,441)	2,698,410	2,698,410
Expenditures and Other Financing Uses:				
Purchased professional and technical services	101,592		101,592	101,592
Construction services	2,282,829		2,282,829	2,596,818
Total expenditures and other financing uses	2,384,421	0	2,384,421	2,698,410
Excess (deficiency) of revenues over (under) expenditures	873,430 \$	(559,441) \$	313,989 \$	0

Additional project information:

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
GRICE MIDDLE SCHOOL - ROOF REPLACEMENT PROJECT
FOR THE YEAR ENDED JUNE 30, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources - ROD Grant	\$ 585,950	\$ 110,938	\$ 696,888	\$ 696,888
Transfer from prior ROD grants	650,000		650,000	650,000
Transfer from capital outlay	156,947	(110,938)	46,009	166,081
Total reserve	1,392,897	-	1,392,897	1,512,969
Expenditures and Other Financing Uses:				
Purchased professional and technical services	92,797		92,797	92,797
Construction services	1,300,100		1,300,100	1,420,172
Total expenditures and other financing uses	1,392,897	-	1,392,897	1,512,969
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	-

Additional project information:

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
UNIVERSITY HEIGHTS/H.D. MORRISON ELEMENTARY SCHOOL IMPROVEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
SDA Grant	\$ 169,887 \$	\$	169,887 \$	169,887
Transfer from capital reserve	254,830	(77,028)	177,802	177,802
Total reserve	424,717	(77,028)	347,689	347,689
Expenditures and Other Financing Uses:				
Purchased professional and technical services	29,024		29,024	29,024
Construction services	318,665		318,665	318,665
Total expenditures and other financing uses	347,689	0	347,689	347,689
Excess (deficiency) of revenues over (under) expenditures	\$ 77,028 \$	(77,028) \$	0 \$	0

Additional project information:

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
GEORGE E. WILSON ELEMENTARY SCHOOL IMPROVEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
SDA Grant	169,887	\$	169,887 \$	169,887
Transfer from capital reserve	254,830	(111,917)	142,913	142,913
Total reserve	424,717	(111,917)	312,800	312,800
Expenditures and Other Financing Uses:				
Purchased professional and technical services	24,799		24,799	24,799
Construction services	288,001		288,001	288,001
Total expenditures and other financing uses	312,800	0	312,800	312,800
Excess (deficiency) of revenues over (under) expenditures	\$ 111,917 \$	(111,917) \$	0 \$	0

Additional project information:

Project Number	1950-105-14-2000
Grant Date	2014-2015
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds issued	N/A
Original Authorized Cost	\$ 424,717
Additional Authorized Cost	
Revised Authorized Cost	424,717
Percentage of Original Authorized Cost	0.00%
Percentage completion	98.00%
Original target completion date	2014-2015
Revised target completion date	2015-2016

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
ENERGY SAVINGS IMPROVEMENT PROGRAM - LEASE PURCHASE
FOR THE YEAR ENDED JUNE 30, 2018

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

Additional project information:

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
EDUCATIONAL EQUIPMENT - LEASE PURCHASE
FOR THE YEAR ENDED JUNE 30, 2018

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

Additional project information:

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
TECHNOLOGY EQUIPMENT LEASE PURCHASE
FOR THE YEAR ENDED JUNE 30, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Expenditures and Other Financing Uses:				
Purchased professional and technical services	\$ 8,936	\$	\$ 8,936	23,936
Equipment	1,287,934	1,203,012	2,490,946	2,476,064
Total expenditures and other financing uses	1,296,870	1,203,012	2,499,882	2,500,000
Other financing sources				
Capital lease proceeds	2,500,000		2,500,000	2,500,000
Other financing sources	2,500,000	0	2,500,000	2,500,000
Excess (deficiency) of revenues over (under) expenditures	\$ 1,203,130	\$(1,203,012)	\$ 118	0

Additional project information:

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
 TECHNOLOGY EQUIPMENT LEASE PURCHASE - FY2018
 FOR THE YEAR ENDED JUNE 30, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Expenditures and Other Financing Uses:				
Purchased professional and technical services	\$ 5,244	\$	\$ 5,244	5,244
Equipment	1,306,604	164,184	1,470,788	1,514,756
Total expenditures and other financing uses	1,311,848	164,184	1,476,032	1,520,000
Other financing sources				
Capital lease proceeds	1,520,000		1,520,000	1,520,000
Other financing sources	1,520,000	0	1,520,000	1,520,000
Excess (deficiency) of revenues over (under) expenditures	\$ 208,152	\$ (164,184)	\$ 43,968	0

Additional project information:

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
 TECHNOLOGY EQUIPMENT LEASE PURCHASE - FY2018. II
 FOR THE YEAR ENDED JUNE 30, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Expenditures and Other Financing Uses:				
Purchased professional and technical services	\$ 6,655	\$ 6,655	\$ 6,655	10,000
Equipment	227,274	2,274,405	2,501,679	2,954,000
Total expenditures and other financing uses	233,929	2,274,405	2,508,334	2,964,000
Other financing sources				
Capital lease proceeds	2,964,000		2,964,000	2,964,000
Other financing sources	2,964,000	0	2,964,000	2,964,000
Excess (deficiency) of revenues over (under) expenditures	\$ 2,730,071	\$ (2,274,405)	\$ 455,666	0

Additional project information:

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
2018 REFERENDUM
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Bond proceeds		\$55,393,000.00	\$55,393,000.00	\$55,393,000.00
Total reserve	-	55,393,000.00	55,393,000.00	55,393,000.00
Expenditures and Other Financing Uses:				
Architectural Services	\$	3,239,706 \$	3,239,706 \$	3,640,396
Purchased professional and technical services		5,850	5,850	2,993,870
Construction Services		16,635,955	16,635,955	48,748,734
Miscellaneous Expenditures		1,095	1,095	10,000
Total expenditures	-	19,882,605	19,882,605	55,393,000
Excess (deficiency) of revenues over (under) expenditures	\$	35,510,395 \$	35,510,395 \$	-

Additional project information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	9/26/2017
Bonds Authorized	55,393,658
Bonds Issued	55,393,000
Original Authorized Cost	55,393,000
Additional Authorized Cost	\$
Revised Authorized Cost	-0-
Percentage of Original Authorized Cost	55,393,000
Percentage completion	100.00%
Original target completion date	2018-2019
Revised target completion date	2018-2019

HAMILTON TOWNSHIP SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SUMMARY STATEMENT OF PROJECT EXPENDITURES - BUDGETARY BASIS
 AS OF JUNE 30, 2018

ISSUE/PROJECT TITLE	ORIGINAL DATE	APPROPRIATIONS	EXPENDITURES TO DATE		(MEMO ONLY) UNEXPENDED PROJECT BALANCE
			PRIOR YEAR	CURRENT YEAR	
Richard C. Crockett Middle School Roof Replacement	N/A	2,698,410	2,384,421		313,989
ESIP Lease Purchase - Energy Savings Projects	7/17/2014	18,962,000	18,933,551	10,332	18,117
Educational Equipment - Lease Purchase	2/3/2015	3,065,000	3,064,958		42
Technology Equipment and Infrastructure (PARCC) - FY2016	9/30/2015	2,500,000	1,296,870	1,203,012	118
Technology Equipment and Infrastructure I - FY2016	7/12/2016	1,521,500	1,311,848	164,184	45,468
Technology Equipment and Infrastructure II - FY2016	6/16/2017	2,964,000	233,929	2,274,405	455,666
2018 Referendum	9/26/2017	55,393,000		19,882,605	35,510,395
Totals		87,103,910	27,225,577	23,534,538	36,343,794

PROPRIETARY FUND DETAIL STATEMENTS

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

FOOD SERVICES FUND:

This fund provides for the operation of Food services within the school district.

INTERNAL SERVICE FUNDS:

This funds accounts for the activity of the District's self-insurance workers' compensation claims activity

EXHIBIT "G -1"

HAMILTON TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
JUNE 30, 2018

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND FOOD SERVICE
ASSETS:	
Current assets:	
Cash and cash equivalents	932,542
Accounts receivable:	
State	7,907
Federal	442,509
Other	61,877
Interfund Receivable	15,618
Inventories	7,324
Total current assets	1,467,777
Noncurrent assets:	
Furniture, machinery & equipment	1,066,204
Less accumulated depreciation	(750,042)
Total noncurrent assets	316,162
Total assets	1,783,939
LIABILITIES:	
Current liabilities:	
Accounts payable	291,047
Unearned revenue	46,682
Total liabilities	337,729
NET POSITION:	
Net investment in capital assets	316,162
Unrestricted	1,130,048
Total net position	1,446,210

HAMILTON TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND FOOD SERVICE
OPERATING REVENUES:	
Charges for services:	
Daily sales - reimbursable programs	645,438
Daily sales - non-reimbursable programs	308,907
Total operating revenues	954,345
OPERATING EXPENSES:	
Salaries	1,013,344
Employee benefits	249,362
Management and consultant fees	38,614
Supplies and materials	90,403
Administrative Expense	189,849
Repairs and Other	7,582
Depreciation	91,241
Cost of sales - reimbursable	1,165,564
Cost of sales - non-reimbursable	117,391
Direct expense	270,153
Total operating expenses	3,233,503
Operating income (loss)	-2,279,158
Nonoperating Revenues (Expenses):	
State sources	
State school lunch program	38,425
Federal sources:	
National school lunch program	1,707,688
National school breakfast program	359,178
Supplemental Nutrition Assistance Program	43,033
Special Milk	1,238
Fresh Fruit and Vegetable	13,208
Food Distribution Program	218,279
Interest & Investment Revenue	10,567
Total nonoperating revenues (expenses)	2,391,616
Change in net position	112,458
Total net position - beginning	1,333,752
Total net position - ending	1,446,210

HAMILTON TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND FOOD SERVICE
Cash flows from operating activities:	
Receipts from customers	\$914,835.00
Cash Payments to Suppliers for Goods & Services	(1,351,676.00)
Cash Payments for Employee Benefits	(249,648.00)
Cash Payments to Employees for Services	(1,013,344.00)
	(1,699,833.00)
Net cash provided by (used for) operating activities	
Cash flows from noncapital financing activities:	
Cash Received from State & Federal Sources	2,083,790.00
Operating subsidies and transfers to other funds	(700,378.00)
	1,383,412.00
Net cash provided by noncapital financing activities	
Cash flows from capital and related financing activities:	
Acquisition of Capital Assets	(40,330.00)
Net cash provided by (used for) capital and related financing activities	(40,330.00)
Cash Flows From Investing Activities:	
Interest on Deposits	10,567.00
	10,567.00
Net Cash Provided/(Used) by Investing Activities	
Net increase (decrease) in cash and cash equivalents	(346,184.00)
Balances - Beginning of Year	1,278,726.00
Balances - End of Year	\$932,542.00

Reconciliation of operating income (loss) to net cash provided (used) by operating activities

Operating income (loss)	(\$2,279,157.76)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation and Amortization	91,241.00
Federal commodities	218,279.00
(Increase) decrease in inventories	50,809.58
(Increase) decrease in other accounts receivable	(39,041.00)
Increase (decrease) in accounts payable	274,015.42
Increase (decrease) in compensated absences	(286.00)
Increase (decrease) in unearned revenue	(15,693.00)
	579,325.00
Total Adjustments	
Net cash provided by (used for) operating activities	(\$1,699,833)

HAMILTON TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
JUNE 30, 2018

GOVERNMENTAL ACTIVITIES
INTERNAL SERVICE FUND
WORKERS'
COMPENSATION FUND

ASSETS:		
Current assets:		
Cash and cash equivalents	\$1,002,070	
Total current assets	1,002,070	
Total assets	1,002,070	
LIABILITIES:		
Interfund payable	176,567	
Claims payable	825,503	
Total liabilities	\$1,002,070	
NET POSITION:		
Unrestricted		
Total net position	-	

HAMILTON TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

GOVERNMENTAL ACTIVITIES
INTERNAL SERVICE FUND
WORKERS'
COMPENSATION FUND

Other financing sources (uses):	
Prior Year Claims Cancelled	(\$126,566)
Transfers In/out	126,566
	-
Total other financing sources (uses)	-
Net change in net position	-
Total net position - beginning	-
Total net position - ending	-

HAMILTON TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

GOVERNMENTAL ACTIVITIES
INTERNAL SERVICE FUND
WORKERS'
COMPENSATION FUND

Cash flows from operating activities:	
Cash Payments for Employee Benefits - Net	\$92,674
Net cash provided by (used for) operating activities	92,674
Cash flows from noncapital financing activities:	
Operating subsidies and transfers to other funds	(76,567)
Net cash provided by noncapital financing activities	(76,567)
Net increase (decrease) in cash and cash equivalents	16,107
Balances - Beginning of Year	985,963
Balances - End of Year	\$1,002,070
Reconciliation of operating income (loss) to net cash provided (used) by operating activities	
Operating income (loss)	-
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:	
(Increase) decrease in claims payable	92,674
Total Adjustments	92,674
Net cash provided by (used for) operating activities	\$92,674

FIDUCIARY FUNDS DETAIL STATEMENTS

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

Scholarship Fund This private purpose trust is used to account for donations received for the award of scholarships.

Unemployment Compensation Insurance Trust Fund: This expendable trust fund is used to pay unemployment compensation claims as they arise.

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

Student Activity Fund : This agency fund is used to account for student funds held at the schools.

Payroll Fund: This agency fund is used to account for the payroll transactions of the school district.

HAMILTON TOWNSHIP SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2018

	PAYROLL AGENCY	AGENCY FUNDS STUDENT ACTIVITY	TOTAL AGENCY FUNDS	UNEMPLOYMENT COMPENSATION TRUST	PRIVATE PURPOSE SCHOLARSHIP	JUNE 30 2018
ASSETS:						
Cash and cash equivalents	\$ 115,209	\$ 567,056	\$ 682,265	\$ 2,194,187	\$ 162,244	3,038,696
Interfunds Receivable					77,953	77,953
Total assets	<u>115,209</u>	<u>567,056</u>	<u>682,265</u>	<u>2,194,187</u>	<u>240,197</u>	<u>3,116,649</u>
LIABILITIES:						
Payroll Deductions and Withholdings	46,636		46,636			46,636
Accounts Payable						
Interfund Payable	19,415		19,415			19,415
Due to Employees	49,158		49,158			49,158
Due to Student Groups		567,056	567,056			567,056
Total liabilities	<u>115,209</u>	<u>567,056</u>	<u>682,265</u>			<u>682,265</u>
NET POSITION:						
Held in Reserve for Unemployment Claims				2,194,187		2,194,187
Reserved for Scholarships					240,197	240,197
Total net position	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 2,194,187</u>	<u>\$ 240,197</u>	<u>\$ 2,434,384</u>

HAMILTON TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>PRIVATE PURPOSE</u>		
	<u>UNEMPLOYMENT</u>	<u>PRIVATE PURPOSE</u>	<u>JUNE 30,</u>
	<u>COMPENSATION</u>	<u>SCHOLARSHIP</u>	<u>2018</u>
	<u>TRUST</u>	<u>SCHOLARSHIP</u>	
Contributions:			
Plan Members	\$ 305,466	\$	305,466
Other		300	300
Interest Earned	<u>18,262</u>	<u>1,110</u>	<u>19,372</u>
Total Additions	<u>323,728</u>	<u>1,410</u>	<u>325,138</u>
DEDUCTIONS:			
Unemployment Claims	452,049		452,049
Scholarships Awarded		<u>10,000</u>	<u>10,000</u>
Total deductions	<u>452,049</u>	<u>10,000</u>	<u>462,049</u>
Change in net position	(128,321)	(8,590)	(136,911)
Net position beginning of year	<u>2,322,508</u> \$	<u>248,787</u>	<u>2,571,295</u>
Net position end of year	<u>\$ 2,194,187</u> \$	<u>240,197</u> \$	<u>2,434,384</u>

HAMILTON TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	BALANCE JUNE 30, 2017	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2018
Elementary Schools				
Alexander	\$ 6,929	\$ 9,941	\$ 11,492	\$ 5,378
Greenwood	6,139	11,529	12,770	4,898
Kisthardt	4,351	10,704	12,428	2,627
Klockner	1,693	3,771	4,809	655
Kuser	5,432	6,931	7,176	5,187
Lalor	3,803	338	2,206	1,935
Langtree	6,958	10,279	9,269	7,968
McGalliard	2,621	3,492	4,215	1,898
Mercerville	5,885	21,098	16,834	10,149
Morgan	3,928	9,459	10,019	3,368
Robinson	2,439	27,691	28,129	2,001
Sayen	1,375	20,022	19,277	2,120
Sunnybrae	1,525	5,628	5,587	1,566
Yardville	4,254	3,014	3,852	3,416
Wilson	8,745	13,179	14,059	7,865
University Heights	9,038	10,200	9,291	9,947
Yardville Heights	1,363	12,426	12,343	1,446
Total Elementary Schools	<u>76,478</u>	<u>179,702</u>	<u>183,756</u>	<u>72,424</u>
Middle Schools				
Albert E. Grice	60,441	129,151	131,616	57,976
Reynolds	74,969	135,013	132,318	77,664
Crockett	61,342	121,749	120,943	62,148
Total Middle Schools	<u>196,752</u>	<u>385,913</u>	<u>384,877</u>	<u>197,788</u>
High Schools:				
Hamilton H.S. - West	69,660	169,097	173,606	65,151
Hamilton H.S. - East	141,706	206,069	226,813	120,962
Hamilton H.S. - North	107,326	275,996	274,220	109,102
Total High Schools	<u>318,692</u>	<u>651,162</u>	<u>674,639</u>	<u>295,215</u>
Alternative School:				
Hamilton Educational Program	2,000	16	387	1,629
Total Alternative School	<u>2,000</u>	<u>16</u>	<u>387</u>	<u>1,629</u>
Total All Schools	<u>\$ 593,922</u>	<u>\$ 1,216,793</u>	<u>\$ 1,243,659</u>	<u>\$ 567,056</u>

HAMILTON TOWNSHIP SCHOOL DISTRICT
PAYROLL AGENCY FUNDS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>BALANCE</u> <u>JUNE 30, 2017</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2018</u>
ASSETS:				
Cash and cash equivalents	\$ 246,998 \$	123,627,117 \$	123,758,906 \$	115,209
Total assets	<u>\$ 246,998 \$</u>	<u>123,627,117 \$</u>	<u>123,758,906 \$</u>	<u>115,209</u>
LIABILITIES:				
Payroll deductions and withholdings	\$ 171,748 \$	62,023,297 \$	62,148,409 \$	46,636
Due to Employees	44,815	185,715	181,372	49,158
Interfund Payable	30,435	61,418,105	61,429,125	19,415
Total liabilities	<u>\$ 246,998 \$</u>	<u>123,627,117 \$</u>	<u>123,758,906 \$</u>	<u>115,209</u>

LONG-TERM LIABILITIES SCHEDULES

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2018

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL PAYMENTS		RATE OF INTEREST	BALANCE JULY 1, 2017	ISSUED	RETIRED	BALANCE JUNE 30, 2018
			DATE	AMOUNT					
School District Refunding Bonds Series 2012	12/4/2012	\$ 28,275,000	08/15/18	\$ 2,570,000	2.00%				
			08/15/19	2,715,000	2.00%				
			08/15/20	2,870,000	2.00%				
			08/15/21	2,970,000	2.00%				
			08/15/22	3,040,000	2.30%				
			08/15/23	3,115,000	2.50%				
	08/15/24	3,200,000	2.63%	22,915,000			2,435,000	20,480,000	
Refunding School Bonds Series 2015	11/20/2015	9,010,000	02/15/19	1,695,000	5.00%				
			02/15/20	1,725,000	5.00%				
			02/15/21	1,800,000	5.00%				
			02/15/22	1,790,000	5.00%	8,600,000			1,590,000
School Bonds, 2017	12/28/2017	55,393,000	12/15/19	1,033,000	3.00%				
			12/15/20	1,055,000	3.00%				
			12/15/21	1,060,000	3.00%				
			12/15/22	1,800,000	3.00%				
			12/15/23	1,865,000	3.00%				
			12/15/24	1,865,000	3.00%				
			12/15/25	1,905,000	3.00%				
			12/15/26	2,020,000	3.00%				
			12/15/27	2,020,000	3.00%				
			12/15/28	2,020,000	3.00%				
			12/15/29	2,020,000	3.00%				
			12/15/30	2,020,000	3.00%				
			12/15/31	2,020,000	3.00%				
			12/15/32	2,020,000	3.00%				
			12/15/33	2,020,000	3.00%				
			12/15/34	2,020,000	3.00%				
			12/15/35	2,040,000	3.125%				
			12/15/36	2,040,000	3.125%				
			12/15/37	2,040,000	3.125%				
			12/15/38	2,040,000	3.250%				
12/15/39	2,040,000	3.250%							
12/15/40	2,040,000	3.250%							
12/15/41	2,050,000	3.250%							
12/15/42	2,050,000	3.375%							
12/15/43	2,050,000	3.375%							
12/15/44	2,060,000	3.375%							
12/15/45	2,060,000	4.000%							
12/15/46	2,060,000	4.000%							
12/15/47	2,060,000	4.000%							
Total									
						\$ 31,515,000	\$ 55,393,000	\$ 4,025,000	\$ 82,883,000

HAMILTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
AS OF JUNE 30, 2018

<u>SERIES</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>INTEREST RATE</u>	<u>AMOUNT OUTSTANDING JUNE 30, 2017</u>	<u>RETIRED</u>	<u>AMOUNT OUTSTANDING JUNE 30, 2018</u>
Technology Equipment	9/6/2013	\$ 2,003,740	1.30%	405,889 \$	405,889 \$	-
2015 Educational Equipment	7/17/2014	3,065,000	1.31%	1,233,435	612,691	620,744
2015 ESIP Lease	2/3/2015	18,962,000	2.71%	18,029,354	1,338,363	16,690,991
Technology and Equipment - FY2016	9/30/2015	2,500,000	1.49%	1,496,649	486,541	1,010,108
Technology and Equipment - FY2017 I	7/12/2016	1,520,000	1.29%	1,222,112	299,660	922,452
Technology and Equipment - FY2017 II	6/16/2017	2,964,000	1.64%	2,964,000	573,639	2,390,361
	Total	\$	\$	25,351,439 \$	3,716,783 \$	21,634,656

HAMILTON TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES:					
Local sources:					
Local tax levy	4,813,936		4,813,936	4,813,936	-
Total revenues	4,813,936		4,813,936	4,813,936	-
EXPENDITURES:					
Regular debt service:					
Interest Payments Bonds	886,658		886,658	886,658	-
Redemption of Bond Principal	4,025,000		4,025,000	4,025,000	-
Total regular debt service-expenditures	4,911,658		4,911,658	4,911,658	-
Excess (deficiency) of revenues over (under) expenditures	(97,722)		(97,722)	(97,722)	-
Other financing sources:					
Transfers In				222,342	222,342
Total other financing sources:				222,342	222,342
Net change in fund balances	(97,722)		(97,722)	124,620	222,342
Fund balance, July 1	97,722		97,722	97,722	
Fund balance, June 30				222,342	222,342

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STATISTICAL SECTION - UNAUDITED

HAMILTON TOWNSHIP SCHOOL DISTRICT
STATISTICAL SECTION

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

Sources

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
UNAUDITED

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental activities										
Net investment in capital assets	\$31,447,415	\$26,309,244	\$22,531,140	\$20,196,914	\$1,377,077	\$7,339,460	\$34,978,504	\$35,384,820	\$34,848,436	\$33,573,626
Restricted	8,387,173	11,085,767	10,686,362	11,723,880	18,569,971	22,997,089	14,972,059	17,000,288	14,992,829	13,610,139
Unrestricted	(61,980,403)	(59,384,965)	(48,035,273)	(46,956,222)	3,465,789	5,583,052	(24,010,970)	(28,197,412)	(31,684,747)	(28,445,749)
Total governmental activities net position	(22,145,815)	(21,989,954)	(14,807,771)	(15,035,428)	23,412,837	35,919,601	25,939,593	24,187,696	18,156,518	18,738,016
Business-type activities										
Net investment in capital assets	316,162	351,401	300,002	258,074	213,659	212,811	135,246	31,950	29,583	37,774
Unrestricted	1,130,048	982,351	1,029,015	878,641	641,299	657,715	559,412	482,821	411,081	106,122
Total business-type activities net position	1,446,210	1,333,752	1,329,017	1,136,715	854,958	870,526	694,658	514,771	440,664	143,896
District-wide										
Net investment in capital assets	31,763,577	26,660,645	22,831,142	20,454,988	1,590,736	7,552,271	35,113,750	35,416,770	34,878,019	33,611,400
Restricted	8,387,173	11,085,767	10,686,362	11,723,880	18,569,971	22,997,089	14,972,059	17,000,288	14,992,829	13,610,139
Unrestricted	(60,850,355)	(58,402,614)	(47,006,258)	(46,077,581)	4,107,088	6,240,767	(23,451,558)	(27,714,591)	(31,273,666)	(28,339,627)
Total district net position	(\$20,699,605)	(\$20,656,202)	(\$13,478,754)	(\$13,898,713)	\$24,267,795	\$36,790,127	\$26,634,251	\$24,702,467	\$18,597,182	\$18,881,912

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
UNAUDITED

	2018	2017	2016 (a)	2015	2014	2013	2012	2011	2010	2009
EXPENSES										
Governmental activities										
Instruction:										
Regular	105,764,753	103,361,987	92,709,459	58,632,133	60,854,903	58,078,633	57,542,173	56,644,936	58,734,661	57,509,025
Special	45,435,850	45,486,646	41,453,048	14,551,457	14,321,087	13,989,305	13,801,887	13,518,058	13,214,235	12,954,873
Other Special Instruction				2,415,155	2,267,227	2,087,632	1,997,707	2,656,243	2,666,035	2,070,034
Other Instruction	11,678,503	10,874,967	9,480,370	1,912,608	1,878,879	1,703,016	1,603,512	1,550,901	1,946,457	1,866,986
Adult & Continuing Education				515,677	546,798	472,555	418,597	380,526	395,249	182,346
Support services:										
Tuition	41,430,668	39,662,020	34,635,285	13,067,142	11,952,190	11,427,609	12,325,903	11,966,301	14,278,138	14,434,346
Student and instruction related services	16,415,653	16,062,104	13,880,742	7,207,052	6,681,153	6,825,173	6,610,884	7,476,233	7,838,009	6,605,251
School administrative services	8,681,973	7,509,331	6,440,639	5,066,329	5,406,001	4,568,523	3,308,212	2,667,510	2,878,525	3,539,334
General and business administrative services	21,912,193	24,085,418	21,548,995	15,475,436	15,984,777	14,020,550	14,500,756	14,397,901	16,257,557	15,794,536
Plant operations and maintenance	11,509,635	11,198,763	9,800,436	9,362,502	9,093,391	8,963,800	8,668,131	8,152,631	9,406,726	9,365,011
Pupil transportation		0	4,507	68,434,896	49,815,775	50,015,952	48,651,663	41,394,402	41,377,461	36,677,917
Special Schools			153,449	122,412	115,947	123,795	135,387	136,290	127,472	128,980
Interest on Long-Term Debt	1,893,942	1,243,324	1,200,529	1,501,509	1,449,546	1,259,791	2,117,376	2,290,847	2,398,863	2,699,135
Unallocated Compensated Absences				(452,388)	(355,398)	(88,241)				
Amortization of Debt Issuance Costs	4,460,254	3,521,532	3,547,882	677,208	2,536,407	2,602,431	1,089,061	1,050,649	1,180,987	1,236,364
Unallocated depreciation	269,283,424	263,006,093	234,855,342	219,050,247	202,842,898	195,686,610	188,321,985	182,024,233	191,366,209	183,069,793
Total governmental activities expenses	3,233,503	3,236,226	3,057,843	3,180,243	3,200,594	3,178,209	3,082,251	2,995,544	3,299,836	3,500,514
Business-type activities:										
Food Service	3,233,503	3,236,226	3,057,843	3,180,243	3,200,594	3,178,209	3,082,251	2,995,544	3,299,836	3,500,514
Total business-type activities expense	272,516,927	266,242,319	237,913,185	222,230,490	206,043,492	198,864,619	191,404,236	185,019,777	194,666,045	186,570,307
PROGRAM REVENUES										
Governmental activities:										
Grants and contributions	78,330,202	68,389,102	52,512,774	42,526,203	7,821,185	8,157,538	13,191,193	10,949,173	10,771,333	10,347,742
Interest on Long-Term Debt				226,332	225,604	225,571	226,043	225,835	419,657	444,560
Total governmental activities program revenues	78,330,202	68,389,102	52,512,774	42,752,535	8,046,789	8,383,109	13,417,236	11,175,008	11,190,990	10,792,302

HAMILTON TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
UNAUDITED

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
PROGRAM REVENUES										
Business-type activities:										
Charges for services										
Food Service	\$954,345.00	\$864,848.00	\$901,625.00	\$966,875.00	\$1,010,070.00	\$1,087,279.00	\$1,316,446.00	\$1,280,184.00	\$1,431,676.00	\$1,622,690.00
Operating grants and contributions	2,381,049.00	2,370,372.00	2,339,220.00	2,485,325.00	2,174,956.00	2,256,798.00	1,944,034.00	1,788,587.00	1,805,361.00	1,571,284.00
Total business-type activities program revenues	3,335,394.00	3,235,220.00	3,240,845.00	3,452,200.00	3,185,026.00	3,354,077.00	3,260,480.00	3,068,771.00	3,237,037.00	3,193,944.00
Total district program revenues	\$81,665,595.97	\$71,624,322.17	\$55,753,618.86	\$46,214,535.00	\$11,231,815.00	\$11,737,186.00	\$16,677,716.00	\$14,243,779.00	\$14,428,027.00	\$13,986,246.00
NET (EXPENSE)/REVENUE										
Governmental activities	(\$190,983,222.33)	(\$194,616,990.85)	(\$182,342,567.65)	(\$176,297,712.00)	(\$194,796,109.00)	(\$187,303,501.00)	(\$174,904,749.00)	(\$170,849,225.00)	(\$180,175,219.00)	(\$172,277,491.00)
Business-type activities	101,891.24	(1,006.00)	183,002.00	281,757.00	(15,568.00)	175,868.00	178,229.00	73,227.00	(62,799.00)	(306,570.00)
Total district-wide net expense	(\$190,851,331.09)	(\$194,617,996.85)	(\$182,159,565.65)	(\$176,015,955.00)	(\$194,811,677.00)	(\$187,127,633.00)	(\$174,726,520.00)	(\$170,775,998.00)	(\$180,238,018.00)	(\$172,584,061.00)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Property taxes levied for general purposes, net	\$108,651,758.00	\$105,214,572.00	\$102,609,694.00	\$100,697,740.00	\$98,625,236.00	\$96,839,447.00	\$94,940,634.00	\$94,940,634.00	\$92,579,869.00	\$92,579,869.00
Taxes levied for debt service	4,813,936.00	4,951,045.00	4,933,568.00	3,807,850.00	1,960,445.00	3,764,868.00	537,200.00	1,840,961.00	3,795,070.00	3,553,676.00
Unrestricted Grants and Contributions	74,495,125.08	74,372,884.02	74,016,975.00	77,264,566.00	89,645,931.00	91,000,637.00	74,407,106.00	69,307,966.00	72,723,010.00	69,200,236.00
Restricted Grants and Contributions	226,360.00	119,253.00	209,103.00			1,070,199.00	5,535,459.00	9,538,769.00	9,660,142.00	7,993,778.00
Tuition Received	2,895,762.00	1,647,103.54	2,451,537.00			28,791.00	395,856.00	387,158.00	391,121.00	71,806.00
Investment Earnings				1,710,596.00	1,675,500.00	3,742,424.00	1,145,364.00	1,129,348.00	1,057,530.00	908,983.00
Miscellaneous Income	(45,207.00)	(11,488.00)								844,818.00
Special Item(s):										
Prior Year Accounts Receivable Cancelled	(250,371.00)									
Retirement ERI Liability										
Transfer - Charter School/Disposal of Assets				6,659,956.00	(9,076,754.00)	(365,295.00)	(265,474.00)	(199,704.00)	(253,650.00)	(191,195.00)
Transfers - Business - Type Activities							(39,497.00)	(58,803.00)	(359,371.00)	(360,585.00)
Total governmental activities	190,797,363.08	187,293,369.56	184,220,677.00	190,040,708.00	182,830,358.00	196,080,971.00	176,656,648.00	176,880,405.00	179,593,721.00	174,591,386.00
Business-type activities:										
Investment Earnings										
Miscellaneous Income	10,567.00	5,741.00	8,248.00				1,249.00	1,290.00	195.00	274.00
Transfers										
Total business-type activities	10,567.00	5,741.00	8,248.00				1,249.00	1,290.00	195.00	274.00
Total district-wide	\$190,807,930.08	\$187,299,110.56	\$184,228,925.00	\$190,040,708.00	\$182,830,358.00	\$196,080,971.00	\$176,657,897.00	\$176,881,695.00	\$179,595,287.00	\$174,952,245.00
CHANGE IN NET POSITION										
Governmental activities	(\$155,859.25)	(\$7,323,621.29)	\$1,878,109.35	\$13,742,996.00	(\$11,965,751.00)	\$8,777,470.00	\$1,751,899.00	\$6,031,180.00	(\$581,498.00)	\$2,313,895.00
Business-type activities	112,458.24	4,735.00	191,250.00	281,757.00	(15,568.00)	175,868.00	179,478.00	74,517.00	296,767.00	54,289.00
Total district	(\$43,401.01)	(\$7,318,886.29)	\$2,069,359.35	\$14,024,753.00	(\$11,981,319.00)	\$8,953,338.00	\$1,931,377.00	\$6,105,697.00	(\$284,731.00)	\$2,368,184.00

Source: CAFR Schedule A-2

HAMILTON TOWNSHIP SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
UNAUDITED

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Fund										
Nonspendable	\$228,815.00	\$260,752.77	\$264,171.00	\$348,053.00	\$391,296.00	\$383,920.00	\$424,561.00	\$475,122.00	\$10,712,690.00	\$9,448,647.00
Restricted	9,051,247.80	8,634,302.92	9,891,211.00	11,765,420.00	13,098,902.00	19,902,682.00	\$14,018,292.00	\$10,923,504.00	532,731.00	4,203,946.00
Assigned	6,163,793.00	6,000,000.00	10,202,470.00	5,151,055.00	4,496,311.00	5,084,417.00	\$534,457.00	\$1,236,737.00	\$11,245,421.00	\$13,652,593.00
Unassigned	22,257.00			3,057,395.00	621,815.00		\$2,643,586.00	\$4,018,710.00		
Reserved										
Unreserved	\$15,466,112.80	\$14,895,055.69	\$20,357,852.00	\$20,321,923.00	\$18,608,324.00	\$25,371,019.00	\$17,621,296.00	\$16,654,073.00	\$11,245,421.00	\$13,652,593.00
Total general fund										
All Other Governmental Funds										
Restricted	\$36,566,136.07	\$4,833,424.66	\$3,115,696.00	19,451,577.00	5,278,189.00	933,778.00	\$2,638,621.00	\$3,245,967.00		
Committed	18,235,245.09	1,839,483.97	6,349,697.00	13,408.00	679,635.24	2,221,018.00	\$2,845,991.00	\$610,403.00		
Assigned							\$14,941.00	\$7,562.00		
Unassigned					220,805.00		(\$816,325.00)			
Reserved - Debt Service Fund									\$3,222,575.00	\$3,859,823.00
Unreserved, reported in:										
Capital projects fund									407,564.00	1,668.00
Debt service fund									650,000.00	300,000.00
Total all other governmental funds	\$54,801,381.16	\$6,672,908.63	\$9,465,393.00	\$19,464,985.00	\$6,178,629.24	\$3,154,796.00	\$4,663,228.00	\$3,863,932.00	\$4,280,139.00	\$4,161,491.00

Source: CAFR Schedule B-1

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues										
Tax levy	\$113,475,694.00	\$111,165,617.00	\$107,543,062.00	\$104,405,590.00	\$100,565,681.00	\$100,565,681.00	\$95,477,834.00	\$96,781,595.00	\$96,374,939.00	\$96,133,545.00
Tuition charges	104,615.00	92,201.00	84,020.00	148,365.00	81,018.00	81,018.00				71,806.00
Interest earnings on cap. and maint. reserve	70,823.00	61,186.00	41,537.00						391,121.00	908,983.00
Transportation Fees				23,474.00						
Miscellaneous	2,768,578.00	1,630,297.41	2,355,480.00	1,822,007.00	1,680,874.00	1,680,874.00	1,145,364.00	1,129,348.00	1,057,530.00	844,818.00
State sources	112,708,284.00	98,666,801.91	95,229,398.00	95,304,384.00	90,889,352.00	90,889,352.00	86,344,375.00	81,703,061.00	74,648,655.00	81,870,588.00
Federal sources	6,160,606.08	6,046,490.42	6,359,294.00	6,046,849.00	6,797,954.00	6,797,954.00	7,015,426.00	8,318,682.00	18,925,487.00	6,105,729.00
Total revenue	235,319,610.08	217,662,593.74	211,612,791.00	207,750,667.00	200,034,919.00	200,034,919.00	190,378,655.00	183,319,844.00	191,397,732.00	185,935,469.00
Expenditures										
Instruction										
Regular instruction	54,508,020.58	54,178,779.84	53,707,869.96	59,282,133.00	60,854,903.00	60,854,903.00	55,730,240.00	55,069,044.00	57,013,683.00	55,727,630.00
Special education instruction	22,766,319.65	22,253,094.71	21,939,443.42	14,551,457.00	14,321,087.00	13,989,305.00	13,857,310.00	13,424,959.00	13,214,235.00	12,949,948.00
Other Special Instruction	3,468,033.42	3,085,035.06	3,023,155.74	2,415,155.00	2,267,227.00	2,087,632.00	1,997,707.00	2,656,243.00	2,666,035.00	2,070,034.00
Other instruction	2,182,857.30	2,202,540.92	1,945,144.56	1,912,606.00	1,878,879.00	1,703,016.00	1,603,512.00	1,550,901.00	1,946,457.00	1,866,998.00
Adult/Continuing Education	349,414.20	380,975.01	509,308.57	515,677.00	546,798.00	472,555.00	418,597.00	380,526.00	395,249.00	182,346.00
Support Services:										
Tuition	10,017,715.36	10,985,289.87	10,399,527.45	13,067,142.00	11,952,190.00	11,427,609.00	12,325,903.00	11,986,301.00	14,278,138.00	14,434,346.00
Student and instruction related services	22,666,528.69	21,977,839.64	20,987,167.26	20,581,119.00	20,294,216.00	19,351,059.00	17,570,726.00	17,720,805.00	18,665,884.00	18,005,643.00
General administrative services	3,490,111.46	2,336,423.97	2,307,286.59	5,066,329.00	5,406,001.00	4,466,825.00	3,204,399.00	2,447,729.00	2,472,249.00	3,368,313.00
School administrative services	7,671,940.70	7,639,288.82	7,399,526.34	7,207,052.00	6,681,153.00	6,825,173.00	6,610,984.00	7,476,233.00	7,838,009.00	6,605,251.00
Central Services/Adm Technology	3,354,386.52	3,328,583.74	3,161,484.94							
Plant operations and maintenance	15,766,624.48	16,170,335.05	16,722,481.64	15,517,465.00	15,073,490.00	14,020,550.00	14,288,583.00	14,397,901.00	16,257,557.00	15,794,536.00
Pupil transportation	11,245,504.82	10,820,189.77	9,670,948.56	9,362,562.00	9,093,391.00	8,963,800.00	8,668,131.00	8,152,631.00	9,408,726.00	9,365,011.00
Unallocated benefits	70,352,631.15	60,277,656.60	51,640,114.29	50,080,151.00	48,792,068.00	50,028,943.00	46,561,482.00	42,431,071.00	39,998,011.00	36,564,207.00
Special schools			106,893.74	122,417.00	115,947.00	123,795.00	135,387.00	136,290.00	127,472.00	128,980.00
Capital Outlay	9,009,963.31	9,763,187.59	15,286,159.76	9,272,756.00	2,269,305.00	3,498,503.00	816,623.00	571,925.00	3,456,438.00	2,870,555.00
Cost of Issuance			102,378.00							
Debt service:										
Principal	4,025,000.00	4,000,000.00	3,950,000.00	3,150,000.00	3,005,000.00	2,910,000.00	2,315,000.00	2,345,000.00	2,095,000.00	1,980,000.00
Interest and other charges	886,658.00	951,045.00	899,054.00	1,091,579.00	1,194,654.00	1,522,228.00	2,222,166.00	2,321,333.00	2,419,726.00	2,612,964.00
Total expenditures	241,761,709.64	230,354,265.59	223,757,544.82	213,175,537.00	203,746,329.00	199,469,626.00	188,326,860.00	183,068,892.00	192,250,869.00	184,526,762.00
Excess (Deficiency) of revenues over (under) expenditures	(6,443,099.56)	(12,691,671.85)	(12,144,753.82)	(5,424,870.00)	(3,711,410.00)	565,293.00	2,051,995.00	5,250,952.00	(853,137.00)	1,408,707.00
Other Financing sources (uses)										
Capital leases (non-budgeted)		4,484,000.00	2,500,000.00	22,027,000.00						
Proceeds from Refunding			10,220,778.05							
Payment to escrow Agent			(10,118,400.00)							
Bond Proceeds	55,393,000.00									
Accounts Receivable Cancelled	(250,371.00)	(47,609.00)								
Transfers In										
Transfers Out				(922,540.00)	(707,087.00)	(340,995.00)	4,703,849.00	1,949,538.00	2,316,681.00	6,743,457.00
Total other financing sources (uses)	55,142,629.00	4,436,391.00	2,662,378.05	21,104,460.00	(707,087.00)	(340,995.00)	(4,989,323.00)	(2,208,045.00)	(3,751,322.00)	(6,743,457.00)
Net change in fund balances	\$48,699,529.44	(\$8,255,280.85)	(\$9,542,375.77)	\$15,679,560.00	(\$4,418,497.00)	\$224,298.00	\$1,786,521.00	\$4,992,445.00	(\$2,288,525.00)	\$506,755.00
Debt service as a percentage of noncapital expenditures	2.11%	2.24%	2.33%	2.08%	2.06%	2.26%	2.42%	2.56%	2.39%	2.53%

Source: CAFR Schedule B-2

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Interest on Investments & Deposits \$	200,923.00	\$ 206,586.00	\$ 237,018.00	\$ 262,404.00	\$ 302,161.00	\$ 230,428.00	\$ 395,856.00	\$ 387,158.00	\$ 391,121.00	\$ 853,762.00
Athletic Receipts	51,973.25	48,079.00	45,468.00	46,388.00	44,636.00	39,506.00	38,261.00	36,053.00	33,077.00	32,951.00
Facility Rental Fees	183,102.50	193,320.00	193,458.00	158,803.00	172,720.00	208,852.00	58,893.00	64,528.00	56,691.00	45,976.00
Transportation Fees	148,190.31	58,436.00	792.00	24,074.00	53,977.00	43,388.00	103,406.00	30,125.00	47,785.00	29,116.00
Other Miscellaneous Revenues	70,086.53	334,705.00	588,855.00	271,727.00	353,323.00	2,387,000.00	447,634.00	419,261.00	286,179.00	219,021.00
Refund of Prior Year Expenditures	198,041.00	238,401.00	820,425.00	384,655.00	604,659.00	392,795.00		10,762.00	114,716.00	103,545.00
Tuition - Individuals & State		74,546.00	145,544.00	148,365.00			64,275.00	71,989.00	68,768.00	
Payments in Lieu of Taxes	399,588.29	381,470.00	320,000.00	320,000.00		320,000.00	320,000.00	320,000.00	320,000.00	318,000.00
ESJP Incentives	254,489.70									
E-Rate	528,500.48			57,657.00	40,532.00	52,027.00	61,329.00	60,643.00	42,991.00	51,860.00
Community Education							5,915.00	4,750.00	11,380.00	15,087.00
Travel Program										
	<u>2,034,895.06</u>	<u>1,535,543.00</u>	<u>2,351,560.00</u>	<u>1,674,073.00</u>	<u>1,572,008.00</u>	<u>3,673,996.00</u>	<u>1,495,569.00</u>	<u>1,405,279.00</u>	<u>1,372,708.00</u>	<u>1,669,318.00</u>

Source: District Records

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

Fiscal Year Ended June 30	Vacant Land	Residential	Farm Reg.	GFARM	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (a)	Net Valuation Taxable	Tax Exempt Property	Est. Actual (County Equalized Value)	Total Direct School Tax Rate (b)	Ratio to True Value
2017	\$79,265,400	\$6,225,112,730	\$18,323,400	\$1,593,100	\$1,590,421,780	\$221,089,500	\$346,912,400	\$8,482,718,310	\$27,704,237	\$8,510,422,547	\$838,942,800	\$8,727,476,700	\$1,320	97.51%
2016	73,980,600	6,210,309,480	18,225,800	1,625,700	1,608,628,730	162,450,300	352,100,700	8,426,761,310 (c)	27,704,237	8,454,465,547	839,470,200	8,653,838,044	1,291	97.70%
2015	50,937,959	3,874,498,400	13,271,850	1,543,765	935,126,700	83,188,700	181,058,100	5,149,535,474	16,005,511	5,165,540,985	477,993,411	8,499,589,488	2,052	59.28%
2014	48,963,059	3,866,022,600	13,397,150	1,710,726	955,339,980	98,057,000	167,141,200	5,149,941,715	16,360,825	5,165,302,640	477,540,881	8,476,394,360	1,980	60.95%
2013	48,771,469	3,889,025,150	13,327,250	1,999,226	958,686,350	98,337,900	159,105,700	5,139,254,035	18,516,361	5,157,770,396	475,285,461	8,312,838,274	1,950	62.05%
2012	50,915,209	3,895,632,500	14,226,550	1,772,042	960,241,400	99,139,400	196,667,750	5,139,614,851	18,695,945	5,156,310,796	460,244,473	9,160,155,030	1,860	56.31%
2011	52,441,009	3,896,470,550	14,348,350	1,745,202	972,705,800	91,370,800	150,129,200	5,139,210,911	17,779,026	5,156,989,937	481,345,473	9,825,524,148	1,860	52.49%
2010	53,010,909	3,849,853,450	13,765,450	1,762,711	896,733,500	94,652,000	152,721,100	5,162,599,120	18,661,711	5,181,260,831	487,099,013	10,465,312,066	1,860	49.86%
2009	67,175,459	3,848,536,560	14,173,550	3,013,176	881,648,650	96,414,400	156,514,000	5,167,475,795	15,953,486	5,183,429,281	487,394,013	10,444,604,711	1,860	49.63%
2008	75,950,509	3,839,193,850	13,756,500	1,909,085	986,974,800	96,760,100	155,647,200	5,170,192,044	15,208,497	5,185,400,541	484,085,501	10,114,275,612	1,860	51.27%

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
UNAUDITED

Fiscal Year Ended June 30,	Township of Hamilton Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Local School	General Obligation Debt Service (b)	Total Direct	Township of Hamilton	Mercer County	
2018	\$1.299	\$0.058	\$1.357	\$0.823	\$0.638	\$2.818
2017	1.259	0.061	1.320	0.802	0.630	2.752
2016*	1.232	0.059	1.291	0.794	0.619	2.704
2015	2.052	0.000	2.052	1.322	0.975	4.349
2014	1.984	0.000	1.984	1.318	0.979	4.281
2013	1.950	0.000	1.950	1.200	0.960	4.110
2012	1.860	0.000	1.860	1.200	0.940	4.000
2011	1.860	0.000	1.860	1.180	0.920	3.960
2010	1.860	0.000	1.860	1.170	0.980	4.010
2009*	1.860	0.000	1.860	1.170	0.970	4.000

* - Revaluation

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

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

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

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

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

	2018		2009	
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value
			% of Total District Net Assessed Value	Rank [Optional]
JDN	\$91,276,450.00	1	1.080%	N/A
PSEG	47,088,600.00	2	0.550%	N/A
QB Partners	44,002,000.00	3	0.520%	N/A
RAR2 - 401 Cabot Dr LLC	39,528,500.00	4	0.460%	N/A
Bell Atlantic	32,851,468.00	5	0.390%	N/A
Levin Properties	30,865,500.00	6	0.360%	N/A
Reckson - Matrix	26,000,000.00	7	0.310%	N/A
Hamilton Station Apartments	24,588,900.00	8	0.290%	N/A
Kusar Village	23,369,000.00	9	0.270%	N/A
Sharbell Hamilton, LLC	23,314,200.00	10	0.270%	N/A
Total	<u>\$382,884,618.00</u>		<u>4.500%</u>	<u>\$0.00</u>
				<u>0.000%</u>

Source: Municipal Tax Assessor

HAMILTON TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy (a)		Collections in Subsequent Years
		Amount	Percentage of Levy	
2018	\$113,475,694.00	\$113,475,694.00	100.00%	0.00
2017	111,165,617.00	111,165,617.00	100.00%	0.00
2016	107,543,062.00	107,543,062.00	100.00%	0.00
2015	104,405,590.00	104,405,590.00	100.00%	0.00
2014	100,585,681.00	100,585,681.00	100.00%	0.00
2013	100,604,315.00	100,604,315.00	100.00%	0.00
2012	96,578,267.00	96,578,267.00	100.00%	0.00
2011	96,578,267.00	96,578,267.00	100.00%	0.00
2010	96,254,242.00	96,254,242.00	100.00%	0.00
2009	96,536,796.00	96,536,796.00	100.00%	0.00

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

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
UNAUDITED

Fiscal Year Ended <u>June 30,</u>	Governmental Activities		Total <u>District</u>	Percentage of Personal <u>Income (a)</u>	<u>Per Capita (a)</u>
	General Obligation <u>Bonds (b)</u>	Capital <u>Leases</u>			
2018	\$82,883,000	\$21,634,656	\$104,517,656	N/A	N/A
2017	31,515,000	25,351,439	56,866,439	N/A	N/A
2016	35,515,000	23,492,432	59,007,432	N/A	667.50
2015	40,375,000	21,377,000	61,752,000	1.097%	693.61
2014	42,705,000	820,000	43,525,000	0.818%	489.49
2013	17,285,000	850,000	18,135,000	0.359%	204.24
2012	44,300,000	1,950,000	46,250,000	0.966%	526.20
2011	45,885,000	3,090,000	48,975,000	1.053%	552.95
2010	47,525,000	3,795,000	51,320,000	1.112%	566.41
2009	48,940,000	4,475,000	53,415,000	1.100%	591.67

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

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

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

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

N/A - Not available

HAMILTON TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET BONDED DEBT OUTSTANDING
UNAUDITED

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

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

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

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

(c) Revaluation

HAMILTON TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2017
UNAUDITED

<u>Governmental Unit</u>	<u>Gross Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping Debts:			
Township of Hamilton	\$186,141,540.20	100.00%	\$186,141,540.20
County of Mercer - Township's Share	531,752,113.00	19.62%	104,329,764.57
Subtotal, overlapping debt			<u>290,471,304.77</u>
Hamilton School District Direct Debt			<u>84,473,000.00</u>
Total direct and overlapping debt			<u><u>\$374,944,304.77</u></u>

Source: Township of Hamilton, Statement of Indebtedness as of December 31, 2017
Debt outstanding data provided by each governmental unit.

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
 UNAUDITED

Legal Debt Margin Calculation for Fiscal 2017:

Equalized Valuation Basis

Calendar Year	2017	2016	2015	2014	2013	2012	2011	2010	2009
2017			\$8,741,465,695.00						
2016			8,626,133,807.00						
2015			8,483,583,977.00						
			<u>\$25,851,183,479.00</u>						
Average Equalized Valuation of Taxable Property			\$8,617,061,159.67						
Debt Limit (4% of average equalization value)			344,682,446.39						
Net Bonded School Debt			84,473,000.00						
Legal Debt Margin			<u>\$260,209,446.39</u>						

	2017	2016	2015	2014	2013	2012	2011	2010	2009
Debt Limit	\$344,682,446.39	\$228,596,944.68	\$367,159,906.00	\$367,159,906.00	\$382,174,527.00	\$390,604,518.00	\$407,827,504.00	\$409,613,519.00	\$393,267,759.00
Total Net Debt Applicable To Limit	<u>84,473,000.00</u>	<u>37,255,000.00</u>	<u>40,375,000.00</u>	<u>42,705,000.00</u>	<u>44,925,000.00</u>	<u>44,300,000.00</u>	<u>45,855,000.00</u>	<u>47,525,000.00</u>	<u>48,940,000.00</u>
Legal Debt Margin	<u>\$260,209,446.39</u>	<u>\$191,341,944.68</u>	<u>\$326,784,906.00</u>	<u>\$324,454,906.00</u>	<u>\$337,249,527.00</u>	<u>\$346,304,518.00</u>	<u>\$361,972,504.00</u>	<u>\$362,088,519.00</u>	<u>\$344,327,759.00</u>
Total Net Debt Applicable to the Limit as a % of Debt Limit	24.51%	16.30%	11.00%	11.63%	11.76%	11.34%	11.24%	11.60%	12.44%

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
UNAUDITED

<u>Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income (c)</u>	<u>Unemployment Rate (d)</u>
2017	89,078	N/A	N/A	4.00%
2016	89,042	5,631,639,374	63,247	4.10%
2015	89,189	5,575,026,012	62,508	4.70%
2014	89,357	5,454,887,422	61,046	6.60%
2013	89,329	5,147,315,638	57,622	8.00%
2012	88,980	5,240,655,060	58,897	7.98%
2011	88,760	5,004,111,280	56,378	7.90%
2010	88,574	4,705,050,880	53,120	7.60%
2009	90,605	4,781,588,270	52,774	2.40%
2008	89,803	4,721,482,528	52,576	1.90%

Source:

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

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

Employer	2018			2009		
	# of Employees	Rank (Optional)	Percentage of Total Employment	# of Employees	Rank (Optional)	Percentage of Total Employment
	0	N/A N/A	0.00%	0	N/A N/A	0.00%

Source: Township of Hamilton Economic Development Office

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

Function/Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Instruction:										
Regular	775	735	784	794	803	763	771	750	805	803
Special education	263	187	226	182	181	171	177	169	173	169
Other Special Education	88	74	74	74	63	75	74	73	78	76
Support Services:										
Student and instruction related services	120	94	89	89	90	85	86	81	94	87
General administrative services	3	3	3	3	3	3	3	3	3	3
School administrative services	113	109	92	118	99	41	43	41	42	42
Other administrative services	50	49	62	50	60	13	14	13	16	17
Central services	23	23	23	24	24	6	6	6	7	7
Administration information technology	19	17	20	18	18	125	134	129	132	134
Plant operations and maintenance	145	157	166	166	168	177	170	157	176	182
Pupil transportation	12	10	10	10	11	7	7	8	9	9
Other support services	33	206	173	237	245	273	276	271	272	279
Food Service	1	1	1	1	1		2	7	30	36
Total	1,645	1,665	1,723	1,766	1,766	1,739	1,763	1,708	1,837	1,844

Source: District Personnel Records

HAMILTON TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	% Change	Teaching Staff (b)	Teacher/Pupil Ratio			Average Daily Enrollment (c)	Average Daily Attendance (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2018	11,308	\$227,840,088.33	\$20,148.58	8.37%	928	1:12	1:12	1:12	11,559	10,722	-0.34%	92.76%
2017	11,599	\$215,640,033.00	18,591.84	6.62%	960	1:12	1:12	1:12	11,599	10,925	-0.64%	94.19%
2016	11,671	\$203,519,953.06	17,438.09	6.05%	975	1:12	1:12	1:12	11,673	11,025	-1.97%	94.45%
2015	12,142	\$199,661,202.00	16,443.85	2.98%	976	1:12	1:12	1:12	11,908	11,278	-1.32%	94.71%
2014	12,354	\$197,277,370.00	15,968.70	3.83%	984	1:12	1:12	1:13	12,067	11,500	-0.15%	95.30%
2013	12,454	\$191,538,895.00	15,379.71	6.63%	934	1:13	1:12	1:13	12,085	11,399	-1.96%	94.32%
2012	12,686	\$182,972,871.00	14,423.21	4.67%	948	1:13	1:12	1:13	12,327	11,663	-1.55%	94.61%
2011	12,905	\$177,830,634.00	13,779.98	-2.28%	1,018	1:13	1:12	1:14	12,522	11,784	-1.49%	94.11%
2010	13,068	\$184,279,705.00	14,101.60	5.11%	978	1:13	1:13	1:13	12,712	11,956	-1.11%	94.06%
2009	13,198	\$177,063,243.00	13,415.91	2.01%	1,197	1:13	1:13	1:14	12,854	12,076	-0.45%	93.95%

Sources: District records

Note: Enrollment based on annual October district count.

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

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

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

N/A - Not Available

HAMILTON TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
UNAUDITED

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	x
<u>District Buildings</u>											
Elementary School(s):											
Alexander (1962)											
Square Feet	31,997	31,997	31,997	31,997	31,997	31,997	31,977	31,977	31,977	31,977	31,977
Capacity (students)	245	245	245	245	245	245	245	245	245	245	245
Enrollment	392	400	370	365	351	318	313	318	317	317	333
Greenwood (1917)											
Square Feet	28,398	28,398	28,398	28,398	28,398	28,398	28,398	26,948	26,948	26,948	26,948
Capacity (students)	220	220	220	220	220	220	240	240	227	227	227
Enrollment	231	231	232	248	250	258	269	258	233	243	243
Kisthardt (1951)											
Square Feet	25,242	25,242	25,242	25,242	25,242	25,242	25,242	25,242	25,242	25,242	25,242
Capacity (students)	189	189	189	189	189	189	252	252	245	245	245
Enrollment	236	240	235	253	233	233	222	223	213	234	234
Klockner (1908)											
Square Feet	44,354	44,354	44,354	44,354	44,354	44,354	44,354	44,354	44,354	44,354	44,354
Capacity (students)	256	256	256	256	256	256	251	251	254	254	254
Enrollment	269	239	247	246	235	248	267	248	260	260	260
Kuser (1908)											
Square Feet	51,813	51,813	51,813	51,813	51,813	51,813	51,813	51,813	51,813	51,813	51,813
Capacity (students)	367	367	367	367	367	367	351	351	404	404	404
Enrollment	349	345	366	336	347	381	433	433	402	387	387
Lalor (1926)											
Square Feet	36,408	36,408	36,408	36,408	36,408	36,408	36,408	36,408	36,408	36,408	36,408
Capacity (students)	217	217	217	217	217	217	262	262	242	242	242
Enrollment	258	246	274	266	270	282	276	282	242	249	249
Langtree (1966)											
Square Feet	39,516	39,516	39,516	39,516	39,516	39,516	39,516	39,516	39,516	39,516	39,516
Capacity (students)	293	293	293	293	293	293	360	360	392	392	392
Enrollment	390	398	374	346	328	388	311	388	371	385	385
McGalliard (1952)											
Square Feet	29,444	29,444	29,444	29,444	29,444	29,444	29,444	29,444	29,444	29,444	29,444
Capacity (students)	226	226	226	226	226	226	262	262	277	277	277
Enrollment	289	286	289	275	285	277	267	277	270	273	273
Mercerville (1911)											
Square Feet	45,098	45,098	45,098	45,098	45,098	45,098	45,098	45,098	45,098	45,098	45,098
Capacity (students)	329	329	329	329	329	329	384	384	385	385	385
Enrollment	393	396	384	369	361	389	371	389	312	331	331
Morgan (1957)											
Square Feet	34,434	34,434	34,434	34,434	34,434	34,434	34,434	34,434	34,434	34,434	34,434
Capacity (students)	352	352	352	352	352	352	390	390	386	386	386
Enrollment	406	414	380	373	356	356	345	356	311	312	312

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
UNAUDITED

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	x
Robinson (1962)											
Square Feet	40,073	40,073	40,073	40,073	40,073	40,073	40,073	40,073	40,073	40,073	40,073
Capacity (students)	309	309	309	309	309	309	382	382	381	381	381
Enrollment	430	430	408	387	373	365	351	365	373	373	383
Sayen (1955)											
Square Feet	27,750	27,750	27,750	27,750	27,750	27,750	27,750	27,750	27,750	27,750	27,750
Capacity (students)	208	208	208	208	208	208	270	270	250	250	250
Enrollment	292	295	301	301	296	281	269	281	273	288	288
Sunnybrae (1966)											
Square Feet	31,778	31,778	31,778	31,778	31,778	31,778	31,778	31,778	31,778	31,778	31,778
Capacity (students)	244	244	244	244	244	244	371	371	353	353	353
Enrollment	353	365	335	362	352	342	315	342	316	317	317
University Hgts. (1977)											
Square Feet	39,333	39,333	39,333	39,333	39,333	39,333	39,333	39,333	39,333	39,333	39,333
Capacity (students)	299	299	299	299	299	299	361	361	347	347	347
Enrollment	401	374	356	333	345	317	297	317	312	312	317
Wilson (1977)											
Square Feet	39,333	39,333	39,333	39,333	39,333	39,333	39,333	39,333	39,333	39,333	39,333
Capacity (students)	307	307	307	307	307	307	447	447	387	387	387
Enrollment	389	356	378	393	394	419	448	419	437	437	436
Yardville (1938)											
Square Feet	35,370	35,370	35,370	35,370	35,370	35,370	35,370	35,370	35,370	35,370	35,370
Capacity (students)	254	254	254	254	254	254	291	291	304	304	304
Enrollment	338	311	279	298	288	280	278	280	284	284	282
Yardville Hgts. (1917)											
Square Feet	33,365	33,365	33,365	33,365	33,365	33,365	33,365	33,365	33,365	33,365	33,365
Capacity (students)	237	237	237	237	237	237	262	262	261	261	261
Enrollment	276	273	269	265	260	241	234	241	262	262	263
Middle School(s):											
Crockett (1989)											
Square Feet	115,142	115,142	115,142	115,142	115,142	115,142	115,142	115,142	115,142	115,142	115,142
Capacity (students)	780	780	780	780	780	780	696	696	944	944	944
Enrollment	917	923	892	903	892	831	819	831	794	794	795
Grice (1960)											
Square Feet	114,128	114,128	114,128	114,128	114,128	114,128	114,128	114,128	114,128	114,128	114,128
Capacity (students)	796	796	796	796	796	796	716	716	988	988	988
Enrollment	928	936	946	910	966	918	916	918	881	881	891
Reynolds (1960)											
Square Feet	113,514	113,514	113,514	113,514	113,514	113,514	113,514	113,514	113,514	113,514	113,514
Capacity (students)	774	774	774	774	774	774	737	737	979	979	979
Enrollment	1,147	1,106	1,107	1,100	1,076	1,029	1,025	1,029	908	908	893

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
UNAUDITED

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	x
High School(s):											
Hamilton East (1967)	195,185	195,185	195,185	195,185	195,185	195,185	195,185	195,185	195,185	195,185	
Square Feet	1,265	1,265	1,265	1,265	1,265	1,265	1,453	1,453	1,313	1,313	
Capacity (students)	1,610	1,595	1,548	1,503	1,431	1,345	1,303	1,345	1,251	1,204	
Enrollment											
Hamilton North (1953)	162,586	162,586	162,586	162,586	162,586	162,586	162,586	162,586	162,586	162,586	
Square Feet	1,063	1,063	1,063	1,063	1,063	1,063	1,303	1,303	1,172	1,172	
Capacity (students)	1,473	1,380	1,387	1,326	1,313	1,316	1,352	1,316	1,240	1,038	
Enrollment											
Hamilton West (1929)	182,348	182,348	182,348	182,348	182,348	182,348	182,348	182,348	182,348	182,348	
Square Feet	1,113	1,113	1,113	1,113	1,113	1,113	1,292	1,292	1,256	1,256	
Capacity (students)	1,373	1,366	1,329	1,296	1,275	1,270	1,219	1,219	1,233	1,159	
Enrollment											
Other Buildings:											
Administration Building (1898)	25,515	25,515	25,515	25,515	25,515	25,515	25,515	25,515	25,515	25,515	
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Enrollment											
Hamilton Educational Program (HEP)	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	
Square Feet	23	23	23	23	23	23	23	23	23	23	
Capacity (students)	58	57	61	51	56	52	61	52	37	35	
Enrollment											

Source: District records and Long Range Facility Plan
 Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions. Enrollment is based on the annual October district count.
 *-capacity updated based on 2013 demographic study
 x-capacity updated based on 2016 demographic study

HAMILTON TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF REQUIRED MAINTENANCE
 UNAUDITED

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

School Facilities * Project #(s)	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Hamilton HS East - Steiert	\$417,017	\$417,384	\$501,056	\$389,297	\$391,885	\$326,978	\$328,323	\$366,539	\$381,597	\$432,310
Hamilton HS North - Nottingham	347,369	347,674	417,372	324,279	326,434	272,271	273,433	258,787	313,584	511,228
Hamilton HS West	389,591	389,933	468,103	363,694	366,112	305,420	306,723	292,657	364,475	384,372
Grace Middle	243,837	244,051	292,976	227,629	229,142	191,045	191,860	188,900	246,947	227,695
Reynolds Middle	242,525	242,738	291,400	226,404	227,909	190,033	190,844	191,623	227,615	211,050
Crockett Middle	246,003	246,220	295,579	228,651	231,178	192,817	193,639	190,863	213,960	228,406
Alexander Elementary	68,362	68,422	82,139	63,818	64,242	53,645	53,873	58,940	125,237	83,739
Wilson Elementary	84,036	84,110	100,971	78,450	78,971	65,790	66,071	67,922	79,292	80,697
Greenwood Elementary	57,575	57,626	69,178	53,748	54,105	47,572	47,775	49,314	72,006	64,308
Kishardt Elementary	53,930	53,978	64,798	50,345	50,680	42,258	42,438	52,181	49,708	52,084
Klockner Elementary	94,763	94,847	113,860	88,464	89,052	74,394	74,712	81,566	90,855	120,970
Kuser Elementary	110,700	110,797	133,008	103,341	104,028	86,793	87,164	84,244	142,325	108,487
Lalor Elementary	77,786	77,855	93,462	72,616	73,089	60,883	61,243	64,729	75,865	77,924
Langtree Elementary	84,427	84,501	101,441	78,815	79,339	66,297	66,579	63,995	71,768	75,292
McGalliard Elementary	62,908	62,963	75,585	58,726	59,117	49,343	49,553	58,796	58,657	69,054
Mercerville Elementary	96,353	96,438	115,770	89,948	90,546	75,406	75,728	85,642	111,485	87,501
Morgan Elementary	73,569	73,634	88,395	68,679	69,135	57,693	57,939	60,912	88,014	69,293
Robinson Elementary	85,617	85,692	102,871	79,925	80,457	67,056	67,342	68,739	75,557	77,592
Sayen Elementary	59,288	59,341	71,237	55,348	55,715	46,559	46,758	56,997	74,095	71,638
Sunnybrae Elementary	67,884	67,954	81,577	63,381	63,803	53,138	53,365	56,507	61,190	62,828
University Heights Elementary	84,036	84,110	100,971	78,450	78,971	65,790	66,071	68,957	80,411	75,761
Yardville Elementary	75,569	75,635	90,798	70,546	71,015	59,211	59,464	59,362	85,718	89,586
Yarville Heights Elementary	71,285	71,348	85,651	66,547	66,989	55,922	56,160	53,566	96,538	80,464
Willey School	30,766	30,793	36,966	28,721	28,914	24,039	24,141	23,153	27,938	33,190
Total School Facilities	\$3,225,206	\$3,228,043	\$3,875,166	\$3,010,822	\$3,030,838	\$2,530,403	\$2,541,198	\$2,604,591	\$3,214,837	\$3,375,579

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

Source: District records

HAMILTON TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
UNAUDITED

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
School Package Policy (1):		
property/building and contents	\$304,904,738	\$5,000
comprehensive general liability	2,000,000	5,000
Comprehensive auto liability	1,000,000	1,000
Umbrella:	15,000,000	n/a
Student accident (2):	500,000	n/a
Volunteer Insurance(2)	5,000	250
Surety Bonds (1)		
Board Secretary	750,000	n/a
Board Treasurer	750,000	n/a
Legal Liability/Errors and Omissions (3)	5,000,000	25,000
Environmental liability (5)	1,000,000	25,000
Underground storage tank (4)	1,000,000	75,000
Crime (1)	500,000	5,000
Cyber Security (6)	1,000,000	25,000

(1) Selective

(2) Chartis

(3) NJ School Boards Insurance Group

(4) ACE

(5) Steadfast-Zurich

(6) Beazley

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SINGLE AUDIT SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

Honorable President and Members
of the Board of Education
Hamilton Township School District
County of Mercer
Hamilton, New Jersey 08690

We have audited, in accordance with the 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 in compliance with 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 (the "District") as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 27, 2019.

Internal Control Over Financial Reporting

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

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

SUPLEE, CLOONEY & COMPANY

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, 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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 948

February 27, 2019



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

Honorable President and Members
of the Board of Education
Hamilton Township School District
County of Mercer
Hamilton, New Jersey 08690

Report on Compliance for Each Major Federal and State Program

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

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditor's Responsibility

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

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, County of Mercer, State of New Jersey 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 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 *the Uniform Guidance* and New Jersey OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Hamilton Township School District's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and 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 the Uniform Guidance and State of New Jersey OMB 15-08. Accordingly, this report is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 948

February 27, 2019

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

FEDERAL CFDA NUMBER	FEDERAL GRANT/PASS-THROUGH GRANT/PROGRAM TITLE	FEDERAL AWARD IDENTIFICATION NUMBER	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD		AWARD AMOUNT	BALANCE AT JUNE 30, 2017	ADJ.	ACQUIRED BALANCE AT JUNE 30, 2017	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PAYS BALANCE	(ACCOUNTS RECEIVABLE)	BALANCE JUNE 30, 2018	
				FROM	TO									UNEARNED REVENUE	D-E GRANTOR
	General Fund														
	U.S. Department of Education														
	Pass-through State Department of Education														
93.778	Medical Assistance Program (SEMI)	165NLSMAP	N/A	6/30/2017	6/30/2018	307,703.00	(8,476.00)		8,476.00	235,022.36					
93.179	Medical Assistance Program (SEMI)	170NLSMAP	N/A	7/1/2017	6/30/2018	239,622.08	(8,476.00)		239,622.36	(239,622.36)					
	Total General Fund														
	Special Revenue Fund														
	U.S. Department of Education														
	Pass-through State Department of Education														
84.010	Title I	S010A150030	NCLB195016	7/1/15	6/30/16	1,727,196.00	2,098.00			402,414.00	2,098.00		(497,908.00)		
84.010	Title I	S010A150030	NCLB195017	7/1/16	6/30/17	1,535,688.00	(402,414.00)			1,375,136.00			(15,020.00)		
84.010	Title I	S010A150030	NCLB195018	7/1/17	6/30/18	2,066,237.00				45,683.00			(69,703.00)		
84.367A	Title II - SIA	S010A150036	NCLB195018	7/1/15	6/30/17	84,863.00				89,912.00			(3,875.00)		
84.367A	Title II Part A	S367A150029	NCLB195017	7/1/15	6/30/17	363,244.00	(89,912.00)			191,410.00			(35,809.00)		
84.365A	Title II Elementary	S365A150030	NCLB195018	7/1/15	6/30/17	228,215.00	(20,649.00)			20,649.00			(8,904.00)		
84.365A	Title II Elementary	S365A150030	NCLB195018	7/1/16	6/30/17	88,427.00	(37,084.00)			7,997.00			(6,863.00)		
84.424A	Title IV	S424A150030	NCLB195017	7/1/16	6/30/17	76,514.00				21,574.00			(28,437.00)		
84.365	Title III Immigrant Program	S365A150030	NCLB195018	7/1/16	6/30/17	48,753.00	(538,971.00)			2,200,256.00	2,098.00		(560,378.00)		
	Sub-Total NCLB														
	I D E A Part B Special Education Cluster														
84.027	I D E A Part B	S027A151100	IDEA195017	7/1/16	6/30/17	3,794,147.00	(56,717.00)			56,717.00			(480,416.00)		
84.027	I D E A Part B	S027A151100	IDEA195018	7/1/17	6/30/18	3,834,330.00				2,928,456.00			(3,408,674.00)		
84.173	I D E A Preschool	S173A150114	IDEA195017	7/1/16	6/30/17	180,289.00	(15,033.00)			15,033.00			(10,883.00)		
84.173	I D E A Preschool	S173A150114	IDEA195018	7/1/17	6/30/18	205,283.00	(71,750.00)			3,124,836.00			(491,299.00)		
	Total I D E A Part B Special Education Cluster														
84.048	Carl D Perkins - Secondary	V048A140030	N/A	7/1/13	6/30/14	78,384.00	(9,383.00)			30,913.00			(9,383.00)		
84.048	Carl D Perkins - Secondary	V048A140030	N/A	7/1/16	6/30/17	66,309.00	(30,913.00)			26,696.00			(30,901.00)		
84.048	Carl D Perkins - Secondary	V048A140030	N/A	7/1/17	6/30/18	70,374.00									
	Passed-through State Division of Highway Safety														
20.600	NHTSA Simulator Grant	CP-17-08-07-01	N/A	7/1/17	6/30/18	115,432.00	(651,017.00)			115,422.00	2,098.00		(1,091,962.00)		
	Total Special Revenue Fund														
	Enterprise Fund														
	U.S. Department of Agriculture														
	Pass-through State Department of Education														
	Child Nutrition Cluster														
10.555	National School Lunch Program	16161N300N1099	N/A	7/1/16	6/30/17	1,699,507.00	(276,605.00)			276,605.00			(352,948.00)		
10.555	National School Lunch Program	16161N300N1099	N/A	7/1/17	6/30/18	1,707,688.00				1,394,742.00			(1,707,688.00)		
10.553	School Breakfast Program	16161N300N1099	N/A	7/1/16	6/30/17	334,699.00	(56,773.00)			279,465.00			(558,178.00)		
10.553	School Breakfast Program	16161N300N1099	N/A	7/1/17	6/30/18	359,179.00				321.00			(1,238.00)		
10.556	Special Milk Program	16161N300N1099	N/A	7/1/16	6/30/17	1,918.00	(321.00)			953.00			(23,626.00)		
10.556	Special Milk Program	16161N300N1099	N/A	7/1/17	6/30/18	206,188.00				199,297.00			(134,453.00)		
10.565	Food Distribution Program	16161N300N1099	N/A	7/1/16	6/30/17	199,297.00	(913,073.00)			2,186,356.00			(432,944.00)		
	Total Child Nutrition Cluster														
10.551	Supplemental Nutrition Assistance Pro	16161N300N1099	N/A	7/1/16	6/30/17	43,218.00	(7,100.00)			7,100.00			(8,851.00)		
10.551	Supplemental Nutrition Assistance Pro	16161N300N1099	N/A	7/1/17	6/30/18	43,233.00				34,182.00			(43,033.00)		
10.582	Fresh Fruit and Vegetable	16161N300N1099	N/A	7/1/16	6/30/17	49,696.00	(7,718.00)			7,719.00			(714.00)		
10.582	Fresh Fruit and Vegetable	16161N300N1099	N/A	7/1/17	6/30/18	13,208.00				12,484.00			(13,208.00)		
10.579	NLSIP Equipment Assistance Grant	16161N300N1099	N/A	7/1/16	6/30/17	13,542.00	(338,434.00)			2,243,353.00			(442,509.00)		
	Total Enterprise Fund														
	Total Federal Financial Assistance														

See accompanying notes to schedules of financial assistance

HAMILTON TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

STATE GRANT/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE JUNE 30, 2017		ADJUSTED BALANCE AT 06/30/17	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS OF PRIOR YEARS BALANCES	BALANCE JUNE 30, 2018		CUMULATIVE TOTAL EXPENDITURES
				UNEARNEED REVENUE (ACCT'S REC)	DUE TO GRANTOR					(ACCOUNTS RECEIVABLE)	UNEARNEED REVENUE	
State Department of Education												
General Funds												
Equalization Aid	17-495-034-5120-078	7/1/16-6/30/17	\$64,409,125.00				5,922,190.00	(64,409,125.00)	(65,427.00)		(65,427.00)	64,429,125.00
Categorical Specials Educator Aid	17-495-034-5120-088	7/1/16-6/30/17	7,639,324.00				701,668.00	(7,639,324.00)			(7,639,324.00)	7,639,324.00
Categorical Security Aid	17-495-034-5120-084	7/1/16-6/30/17	630,559.00				51,978.00	(630,559.00)			(630,559.00)	630,559.00
Trade Advancery Aid	17-495-034-5120-085	7/1/16-6/30/17	40,007.00				3,675.00	(40,007.00)			(40,007.00)	40,007.00
PARCC Readiness Aid	17-495-034-5120-088	7/1/16-6/30/17	120,020.00				11,033.00	(120,020.00)			(120,020.00)	120,020.00
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	120,020.00				11,033.00	(120,020.00)			(120,020.00)	120,020.00
Professional Learning Community Aid	17-495-034-5120-101	7/1/16-6/30/17	114,950.00				10,455.00	(114,950.00)			(114,950.00)	114,950.00
Equalization Aid	18-495-034-5120-078	7/1/17-6/30/18	64,409,125.00				58,945,499.00	(64,409,125.00)	(65,427.00)		(65,427.00)	64,429,125.00
Categorical Special Education Aid	18-495-034-5120-088	7/1/17-6/30/18	7,639,324.00				694,553.00	(7,639,324.00)			(7,639,324.00)	7,639,324.00
Categorical Security Aid	18-495-034-5120-084	7/1/17-6/30/18	630,559.00				57,424.00	(630,559.00)			(630,559.00)	630,559.00
Trade Advancery Aid	18-495-034-5120-085	7/1/17-6/30/18	40,007.00				3,642.00	(40,007.00)			(40,007.00)	40,007.00
PARCC Readiness Aid	18-495-034-5120-088	7/1/17-6/30/18	120,020.00				10,976.00	(120,020.00)			(120,020.00)	120,020.00
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	120,020.00				10,976.00	(120,020.00)			(120,020.00)	120,020.00
Professional Learning Community Aid	18-495-034-5120-101	7/1/17-6/30/18	114,950.00				10,455.00	(114,950.00)			(114,950.00)	114,950.00
Total State Aid - Public Cluster			73,132,427.00				73,132,427.00	(73,064,005.00)	(65,427.00)		(65,427.00)	73,064,005.00
Categorical Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	824,097.00				75,771.00	(824,097.00)			(824,097.00)	824,097.00
Categorical Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	824,097.00				75,024.00	(824,097.00)			(824,097.00)	824,097.00
Extracurricular Aid	17-495-034-5120-044	7/1/16-6/30/17	1,032,411.00				1,042,531.00	(1,032,411.00)			(1,032,411.00)	1,042,531.00
Extracurricular Aid	18-495-034-5120-044	7/1/17-6/30/18	1,032,411.00				1,042,531.00	(1,032,411.00)			(1,032,411.00)	1,042,531.00
Non-Public Transportation Aid	17-100-034-5120-068	7/1/16-6/30/17	63,908.00				63,908.00				63,908.00	63,908.00
Non-Public Transportation Aid	18-100-034-5120-068	7/1/17-6/30/18	96,518.00				270,767.00	(96,518.00)			270,767.00	96,518.00
On-behalf TRAF non-contributory insurance	18-495-034-5094-004	7/1/17-6/30/18	270,767.00				11,157,610.00	(270,767.00)			11,157,610.00	11,157,610.00
On-behalf TRAF Pension	18-495-034-5094-002	7/1/17-6/30/18	11,157,610.00				16,654.00	(11,157,610.00)			(11,157,610.00)	16,654.00
On-behalf TRAF Long-Term Disability Insurance (non-bud)	18-495-034-5094-004	7/1/17-6/30/18	16,654.00				18,822,777.00	(16,654.00)			18,822,777.00	18,822,777.00
On-behalf TRAF post retirement medical	18-495-034-5094-001	7/1/17-6/30/18	18,822,777.00				286,731.00	(18,822,777.00)			286,731.00	18,822,777.00
Reimbursed TRAF Social Security Contributions	17-495-034-5095-002	7/1/16-6/30/17	5,923,799.00				5,923,799.00				5,923,799.00	5,923,799.00
Reimbursed TRAF Social Security Contributions	18-495-034-5095-002	7/1/17-6/30/18	5,923,799.00				5,923,799.00				5,923,799.00	5,923,799.00
Total General Funds			111,252,894.00				111,252,894.00	(111,211,838.00)	(67,169.00)		(67,169.00)	111,185,695.00
Special Revenue Fund												
Non-Public Textbooks	17-100-034-5120-064	7/1/16-6/30/17	95,279.00				6,749.00				6,749.00	95,279.00
Non-Public Textbooks	18-100-034-5120-064	7/1/17-6/30/18	86,005.00				86,005.00				86,005.00	86,005.00
Non-Public Technology Aid	17-100-034-5120-064	7/1/16-6/30/17	42,978.00				338.00				338.00	42,978.00
Non-Public Technology Aid	18-100-034-5120-064	7/1/17-6/30/18	58,090.00				58,090.00				58,090.00	58,090.00
Non-Public Comp Ed	17-100-034-5120-067	7/1/16-6/30/17	563,458.00				33,417.00				33,417.00	563,458.00
Non-Public Comp Ed	18-100-034-5120-067	7/1/17-6/30/18	560,737.00				560,737.00				560,737.00	560,737.00
Non-Public ESL	17-100-034-5120-067	7/1/16-6/30/17	29,598.00				10,936.00				10,936.00	29,598.00
Non-Public ESL	18-100-034-5120-067	7/1/17-6/30/18	27,010.00				27,010.00				27,010.00	27,010.00
Non-Public Home Instruction	17-100-034-5120-067	7/1/16-6/30/17	1,376.00				1,376.00				1,376.00	1,376.00
Non-Public Home Instruction	18-100-034-5120-067	7/1/17-6/30/18	10,820.00				10,820.00				10,820.00	10,820.00
Non-Public Transportation	17-100-034-5120-068	7/1/16-6/30/17	120,395.00				49,769.00				49,769.00	120,395.00
Non-Public Transportation	18-100-034-5120-068	7/1/17-6/30/18	87,482.00				87,482.00				87,482.00	87,482.00
Non-Public Supplemental Instruction	17-100-034-5120-066	7/1/16-6/30/17	171,535.00				7,478.00				7,478.00	171,535.00
Non-Public Supplemental Instruction	18-100-034-5120-066	7/1/17-6/30/18	174,451.00				174,451.00				174,451.00	174,451.00
Non-Public Examination & Classification	17-100-034-5120-066	7/1/16-6/30/17	192,551.00				228,123.00				228,123.00	192,551.00
Non-Public Examination & Classification	18-100-034-5120-066	7/1/17-6/30/18	228,123.00				228,123.00				228,123.00	228,123.00
Non-Public Connective Speech	17-100-034-5120-066	7/1/16-6/30/17	136,501.00				28,895.00				28,895.00	136,501.00
Non-Public Connective Speech	18-100-034-5120-066	7/1/17-6/30/18	136,867.00				136,867.00				136,867.00	136,867.00
Non-Public Nursing	18-100-034-5120-070	7/1/17-6/30/18	153,857.00				153,857.00				153,857.00	153,857.00
Non-Public Security Aid	17-100-034-5120-065	7/1/16-6/30/17	63,050.00				245.00				245.00	63,050.00
Non-Public Security Aid	18-100-034-5120-065	7/1/17-6/30/18	118,575.00				118,575.00				118,575.00	118,575.00
Total Special Revenue Fund			1,376,301.00				1,376,301.00				1,376,301.00	1,376,301.00
Capital Projects Fund												
Security Upgrades	1950-083-14-G11F	7/1/17-6/30/18	1,303,140.00				(35,939.00)				(35,939.00)	1,303,140.00
SDA Grants - Crockett	1950-240-14-G11H	7/1/14-6/30/16	169,972.00				(30,682.00)				(30,682.00)	169,972.00
SDA Grants - Snyen	1950-250-14-G31N	7/1/14-6/30/16	169,887.00				(133,694.00)				(133,694.00)	169,887.00
SDA Grants - Morrison	1950-105-14-G31M	7/1/14-6/30/16	169,887.00				(124,416.00)				(124,416.00)	169,887.00
SDA Grants - Wilson	1950-105-14-G31W	7/1/14-6/30/16	169,887.00				(324,131.00)				(324,131.00)	169,887.00
Total Capital Projects Fund			1,812,773.00				(1,024,162.00)				(1,024,162.00)	1,812,773.00
Total State Aid			75,000,000.00				75,000,000.00				75,000,000.00	75,000,000.00
Total State Aid - Public Cluster			73,132,427.00				73,132,427.00				73,132,427.00	73,132,427.00
Total State Aid - Special Revenue Fund			1,376,301.00				1,376,301.00				1,376,301.00	1,376,301.00
Total State Aid - Capital Projects Fund			1,812,773.00				(1,024,162.00)				(1,024,162.00)	1,812,773.00
Total State Aid			75,000,000.00				75,000,000.00				75,000,000.00	75,000,000.00
Total State Aid - Public Cluster			73,132,427.00				73,132,427.00				73,132,427.00	73,132,427.00
Total State Aid - Special Revenue Fund			1,376,301.00				1,376,301.00				1,376,301.00	1,376,301.00
Total State Aid - Capital Projects Fund			1,812,773.00				(1,024,162.00)				(1,024,162.00)	1,812,773.00

See accompanying notes to schedules of financial assistance

HAMILTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

STATE GRANT OR PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE JUNE 30, 2017		ADJUSTED BALANCE AT 06/30/17	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAYMENT OF PRIOR YEARS BALANCES	BALANCE JUNE 30, 2018		MEMO	
				UNEARNEED REVENUE (ACCTS REC)	DUE TO GRANTOR					ACCOUNTS RECEIVABLE	UNEARNEED REVENUE	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
Enterprise Fund													
National School Lunch Program (State Share)	17-100-004-5120-122	7/1/16-6/30/17	39,846.00	(9,174.00)	(9,174.00)	(9,174.00)	\$ 74.00	(38,425.00)		(7,907.00)	7,907.00		38,425.00
National School Lunch Program (State Share)	18-100-004-5120-122	7/1/17-6/30/18	38,425.00	(9,174.00)	(9,174.00)		39,699.00	(38,425.00)		(7,907.00)	7,907.00		38,425.00
Total Enterprise Fund													
Total State Financial Assistance			\$ 78,271.00	\$ (18,348.00)	\$ (18,348.00)	\$ (18,348.00)	\$ 113,066,465.00	\$ (112,727,025.00)	\$ 89,864.00	\$ (1,438,220.00)	\$ 276,654.00	\$ (8,138,156.00)	\$ 124,296,659.00
Less: On-Behalf amounts not utilized for determination of Major Programs													
On-behalf TPAF non-contributory insurance							(5270,767.00)	\$270,767.00					
On-behalf TPAF Pension							(11,157,610.00)	11,157,610.00					
On-behalf TPAF Long Term Disability Insurance (non-bud)							(16,454.00)	16,454.00					
On-behalf TPAF Post retirement medical							(18,826,177.00)	18,826,177.00					
Total State Financial Assistance Subject to Single Audit			\$ 78,271.00	\$ (18,348.00)	\$ (18,348.00)	\$ (18,348.00)	\$ 113,066,465.00	\$ (112,727,025.00)	\$ 89,864.00	\$ (1,438,220.00)	\$ 276,654.00	\$ (8,138,156.00)	\$ 124,296,659.00

See accompanying notes to schedules of financial assistance.

Hamilton Township School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2018

NOTE 1: GENERAL

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

NOTE 2: BASIS OF ACCOUNTING

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

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

Hamilton Township School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2018

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$235,022.00	\$111,279,007.00	\$111,514,029.00
Special Revenue Fund	5,925,584.00	1,318,349.00	7,243,933.00
Capital Projects Fund		110,938.00	110,938.00
Food Service Fund	2,342,624.00	38,425.00	2,381,049.00
	<u>\$8,503,230.00</u>	<u>\$112,746,719.00</u>	<u>\$121,249,949.00</u>
GAAP Adjustment	11,376.00	(19,694.00)	(8,318.00)
Total Awards & Financial Assistance	<u>\$8,514,606.00</u>	<u>\$112,727,025.00</u>	<u>\$121,241,631.00</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: OTHER

Revenues and expenditures reported in the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF pension contributions, non-contributory life insurance, long-term disability and post retirement contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2018. TPAF Social Security contributions represent the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2018.

Hamilton Township School District
Mercer County, New Jersey

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2018

Section I – Summary of Auditor’s Results

Financial Statements

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

Federal Program(s)

- | | | |
|-----|---|-------------|
| (1) | Internal Control Over Major Federal Programs: | |
| | (a) Material weaknesses identified? | No |
| | (b) Significant deficiencies identified that are not considered to be material weaknesses? | No |
| (2) | Type of Auditor’s Report issued on compliance for major federal program(s)? | Unmodified |
| (3) | Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular OMB Uniform Guidance? | No |
| (4) | Identification of Major Federal Program(s): | |
| | <u>Program</u> | <u>CFDA</u> |
| | Title I | 84.010 |
| (5) | Program Threshold Determination:
Type A Federal Program Threshold > \$750,000.00
Type B Federal Program Threshold <= \$750,000.00 | |
| (6) | Auditee qualified as a low-risk auditee under OMB Circular Uniform Guidance? | Yes |

Hamilton Township School District
Mercer County, New Jersey

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2018

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

State Program(s)

- (1) Internal Control Over Major State Programs:
- (a) Material weakness(es) identified? No
- (b) Significant deficiencies identified that are not considered to be material weaknesses? No
- (2) Type of Auditor’s Report issued on compliance for major state program(s)? Unmodified
- (3) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08? No
- (4) Identification of Major State Program(s):
- | <u>Program Title</u> | <u>Project Number</u> |
|-------------------------------------|-----------------------|
| Equalization Aid | 18-495-034-5120-078 |
| Categorical Special Education Aid | 18-495-034-5120-089 |
| Categorical Security Aid | 18-495-034-5120-084 |
| Under Adequacy Aid | 18-495-034-5120-083 |
| Per Pupil Growth Aid | 18-495-034-5120-097 |
| PARCC Readiness | 18-495-034-5120-098 |
| Professional Learning Community Aid | 18-495-034-5120-101 |
- (5) Program Threshold Determination:
Type A State Program Threshold > \$3,000,000.00
Type B State Program Threshold <= \$3,000,000.00
- (6) Auditee qualified as a low-risk auditee under OMB Circular 15-08? Yes

Hamilton Township School District
Mercer County, New Jersey

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2018

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

Internal Control Findings – None Reported

Compliance Findings – None Reported

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

Federal Programs – None Reported

State Programs – None Reported

Hamilton Township School District
Mercer County, New Jersey

Schedule of Prior Year Audit Findings

Not Applicable

