

Comprehensive Annual Financial Report

of the

Hamilton Township School District

County of Mercer

Hamilton, New Jersey

For the Fiscal Year Ended June 30, 2020

Prepared by

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

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Letter of Transmittal	1-6
Roster of Officials	7
Consultants and Advisors	8
Organizational Chart	9
FINANCIAL SECTION	
Independent Auditor's Report	10-12
REQUIRED SUPPLEMENTARY INFORMATION - Part I	13
Management's Discussion and Analysis (Unaudited)	14-24
BASIC FINANCIAL STATEMENTS	25
A. District-Wide Financial Statements:	26
A-1 Statement of Net Position	27
A-2 Statement of Activities	28
B. Major Fund Financial Statements:	29
Governmental Funds:	
B-1 Balance Sheet	30-31
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balance	32
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	33
Other Funds:	34
Proprietary Funds:	
B-4 Statement of Net Position	35
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	36
B-6 Statement of Cash Flows	37
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	38
B-8 Statement of Changes in Fiduciary Net Position	39
Notes to the Financial Statements	40-89

TABLE OF CONTENTS (Continued)

	Page
REQUIRED SUPPLEMENTARY INFORMATION - Part II	90
C. Budgetary Comparison Schedules:	91
C-1 Comparative Statements of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual-General Fund	92-100
C-1A General Fund – ARRA Education Jobs Fund	N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund	101
C-3 Budget to GAAP Reconciliation	102
REQUIRED SUPPLEMENTARY INFORMATION - Part III	103
L. Schedules Related to Accounting and Reporting for Pension (GASB 68)	104
L-1 Schedule of the District's Proportionate Share of the Net Pension Liability – Public Employees Retirement System – Last Ten Years	105
L-2 Schedule of the District's Contributions – Public Employees Retirement System – Last Ten Years	106
L-3 Schedule of the District's Proportionate Share of the Net Pension Liability Teachers Pension and Annuity Fund – Last Ten Years	107
L-4 Schedules Related to Accounting and Reporting for Pension (GASB 68) Note to RSI III for the Fiscal Year Ended June 30, 2020	108
REQUIRED SUPPLEMENTARY INFORMATION - Part IV	109
M. Schedule Related to Accounting and Reporting for Post-Retirement Benefits Other than Pension (GASB 75)	110
M-1 Schedule of Changes in the Total OPEB Liability and Related Ratios – Last Ten Years	111
M-2 Schedules Related to Accounting and Reporting for Post-Retirement Benefits (GASB 75) Note to RSI IV for the Fiscal Year Ended June 30, 2020	112
OTHER SUPPLEMENTARY INFORMATION	113
D. School Level Schedules	N/A
E. Special Revenue Fund:	114
E-1 Combining Schedule of Revenues and Expenditures Special Revenue Fund - Budgetary Basis	115-117
E-2 Demonstrably Effective Program Aid Schedule of Expenditures - Budgetary Basis	N/A
E-3 Early Childhood Program Aid Schedule of Expenditures - Budgetary Basis	N/A
E-4 Distance Learning Network Aid Schedule of Expenditures - Budgetary Basis	N/A
E-5 Instructional Supplement Aid Schedule of Expenditures - Budgetary Basis	N/A

TABLE OF CONTENTS (Continued)

	Page
F. Capital Projects Fund	118
F-1 Summary Statement of Project Expenditures - Budgetary Basis	119
F-1a Summary Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – Crockett Middle School – Roof Replacement	120
F-1b Summary Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – Energy Savings Improvement Program – Lease Purchase	121
F-1c Summary Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – Technology Equipment Lease Purchase	122
F-1d Summary Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – Technology Equipment Lease Purchase – FY2018 I	123
F-1e Summary Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – Technology Equipment Lease Purchase – FY2018 II	124
F-1f Summary Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – 2018 Referendum	125
F-1g Summary Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – Various Capital Equipment Lease Purchase – FY2019	126
F-1h Summary Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – Various Capital Equipment Lease Purchase – FY2020	127
F-2 Summary Schedule of Revenues, Expenditures - Budgetary Basis	128
G. Proprietary Funds	129
Enterprise Fund:	
G-1 Combining Statement of Net Position	130
G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	131
G-3 Combining Statement of Cash Flows – Enterprise Funds	132
G-4 Combining Statement of Net Position – Internal Service Funds	133
G-5 Combining Statement of Net Revenues – Internal Service Funds	134
G-6 Combining Statement of Cash Flows – Internal Service Funds	135
H. Fiduciary Fund	136
H-1 Combining Statement of Fiduciary Net Position	137
H-2 Combining Statement of Changes in Fiduciary Net Position	138
H-3 Schedule of Receipts and Disbursements - Student Activity Agency Fund	139
H-4 Schedule of Receipts and Disbursements - Payroll Agency Fund	140
H-5 Schedule of Receipt and Disbursements - Other Agency Funds	N/A
I. Long-Term Debt	141
I-1 Schedule of Serial Bonds	142
I-2 Schedule of Obligations Under Capital Leases	143
I-3 Budgetary Comparison Schedule - Debt Service Fund	144

TABLE OF CONTENTS (Continued)

	Page	
STATISTICAL SECTION - UNAUDITED		
J-1	Net Position by Component	145
J-2	Changes in Net Position	146-147
J-3	Fund Balances - Governmental Funds	148
J-4	Changes in Fund Balances - Governmental Funds	149
J-5	General Fund Other Local Revenue by Source	150
J-6	Assessed Value and Actual Value of Taxable Property	151
J-7	Direct and Overlapping Property Tax Rates	152
J-8	Principal Property Tax Payers - Current Year and Nine Years Ago	153
J-9	Property Tax Levies and Collections	154
J-10	Ratios of Outstanding Debt by Type	155
J-11	Ratios of Net Bonded Debt Outstanding	156
J-12	Direct and Overlapping Governmental Activities Debt	157
J-13	Legal Debt Margin Information	158
J-14	Demographic and Economic Statistics	159
J-15	Principal Employers - Current Year and Nine Years Ago	160
J-16	Full-Time Equivalent District Employees by Function/Program	161
J-17	Operating Statistics	162
J-18	School Building Information	163-165
J-19	Schedule of Required Maintenance	166
J-20	Insurance Schedule	167

SINGLE AUDIT SECTION

K-1	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	168-169
K-2	Independent Auditor's Report on Compliance with Requirements Applicable to Major Federal and State Financial Assistance Programs and Internal Control Over Compliance in Accordance with Federal Uniform Guidance and New Jersey OMB Circular 15-08	170-171
K-3	Schedule of Expenditures of Federal Awards, Schedule A	172
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	173
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	174-175
K-6	Schedule of Findings and Questioned Costs	176-178
K-7	Schedule of Prior Audit Findings	179

INTRODUCTORY SECTION



HAMILTON TOWNSHIP SCHOOL DISTRICT

OFFICE OF THE SUPERINTENDENT OF SCHOOLS
90 Park Avenue, Hamilton, New Jersey 08690

Telephone 609-631-4100 ext. 3058

Fax: 609-631-4103

Website: www.htsdnj.org

Twitter: @WeAreHTSD

Facebook: @WeAreHTSD

January 25, 2021

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 (CAFR) of the Hamilton Township School District for the fiscal year ended June 30, 2020. 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.

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 Management's Discussion & Analysis, the basic financial statements, required supplemental information and other supplemental information, 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 Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the State of New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, is included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Hamilton Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). All funds and the government-wide financial statements of the District are included in this report. 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 special education for handicapped students. The District sends its vocational students to county vocational schools, which are more suited to provide that type of educational program. The District completed the 2019-20 fiscal year with an average daily enrollment of 11,550. 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>
2019-20	11,549.7	+1.10%
2018-19	11,424.4	+0.05%
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%

2) MAJOR INITIATIVES:

DISTRICT

The District continued implementation of a \$53 million bond referendum for security and life safety improvements, roof and window replacements, and ceiling and ADA upgrades districtwide. In addition, HVAC upgrades were installed at Nottingham, Grice and Reynolds, the emergency generator at Steinert and pool boiler at West were replaced, and a new roof was installed on the Administrative Building.

Through the efforts of the Department of Student Services and Programs, the district recouped \$1,829,199 in Extraordinary Aid.

The following educational initiatives took place during the **2019-2020 School Year:**

English Language Arts

- Continued implementation of *Schoolwide Reading Series* – Grades 3-5
- Continued implementation of *Reading A-Z Program* – Grades K-5
- Continued implementation of *Newsela, Noodle Tools, and Turnitin* (Grades 6-12)
- Continued implementation of *iReady Reading* – Grades 1-8
- Continued implementation of *Study Island Reading* – Grades 1-2
- Revised Curriculum (where applicable)
- Professional Development (where applicable)

English as a Second Language

- Professional Development (where applicable)
- Curricular resources to support ELLs in science and social studies
- Continued implementation of Ellevation program

Mathematics

- Revised Curriculum (where applicable)
- Continuation of Algebra I Units of Study
- Professional Development (where applicable)
- Continued implementation of Imagine Math (Grades 6-12)
- Continued implementation of iReady Math – Grades 1-5
- Continued implementation of Study Island Math – Grades 1-2
- Continued implementation of *Math Expressions Series* (K-5)
- New AP Calculus Textbooks (9-12)

World Language

- Continuation of Seal of Biliteracy (9-12)
- Continuation of Middlebury Spanish Program (K-5)
- Spanish Assemblies (K-5)
- Online curricular resources;
- Revised Curriculum (where applicable)
- Professional Development (where applicable)

Science/Applied Tech

- Revised Curriculum (where applicable)
- Professional Development (where applicable)
- Continuation of Lesson Design (Learner Active Technology Infused Classroom) – Grades 6-8
- Continuation of Mystery Science (K-5)
- Continued science/applied tech equipment enhancements (6-12)
- New textbooks for Environmental Science, Organic Chemistry, and Physics (9-12)

Social Studies

- Revised Curriculum (where applicable)
- Professional Development (where applicable)
- New World History Textbook Series (9-12)

Fine & Performing Arts

- Revised Curriculum (where applicable)
- Professional Development (where applicable)
- Continued implementation of Smart Music Program
- Continued implementation of Quaver Music Program
- Continued instrument and art equipment rotation (6-12)
- Continued band uniform rotation (9-12)

Assessment

- Continuation of PSAT 9, 10, 11
- Continued payment of students taking AP exam
- Continuation of CogAT – Grade 2

Technology

- Additional devices (K-12)

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, 2020.

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, 2020 and the amount and percentage of increase in relation to prior year revenues.

	Revenue	Percentage of Total	(Decrease)/ Increase From 2019	Percentage Decrease/ Increase
Local Sources	\$ 125,203,142	51.89%	\$ 4,815,506	3.85%
Intermediate Sources	\$ 438,674	0.18%	\$ 438,674	100.00%
State Sources	108,764,470	45.08%	1,715,349	1.58%
Federal Sources	6,871,261	2.85%	960,272	13.98%
Total	\$ 241,277,547	100.00%	\$ 7,929,801	

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, 2020 and the percentage of increases and decreases in relation to prior year amounts.

	Expenditure	Percentage of Total	(Decrease)/ Increase From 2019	Percentage Decrease/ Increase
Current Expenditures:				
Instruction	\$ 80,267,213	31.24%	\$ 1,147,773	1.43%
Support Services & Undistributed Costs	139,298,911	54.21%	(2,025,188)	-1.45%
Special Revenue:				
Instruction	6,445,258	2.51%	894,026	13.87%
Support Services & Undistributed Costs	1,549,296	0.60%	(33,355)	-2.15%
Debt Service:				
Principal	5,473,000	2.13%	1,208,000	22.07%
Interest	2,400,765	0.93%	(976,388)	-40.67%
Capital Outlay	21,540,828	8.38%	2,800,360	13.00%
Total	\$ 256,975,271	100.00%	\$ 3,015,228	

7) DEBT ADMINISTRATION: On June 30, 2020, the District reported outstanding principal debt of \$73,145,000 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.

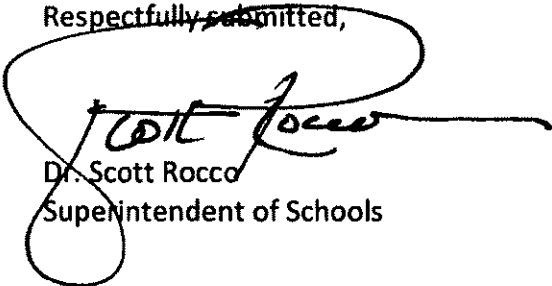
9) RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision hazard and theft insurance on property, contents and fidelity bonds.

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.

Respectfully submitted,



Dr. 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, 2020**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Susan Lombardo, President	2020
Pamela Kelly, Vice President	2022
Cameron Cardinale	2020
Dr. Susan Ferrara	2021
Albert Gayzik	2020
Angelo Hall	2021
Richard J. Kanka	2021
Dr. Jason McSheene	2022
Dina Thornton	2022
<u>Other Officials</u>	
Dr. Scott Rocco, Superintendent	
Katherine Attwood, Business Administrator/Board Secretary	

HAMILTON TOWNSHIP SCHOOL DISTRICT

CONSULTANTS AND ADVISORS

AUDIT FIRM

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

ATTORNEY

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

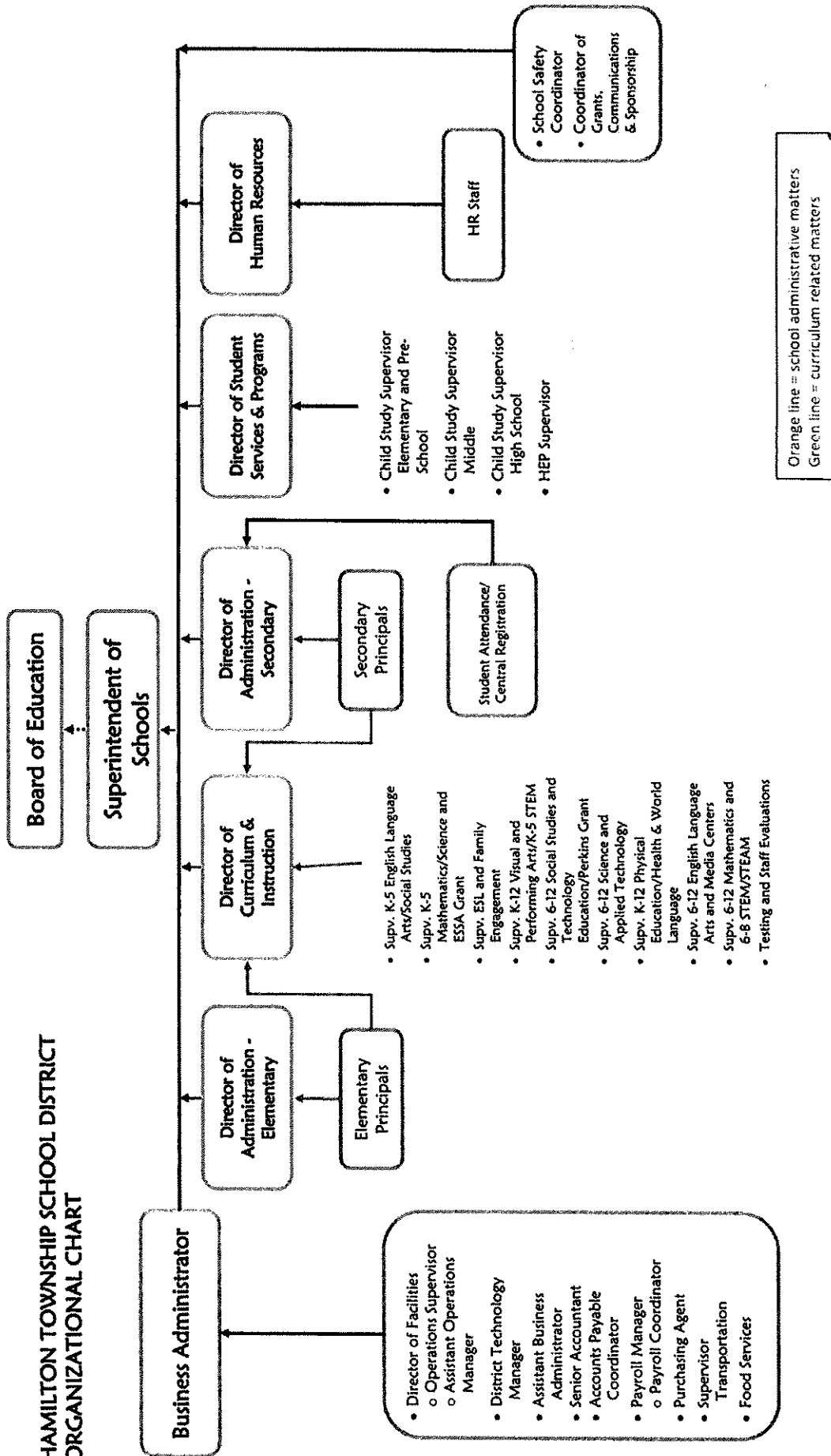
ARCHITECT

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

OFFICIAL DEPOSITORY

TD Bank
Mount Laurel, New Jersey

HAMILTON TOWNSHIP SCHOOL DISTRICT ORGANIZATIONAL CHART



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

FINANCIAL SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Hamilton Township School District
County of Mercer
Hamilton, New Jersey 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, 2020, 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, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information in Exhibit C-1 through C-3, 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 and M-2, are 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 January 25, 2021 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

January 25, 2021

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, 2020

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, 2020. 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. 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 2019-2020 fiscal year include the following:

In the District-Wide statements, net position of governmental activities increased \$7,105,885 which represents a 30.87% increase from fiscal year 2019.

The Board realized a positive change in net position in the District's food service program in the amount of \$338,333 resulting in total net position of \$1,612,132 for the fiscal year ended June 30, 2020.

Governmental funds reported a total fund balance of \$37,876,635 which is a 26.27% decrease from last year's total governmental fund balance. This decrease was, in large part, the result of the expenditures against the District's FY2018 Referendum. The general or operating fund balance was reported at \$15,942,019 of which \$5,000,000 was appropriated toward the 2020-21 budget. Total expenditures for all governmental funds were \$256,975,271. Total revenues, including the Other Financing Sources were \$243,477,547 resulting in a deficit of revenues over expenditures of \$13,497,724 for the year. Revenues and Other Financing Sources decreased \$8,329,801 over last year. Included are \$115,635,731 in state and federal aid and \$120,663,896 in local taxes.

The district the district invested the bond proceeds and approved the interest earned to offset future debt payments on the issued bonds.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

Figure A-1

Organization of the School District Annual Financial Report

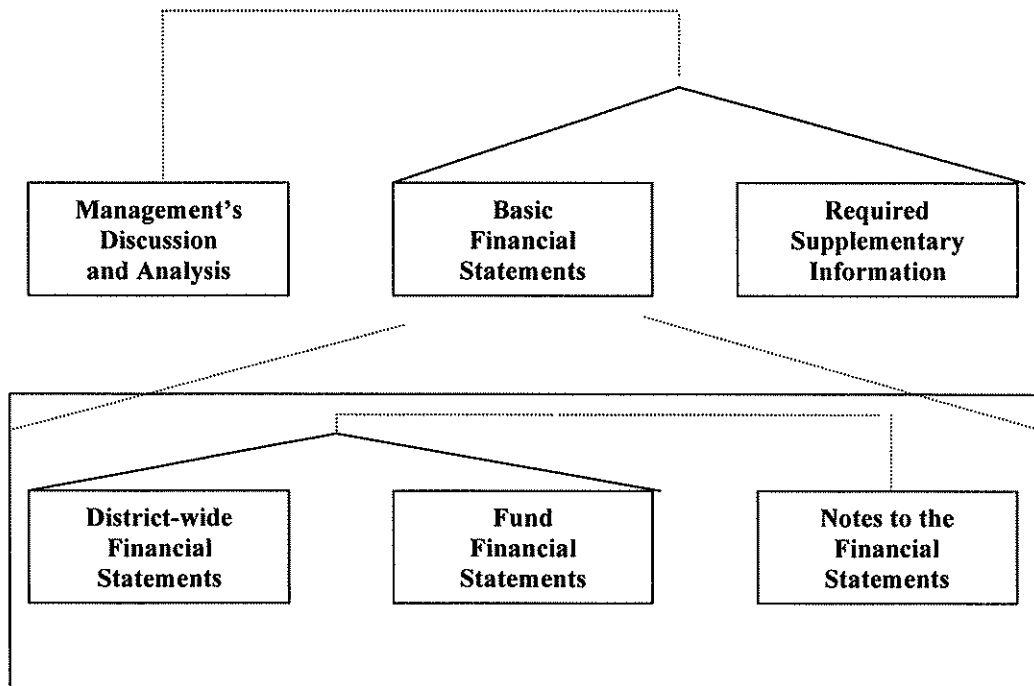


Figure A-2 summarizes the major features of the district’s financial statements, including the portion of the district’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and the contents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

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

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

District-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The district has three kinds of funds:

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The school district's Governmental Activities net position was a deficit \$15,915,136 at June 30, 2020 representing a decrease of 31% over fiscal year 2019. This amount included an unrestricted deficit amount of \$65,860,284. 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 \$65,516,598. 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**

	2020			2019		
	Governmental Activities	Business Activities	Total	Governmental Activities	Business Activities	Total
ASSETS						
Current & Other Assets	\$45,326,161	\$2,448,263	\$47,774,424	\$61,551,554	\$2,100,262	\$63,651,816
Capital Assets	108,236,898	452,742	108,689,640	93,750,918	301,726	94,052,644
TOTAL ASSETS	153,563,059	2,901,005	156,464,064	155,302,472	2,401,988	157,704,460
DEFERRED OUTFLOWS OF RESOURCES:						
Loss on Refunding of Long Term Debt	950,513		950,513	1,180,941		1,180,941
Premium on Refunding of Long Term Debt	383,283		383,283	593,609		593,609
Pension Related	10,227,337		10,227,337	15,549,571		15,549,571
TOTAL DEFERRED OUTFLOWS	11,561,133		11,561,133	17,324,121		17,324,121
LIABILITIES						
Long-Term Liabilities	138,756,191		138,756,191	152,116,589		152,116,589
Other Liabilities	19,784,423	1,288,873	21,073,296	22,164,460	1,128,189	23,292,649
TOTAL LIABILITIES	158,540,614	1,288,873	159,829,487	174,281,049	1,128,189	175,409,238
DEFERRED INFLOWS OF RESOURCES:						
Pension Related	22,262,114		22,262,114	20,984,365		20,984,365
Gain on Refunding Bonds	236,600		236,600	382,200		382,200
	22,498,714		22,498,714	21,366,565		21,366,565
NET POSITION						
Net investment in capital assets	37,459,058	452,742	37,911,800	33,955,889	301,726	34,257,615
Restricted	11,843,713		11,843,713	8,883,374		8,883,374
Unrestricted:						
Pension related (deficit)	(65,053,374)		(65,053,374)	(65,516,598)		(65,516,598)
Other	(164,533)	1,159,390	994,857	(343,686)	972,073	628,387
TOTAL NET POSITION	(\$15,915,136)	\$1,612,132	(\$14,303,004)	(\$23,021,021)	\$1,273,799	(\$21,747,222)

The unrestricted net position of governmental activities is broken into two elements. The deficit of \$65,053,374 represents the effect of the required accrual of the District's share of the Net Pension Liability the remainder of a deficit \$164,533 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**

	2020			2019		
	Governmental Activities	Business Activities	Total	Governmental Activities	Business Activities	Total
Revenues:						
Program Revenues:						
Operating Grants & Contributions	\$49,734,052	\$2,678,518	\$52,412,570	\$59,630,373	\$2,375,741	\$62,006,114
Charges for Services		807,580	807,580		1,068,626	1,068,626
General Revenues						
Property Taxes	120,663,896		120,663,896	117,593,818		117,593,818
Grants (includes State Aid) and Entitlements	75,929,686		75,929,686	75,084,616		75,084,616
Other Revenues	4,911,011	98,916	5,009,927	2,744,631	24,203	2,768,834
Cancellation of Prior Year Account Receivable						
Disposal of Capital Assets						
	<u>251,238,645</u>	<u>3,585,014</u>	<u>254,823,659</u>	<u>255,053,438</u>	<u>3,468,570</u>	<u>258,522,008</u>
Expenses:						
Instruction	152,395,155		152,395,155	154,339,638		154,339,638
Support Services & Undistributed Costs	85,178,867		85,178,867	94,511,564		94,511,564
Interest on Long-Term Debt	2,418,381		2,418,381	3,543,291		3,543,291
Unallocated Depreciation	4,140,357		4,140,357	3,453,312		3,453,312
Business-Type		3,246,681	3,246,681		3,640,981	3,640,981
Total Expenses	<u>244,132,760</u>	<u>3,246,681</u>	<u>247,379,441</u>	<u>255,847,805</u>	<u>3,640,981</u>	<u>259,488,786</u>
Change in Net Position	7,105,885	338,333	7,444,218	(794,367)	(172,411)	(966,778)
Net Position July 1, (deficit)	<u>(23,021,021)</u>	<u>1,273,799</u>	<u>(21,747,222)</u>	<u>(22,226,654)</u>	<u>1,446,210</u>	<u>(20,780,444)</u>
Net Position June 30, (deficit)	<u>(15,915,136)</u>	<u>1,612,132</u>	<u>(14,303,004)</u>	<u>(23,021,021)</u>	<u>1,273,799</u>	<u>(21,747,222)</u>

As reported in the Statement of Activities, expenditures for governmental activities this year totaled \$244,132,760. These costs were financed by \$120,663,896 in local property school taxes, \$115,635,731 in operating grants and federal and state aid, and \$4,911,011 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>2020</u>	Total Cost of Services <u>2019</u>	Net Cost of Services <u>2020</u>	Net Cost of Services <u>2019</u>
Instruction	152,395,155	\$154,339,638	\$116,362,353	\$112,684,925
Support Services & Undistributed Costs	85,178,867	94,511,564	71,762,422	76,924,568
Interest on Long-Term Debt	2,418,381	3,543,291	2,133,575	3,154,626
Business-Type	3,246,681	3,640,981	(239,417)	196,614
Other	4,140,357	3,453,312	4,140,357	3,453,312
Total Expenses	<u>\$247,379,441</u>	<u>\$259,488,786</u>	<u>\$194,159,291</u>	<u>\$196,414,045</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 \$37,876,635 which represents a decrease of \$13,497,724 from the previous year. This is due mainly to the District's second year spending of the September 2017 referendum 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 \$31,908,795 This is due primarily to two factors:

1. The State reimbursement in the amount of \$6.3 million for social security contributions and \$23.8 million on behalf 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. Increase of \$1,229,199 in Extraordinary Aid.

Actual expenditures reflect a negative variance of \$18,201,680 million This again is primarily due to the State requirement to include behalf of TPAF pension and post-retirement medical benefits contributions in the audit.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2020, the school district had \$108,236,898 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 \$14,485,980 or 15.45% from fiscal year 2019.

Figure A-6

	Net Investment in Capital Assets	
	Governmental Activities	
	<u>2020</u>	<u>2019</u>
Land	\$1,248,202	\$1,248,202
Construction in Progress	35,326,151	23,722,309
Buildings & Improvements	68,246,346	64,913,519
Furniture, Equipment & Vehicles	3,416,199	3,866,888
	<u>\$108,236,898</u>	<u>\$93,750,918</u>

This year's net additions are reported at \$19,352,187 Depreciation totaled \$4,866,207.

Long-Term Debt

At the end of this year, the school district has \$147,001,798 outstanding, as detailed below, versus \$160,359,427 last year – a net decrease of 8%. The great majority of the decrease is attributable to the Net Pension Liability which decreased \$7,475,283. This was in large part due to changes in the actuarial assumptions used to calculate the liability. The long-term debt consisted of the following:

	Balance	Balance
	June 30,	June 30,
	<u>2020</u>	<u>2019</u>
Compensated Absences	\$3,824,582	\$3,450,596
Bonds Payable	73,145,000	78,618,000
Unamortized Bond Premium	383,283	593,610
Net Pension Liability	49,912,067	57,387,350
Capital Leases Payable	19,736,865	20,309,972
	<u>\$147,001,798</u>	<u>\$160,359,427</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 73,145,000 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%.
- 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 and aid will continue to increase.
- Health benefit reforms have assisted in containing the health costs. 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 continues to commit 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.
- 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, 2020

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, 2020

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS:			
Cash and cash equivalents	\$8,347,894	\$1,823,673	\$10,171,567
Receivables, net	4,007,252	444,432	4,451,684
Inventory	250,490	180,158	430,648
Interfunds	356,238		356,238
Restricted assets:			
Cash and cash equivalents	11,142,975		11,142,975
Cash with fiscal agents	21,221,312		21,221,312
Capital assets:			
Land and Construction in progress	36,574,353		36,574,353
Other Capital Assets net of depreciation	71,662,545	451,919	72,114,464
Total Assets	153,563,059	2,900,182	156,463,241
DEFERRED OUTFLOWS OF RESOURCES:			
Related to pensions	10,227,337		10,227,337
Related to loss on refunding bonds	950,513		950,513
Related to premium on refunding bonds	383,283		383,283
Total Deferred Outflow of Resources	11,561,133		11,561,133
LIABILITIES:			
Accounts payable	9,856,642	137,535	9,994,177
Interfunds payable		245,422	245,422
Payable to state government	226,835		226,835
Payable to federal government	77		77
Unearned revenue	472,502	161,473	633,975
Accrued Interest Payable	982,760		982,760
Accrued Liability for Insurance Claims		744,443	744,443
Noncurrent liabilities:			
Due within one year:			
Bonds and capital leases payable	8,245,607		8,245,607
Due beyond one year:			
Net Pension Liability	49,912,067		49,912,067
Compensated absences payable	3,824,583		3,824,583
Bonds and capital leases payable	85,019,541		85,019,541
Total liabilities	158,540,614	1,288,873	159,829,487
DEFERRED INFLOWS OF RESOURCES:			
Related to pensions	22,262,114		22,262,114
Gain on Refunding Bonds	236,600		236,600
	22,498,714		22,498,714
NET POSITION:			
Net investment in capital assets	37,459,058	451,919	37,910,977
Restricted for:			
Capital projects	8,739,507		8,739,507
Debt service fund	450,249		450,249
Other purposes	2,653,958		2,653,958
Unrestricted (deficit)	(65,217,907)	1,159,390	(64,058,517)
Total net position	(\$15,915,136)	\$1,611,309	(\$14,303,826)

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
JUNE 30, 2020

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
Governmental Activities:						
Instruction:						
Regular	\$ 59,682,836	\$ 31,538,019	\$	\$ 19,657,129	\$ (71,563,726)	\$ (71,563,726)
Special	27,042,012	22,941,068		13,902,799	(36,080,281)	(36,080,281)
Other instruction	7,212,503	3,978,716		2,472,873	(8,718,346)	(8,718,346)
Support services:						
Tuition	12,367,581	(12,367,581)				
Student and instruction related services	25,207,971	10,519,151		8,290,635	(27,436,488)	(27,436,488)
General administrative services	2,203,988	108,688		15,208	(2,287,467)	(2,287,467)
School administrative services	9,867,852	4,608,547		3,047,761	(11,428,638)	(11,428,638)
Central service/Admin information technology	3,466,465	1,256,189		136,329	(4,586,325)	(4,586,325)
Plant operations and maintenance	14,350,057	3,294,094		454,612	(17,189,539)	(17,189,539)
Pupil transportation	10,081,502	214,364		1,471,901	(8,823,965)	(8,823,965)
Unallocated benefits	65,365,404	(65,365,404)				
Interest on Long-Term Debt	2,418,381			284,806	(2,133,575)	(2,133,575)
Unallocated depreciation	4,866,207	(725,850)			(4,140,357)	(4,140,357)
Total governmental activities	244,132,760			49,734,052	(194,398,708)	(194,398,708)
Business-type activities						
Food Service	3,246,681		807,580	2,678,518	239,417	239,417
Total business-type activities	3,246,681		807,580	2,678,518	239,417	239,417
Total primary government	\$ 247,379,441	\$	\$ 807,580	\$ 52,412,570	\$ (194,398,708)	\$ (194,159,291)
General Revenues:						
Taxes:						
Property taxes, levied for general purposes, net					\$ 113,961,826	\$ 113,961,826
Taxes levied for debt service					6,702,070	6,702,070
Federal and state aid not restricted					75,262,389	75,262,389
Federal and state aid restricted					667,297	667,297
Miscellaneous income					4,911,011	5,009,927
Total general revenues and special items					201,504,593	201,603,509
Change in Net Position					7,105,885	7,444,218
Net Position - beginning (deficit)					(23,021,021)	(21,747,222)
Net Position ending (deficit)					(15,915,136)	(14,303,004)

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, 2020

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS:					
Cash and cash equivalents	\$ 5,254,042	\$ 168,539	\$ 2,831,058	\$ 94,255	8,347,894
Cash with fiscal agents			21,221,312		21,221,312
Receivables from other governments	2,160,754	1,762,997			3,923,751
Other receivables	250,981	10,639			261,620
Interfund Accounts Receivable	1,454,861			450,249	1,905,110
Inventory	250,490				250,490
Restricted cash and cash equivalents	11,142,975				11,142,975
Total assets	\$ 20,514,103	\$ 1,942,175	\$ 24,052,370	\$ 544,504	\$ 47,053,152
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	4,526,878	1,211,862	1,011,372		6,750,112
Payable to state government		226,835			226,835
Payable to federal government		77			77
Interfund payables	35,206	40,899	1,650,886		1,726,991
Unearned revenue	10,000	462,502			472,502
Total liabilities	4,572,084	1,942,175	2,662,258		9,176,517
Fund balances:					
Nonspendable:					
Inventory	250,490				250,490
Restricted:					
Capital reserve account	8,739,507				8,739,507
Maintenance reserve account	1,803,468				1,803,468
Emergency reserve account	600,000				600,000
Capital Projects			6,489,804		6,489,804
Debt Service				450,249	450,249
Committed for:					
For Encumbrances			14,900,308		14,900,308
Assigned:					
Designated for Subsequent Year's Expenditures	4,548,555			94,255	4,642,810
Total fund balances	15,942,019		21,390,112	544,504	37,876,635
Total liabilities and fund balances	\$ 20,514,103	\$ 1,942,175	\$ 24,052,370	\$ 544,504	\$ 47,053,152

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, 2020

Total Fund Balances (Brought Forward)	\$	37,876,635
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	\$ 191,901,888	
Accumulated Depreciation	<u>(83,664,990)</u>	108,236,898
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	(49,912,067)	
Compensated Absences	(3,824,583)	
Bonds Payable	(73,145,000)	
Deferred Amount on Gain on Refunding Bonds	(383,283)	
Capital Leases	<u>(19,736,865.00)</u>	(147,001,798)
Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.		
Pensions:		
Deferred Outflows		
Pension related	10,227,337	
Loss on Refunding Bonds	950,513	
Premium on Refunding Bonds	<u>383,283</u>	11,561,133
Deferred Inflows:		
Pension related	(22,262,114)	
Gain on Refunding Bonds	<u>(236,600)</u>	(22,498,714)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.		
Accounts Payable - Pension Related	(3,106,530)	
Accrued Interest Payable	<u>(982,760)</u>	(4,089,290)
Net Position of Governmental Activities	\$	<u><u>(15,915,136)</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, 2020

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local sources:					
Local tax levy	\$ 113,961,826	\$	\$	\$ 6,702,070	\$ 120,663,896
Tuition from Individuals	80,150				80,150
Tuition from Other LEAs Within the State	101,723				101,723
Transportation Fees From Individuals	37,065				37,065
Transportation Fees From Other LEAs	12,207				12,207
Interest Earned on Capital Reserve	100,194				100,194
Interest Earned on Maintenance Reserve	12,023				12,023
Interest on Investments	393,042		1,666,499		2,059,541
Unrestricted Miscellaneous Revenue	2,069,432	66,910			2,136,342
Total - local sources	116,767,663	66,910	1,666,499	6,702,070	125,203,142
Intermediate Sources:					
PILOT Payments to School District	438,674				438,674
Total Intermediate Sources	438,674				438,674
State sources	106,506,651	1,308,466		949,353	108,764,470
Federal sources	249,333	6,621,928			6,871,261
Total revenues	223,962,321	7,997,304	1,666,499	7,651,423	241,277,547
EXPENDITURES:					
Current expense:					
Regular instruction	54,810,460				54,810,460
Special instruction	18,830,157	6,445,258			25,275,415
Other Instruction	6,626,596				6,626,596
Support services:					
Tuition	12,367,581				12,367,581
Student & instruction related services	22,061,421	1,549,296			23,610,717
General administrative services	3,540,250				3,540,250
School administrative services	7,805,496				7,805,496
Central service/Admin information technology	3,429,885				3,429,885
Plant operations and maintenance	15,028,026				15,028,026
Pupil transportation	10,074,834				10,074,834
Unallocated benefits	64,991,418				64,991,418
Debt Service:					
Principal				5,473,000	5,473,000
Interest				2,400,765	2,400,765
Capital outlay	1,216,030	2,750	20,322,048		21,540,828
Total expenditures	220,782,154	7,997,304	20,322,048	7,873,765	256,975,271
Excess (deficiency) of revenues over (under) expenditures	3,180,167	-	(18,655,549)	(222,342)	(15,697,724)
Other financing sources (uses):					
Transfers In/out	38,192		(488,441)	450,249	
Capital Lease Proceeds			2,200,000		2,200,000
Total other financing sources/(uses)	38,192		1,711,559	450,249	2,200,000
Net change in fund balances	3,218,359	-	(16,943,990)	227,907	(13,497,724)
Fund balances, July 1, 2019	\$ 12,723,660	\$ -	\$ 38,334,102	\$ 316,597	\$ 51,374,359
Fund balances, June 30, 2020	\$ 15,942,019	\$ -	\$ 21,390,112	\$ 544,504	\$ 37,876,635

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, 2020

Total net change in fund balances - governmental funds (from B-2)	\$	(13,497,724)
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation expense		(4,866,207)
Capital outlays	\$ 21,540,828	
Less: Capital Outlays not capitalized	<u>(2,188,641)</u>	19,352,187
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p> <p>Bonds Paid by Budget</p>		
		5,473,000
<p>Proceeds from debt issues are a financing source in governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position.</p> <p>Capital lease proceeds - Current Year</p>		
		(2,200,000)
<p>Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p> <p>Payment of capital lease payable</p>		
		2,773,007
<p>In the statement of activities, interest on long-term debt is accrued, regardless of when due. In governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.</p>		
		67,212
<p>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.</p>		
		(84,828)
<p>District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.</p>		
District pension contributions	\$ 2,694,454	
Less: Pension expense	<u>(2,231,230)</u>	463,224
<p>In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-). When the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p>		
		<u>(373,986)</u>
Change in net position of governmental activities (A-2)	\$	<u>7,105,885</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
JUNE 30, 2020

	<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	\$833,808	\$989,865
Accounts receivable		
State	12,482	
Federal	231,162	
Other	184,799	
Interfund Receivable	15,989	
Inventories	180,158	
	<hr/>	<hr/>
Total current assets	1,458,398	989,865
	<hr/>	<hr/>
Noncurrent assets:		
Furniture, machinery and equipment	1,269,977	
Less accumulated depreciation	(818,058)	
	<hr/>	<hr/>
Total noncurrent assets	451,919	
	<hr/>	<hr/>
Total assets	1,910,317	989,865
	<hr/>	<hr/>
LIABILITIES:		
Current liabilities:		
Interfund payable		245,422
Accounts payable	137,535	
Unearned revenue	161,473	
Accrued liability for insurance claims		744,443
	<hr/>	<hr/>
Total liabilities	299,008	989,865
	<hr/>	<hr/>
NET POSITION:		
Net investment in capital assets	451,919	
Unrestricted	1,159,390	
	<hr/>	<hr/>
Total net position	\$1,611,309	
	<hr/> <hr/>	<hr/> <hr/>

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>GOVERNMENTAL ACTIVITIES</u>
	<u>ENTERPRISE FUND</u>	<u>INTERNALSERVICE FUND</u>
	<u>FOOD SERVICE FUND</u>	<u>WORKERS'</u>
	<u>SCHOOL NUTRITION</u>	<u>COMPENSATION FUND</u>
OPERATING REVENUES:		
Charges for services:		
Daily sales - reimbursable programs	\$303,757	
Daily sales - non-reimbursable programs	503,718	
Other income	105	
	<hr/>	<hr/>
Total operating revenues	807,580	<hr/>
OPERATING EXPENSES:		
Salaries	1,183,647	
Employee benefits	271,763	
Management and consultant fees	181,437	
Insurance	41,454	
Other Purchased Services	141,914	
Other Purchased Property Services (Repairs)	21,259	
Supplies and materials	345,597	
Depreciation	41,236	
Miscellaneous	999	
Cost of sales - reimbursable	991,608	
Cost of sales - non-reimbursable	25,767	
	<hr/>	<hr/>
Total operating expenses	3,246,681	<hr/>
Operating income (loss)	(2,439,101)	<hr/>
NONOPERATING REVENUES (EXPENSES):		
State sources		
State school lunch program	46,343	
Federal sources:		
National school lunch program	1,794,469	
National school breakfast program	635,747	
Healthy Hunger-Free Kids Act	46,920	
Special Milk	608	
Fresh Fruit and Vegetable	8,169	
Food Distribution Program	127,421	
Interest & Investment Revenue	18,841	
Miscellaneous-prior year payables canceled	98,916	
Disposal of capital asset (net)	(823)	
	<hr/>	<hr/>
Total Nonoperating Revenues/(Expenses)	2,776,611	<hr/>
Excess (deficiency) of revenues over (under) expenditures	337,510	
Other financing sources (uses):		
Claims Cancelled		50,000
Transfers In/out		(50,000)
	<hr/>	<hr/>
Total other financing sources (uses)		
Net change in net position	337,510	
Total net position - beginning	1,273,799	<hr/>
Total net position - ending	\$1,611,309	<hr/> <hr/>

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, 2020

	<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'</u>
		<u>COMPENSATION FUND</u>
Cash flows from operating activities:		
Receipts from customers, net	\$788,067	
Payments for employees and benefits	(311,498)	
Payments to vendors	(2,829,979)	
Cash Payments for Employee Benefits - Net		(\$43,435)
Net cash provided by (used for) operating activities	<u>(2,353,410)</u>	<u>(43,435)</u>
Cash flows from noncapital financing activities:		
Federal and State sources	2,434,147	
Transfers to other funds	(18,475)	50,000
Net cash provided by noncapital financing activities	<u>2,415,672</u>	<u>50,000</u>
Cash flows from capital and related financing activities:		
Acquisition of Capital Assets	(64,736)	
Net cash provided by (used for) capital and related financing activities	<u>(64,736)</u>	
Cash Flows From Investing Activities:		
Interest on Deposits	18,841	
Net Cash Provided/(Used) by Investing Activities	<u>18,841</u>	
Net increase (decrease) in cash and cash equivalents	16,367	6,565
Cash and cash equivalents, July 1, 2019	<u>817,441</u>	<u>983,300</u>
Cash and cash equivalents, June 30, 2020	<u>\$833,808</u>	<u>\$989,865</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities		
Operating income (loss)	(\$2,439,101)	
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	41,236	
Federal commodities	127,421	
(Increase) decrease in inventories	(171,664)	
(Increase) decrease in interfunds receivable	(15,989)	
(Increase) decrease in other accounts receivable	(39,307)	
Increase (decrease) in accounts payable	9,468	
Increase (decrease) in unearned revenue	134,526	
Increase (decrease) in claims payable		(43,435)
Total Adjustments	<u>85,691</u>	<u>(43,435)</u>
Net cash provided by (used for) operating activities	<u>(\$2,353,410)</u>	<u>(\$43,435)</u>

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	PRIVATE PURPOSE			AGENCY FUNDS		TOTAL JUNE 30
	UNEMPLOYMENT COMPENSATION TRUST	SCHOLARSHIP	PAYROLL AGENCY	STUDENT ACTIVITY		
ASSETS:						
Cash and cash equivalents	\$ 2,447,947	\$ 144,034	\$ 94,462	\$ 539,921		3,226,364
Other accounts receivable			48,818			48,818
Interfunds Receivable		69,953				69,953
Total assets	2,447,947	213,987	143,280	539,921		3,345,135
LIABILITIES:						
Payroll Deductions and Withholdings			80,491			80,491
Interfund Payable			18,639			18,639
Due to Employees			44,150			44,150
Due to Student Groups				539,921		539,921
Total liabilities			143,280	539,921		683,201
NET POSITION:						
Held in Reserve for Unemployment Claims	2,447,947					2,447,947
Reserved for Scholarships		213,987				213,987
Total net position	\$ 2,447,947	\$ 213,987	\$	\$		2,661,934

HAMILTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>UNEMPLOYMENT COMPENSATION TRUST</u>	<u>PRIVATE PURPOSE SCHOLARSHIP</u>	<u>TOTAL JUNE 30,</u>
ADDITIONS:			
Contributions:			
Plan Members	\$ 381,233	\$	381,233
Investment Earnings:			
Interest Earned	<u>35,582</u>	<u>2,668</u>	<u>38,250</u>
Total Additions	<u>416,815</u>	<u>2,668</u>	<u>419,483</u>
DEDUCTIONS:			
Unemployment Claims	196,580		196,580
Scholarships Awarded		<u>23,750</u>	<u>23,750</u>
Total deductions	<u>196,580</u>	<u>23,750</u>	<u>220,330</u>
Change in net position	220,235	(21,082)	199,153
Net position beginning of year	<u>2,227,712</u>	<u>235,069</u>	<u>2,462,781</u>
Net position end of year	<u>\$ 2,447,947</u>	<u>\$ 213,987</u>	<u>\$ 2,661,934</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, 2020

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, 2020

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, 2020

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, 2020

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, 2020

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, 2020

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, 2020 totaled \$1,512,181.00.

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, 2020

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 fund 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, 2020

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, 2020

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, 2020

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, Emergency 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, 2020

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 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, 2020

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, 2020

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 that are related to pensions.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2020

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, 2020:

<u>Fund Type</u>	<u>Amount</u>
Cash in Bank:	
Governmental Funds	\$ 46,913,816
Proprietary Funds	2,286,473
Fiduciary Funds	4,454,889
Total Cash in Bank	\$ 53,655,179
Less: Reconciling Items	<u>(7,892,962)</u>
Reconciled Balance	<u>\$ 45,762,218</u>

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2020

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, 2020, 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 \$53,655,179, \$743,525 was covered by Federal Depository Insurance; \$27,595,188 was covered under the provisions of NJGUDPA; \$26,865 was held in escrow with fiscal agents and \$25,289,601 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, 2020

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, 2020, the District has \$25,289,601 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, 2020

NOTE 3: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions & Transfers</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$1,248,202			\$1,248,202
Construction in Progress	23,722,309	16,066,511	(4,462,669)	35,326,151
Total Capital Assets not being depreciated	<u>24,970,511</u>	<u>16,066,511</u>	<u>(4,462,669)</u>	<u>36,574,353</u>
Buildings & Building Improvements	132,302,460	2,879,740	4,462,669	139,644,869
Machinery & Equipment	15,420,676	405,936	(143,946)	15,682,666
Totals at historical cost	<u>147,723,136</u>	<u>3,285,676</u>	<u>4,318,723</u>	<u>155,327,535</u>
Gross Assets (Memo only)	<u>172,693,647</u>	<u>19,352,187</u>	<u>(143,946)</u>	<u>191,901,888</u>
Less: Accumulated Depreciation				
Buildings & Building Improvements	(67,388,941)	(4,009,582)		(71,398,523)
Machinery & Equipment	(11,553,788)	(856,625)	(143,946)	(12,266,467)
Total Depreciation	<u>(78,942,729)</u>	<u>(4,866,207)</u>	<u>(143,946)</u>	<u>(83,664,990)</u>
Total capital assets being depreciated, net of depreciation	<u>68,780,407</u>	<u>(1,580,531)</u>	<u>4,462,669</u>	<u>71,662,545</u>
Total Governmental Activities (net)	<u>\$93,750,918</u>	<u>\$14,485,980</u>		<u>\$108,236,898</u>

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2020

NOTE 3: CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions & Transfers</u>	<u>Ending Balance</u>
Proprietary Activities:				
Machinery & Equipment	\$1,090,264	\$192,252	\$12,540	\$1,269,976
Totals at historical cost	<u>1,090,264</u>	<u>192,252</u>	<u>12,540</u>	<u>1,269,976</u>
Less: Accumulated Depreciation				
Machinery & Equipment	<u>(788,538)</u>	<u>(41,236)</u>	<u>(11,717)</u>	<u>(818,057)</u>
Total Depreciation	<u>(788,538)</u>	<u>(41,236)</u>	<u>(11,717)</u>	<u>(818,057)</u>
Total Proprietary Activities (net)	<u>\$301,726</u>	<u>\$151,016</u>	<u>\$823</u>	<u>\$451,919</u>

Depreciation expense was charged to functional expenses areas of the

District for Governmental Funds as follows:

Instruction:

 Regular (74,336)

Support services:

 Student & Instruction Related Services (25,738)

 General Administrative Services (23,632)

 School administrative services (51,704)

 Central Service/Adm Tech (311,710)

 Plant Operations & Maintenance (205,300)

 Pupil transportation (33,430)

 Direct Expense of various functions (4,140,357)

(\$4,866,207)

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2020

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, 2020:

Governmental Activities:

	Balance June 30, <u>2019</u>	<u>Additions</u>	<u>Reductions</u>	Balance June 30, <u>2020</u>	Amounts due Within <u>one year</u>
Bonds Payable	\$78,618,000		\$5,473,000	\$73,145,000	\$5,725,000
Unamortized Bond Premium	593,609		210,326	383,283	210,326
Compensated Absences	3,450,596	\$373,986		3,824,582	
Capital Leases Payable	20,309,872	2,200,000	2,773,007	19,736,865	2,310,281
Net Pension Liability	57,387,350		7,475,283	49,912,067	
Balance June 30, 2020	<u>\$160,359,427</u>	<u>\$2,573,986</u>	<u>\$15,931,616</u>	<u>\$147,001,798</u>	<u>\$8,245,607</u>

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2020

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Debt Service Requirements:

The annual requirements to amortize all debt outstanding as of June 30, 2020, including interest payments on issued debt, are as follows:

Fiscal Year	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
June 30,			
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>\$73,145,000</u>	<u>\$27,802,713</u>	<u>\$100,947,713</u>

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2020

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, 2020</u>
\$28,275,000.00 in Refunding School Bonds dated December 4, 2012, due in remaining annual installments ranging between \$2,870,000.00 and \$3,200,000.00 beginning August 15, 2020 and ending August 15, 2024 with interest from 2.00% to 2.63%	\$15,195,000
\$9,910,000.00 in Refunding School Bonds dated November 20, 2015, due in remaining annual installments ranging between \$1,790,000.00 and \$1,800,000.00 beginning February 15, 2021 and ending February 15, 2022 with interest from 4.00% to 5.00%	\$3,590,000
\$55,393,000.00 in School Bonds dated December 28, 2017, due in remaining annual installments ranging between \$1,055,000.00 and \$2,060,000.00 beginning December 15, 2020 and ending December 15, 2047 with interest from 3.00% to 4.00%	<u>\$54,360,000</u>
	<u><u>\$73,145,000</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 leaving a balance of \$950,513. 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.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2020

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 \$236,600 which is reflected on the Statement of Net Position as a Deferred Inflow.

Bonds Authorized But Not Issued

As of June 30, 2020, 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, 2020:

Fiscal Year Ended	Governmental
<u>June 30,</u>	<u>Funds</u>
2021	\$2,784,293
2022	2,380,253
2023	1,696,238
2024	1,362,316
2025	1,388,338
2026-2030	7,026,433
2031-2035	6,816,888
Total Minimum Lease Payments	23,454,759
Less: Amount Representing Interest	3,717,894
Present Value of Lease Payments	\$19,736,865

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2020

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, 2020

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, 2020

NOTE 5: PENSION PLANS (CONTINUED)

Contribution Requirements (Continued)

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

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

Three Year Trend Information for PERS

<u>Year Ended</u> <u>June 30,</u>	<u>Annual</u> <u>Pension Cost</u> <u>(APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2020	\$2,706,922.00	100%	\$2,706,922.00
2019	\$2,913,664.00	100%	\$2,913,664.00
2018	\$2,734,969.00	100%	\$2,734,969.00

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

<u>Year Ended</u> <u>June 30,</u>	<u>Annual</u> <u>Pension Cost</u> <u>(APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2020	\$17,010,984.00	100%	-0-
2019	\$15,359,624.00	100%	-0-
2018	\$11,157,610.00	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, 2020, 2019 and 2018 \$6,294,503, \$6,146,733 and \$5,923,799 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, 2020

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

Public Employees Retirement System (PERS)

At June 30, 2020, the District reported a liability of \$49,912,067.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. 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, 2019, the District's proportion was 0.2770048260 percent, which was a decrease of 0.0144568440 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$2,231,230.00 in the district-wide financial statements. This pension expense was based on the pension plans June 30, 2019 measurement date.

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$895,856	\$220,489
Changes of assumptions	4,983,903	17,324,321
Net difference between projected and actual earnings on pension plan investments		787,881
Changes in proportion and differences between District contributions and proportionate share of contributions	1,241,048	3,929,423
District contributions subsequent to the measurement date	<u>3,106,530</u>	
	<u>\$10,227,337</u>	<u>\$22,262,114</u>

The \$3,106,530 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, 2020, the plan measurement date is June 30, 2019) will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2020

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

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>June 30</u>	<u>Amount</u>
2020	(\$126,094)
2021	(602,035)
2022	(528,375)
2023	(202,479)
2024	56,382
	<u>(\$1,402,601)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which rolled forward to June 30, 2019. These actuarial valuations used the following assumptions:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Inflation	2.75%	2.25%
Salary Increases		
Through 2026	2.00-6.00%	1.65-4.15%
Thereafter	3.00-7.00%	2.65-5.15%
	Based on	Based on
	Years of Service	Age
Investment Rate of Return	7.00%	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2020

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at both June 30, 2019 and June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Market Equity	12.50%	9.00%
Emerging Market Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2020

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.28% and 5.66% as of June 30, 2019 and June 30, 2018, respectively. These single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.00% for both June 30 2019 and June 30, 2018 and a municipal bond rate of 3.50% and 3.87% for June 30, 2019 and June 30, 2018 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 based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. 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 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 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 District's proportionate share of the net pension liability as of June 30, 2019, 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>5.28%</u>	At Current Discount Rate <u>6.28%</u>	1% Increase <u>7.28%</u>
District's proportionate share of the net pension liability	\$68,578,859	\$49,912,067	\$42,763,894

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2020

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

Public Employees Retirement System (PERS) (Continued)

Pension Plan Fiduciary Net Position

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

Teachers Pensions and Annuity Fund (TPAF)

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

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2020 was as follows:

Net Pension Liability:	
Districts proportionate share	-0-
State's proportionate share associated with the District	<u>\$479,283,449</u>
	<u>\$479,283,449</u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 which was rolled forward to June 30, 2019. 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, 2019, the proportion of the TPAF net pension liability associated with the District was .7809615082% which was an increase of .0233047910 percent from its proportion measured as of June 30, 2018.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2020

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

Teachers Pensions and Annuity Fund (TPAF) (Continued)

For the year ended June 30, 2020, the District recognized on-behalf pension expense and revenue of \$28,269,420.00 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, 2019 measurement date.

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Inflation rate:		2.25%
Price	2.75%	
Wage	3.25%	
Salary Increases:		
Through 2026	1.55%-4.45%	1.55%-4.55%
	Based on Years of Service	Based on Years of Service
Thereafter	2.75%-5.65%	2.00%-5.45%
	Based on Years of Service	Based on Years of Service
Investment Rate of Return	7.00%	7.00%

Mortality Rate

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2020

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% and 7.00% at June 30, 2019 and June 30, 2018 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. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Market Equity	12.50%	9.00%
Emerging Market Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

Discount Rate

The discount rate used to measure the total pension liability was 5.60% and 4.86% as of June 30, 2019 and 2018, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and 7.00, and a municipal bond rate of 3.50% and 3.87% as of June 30, 2019 and 2018, 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, 2020

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

Teachers Pensions and Annuity Fund (TPAF) (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 contributed 50% 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 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054, 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 by visiting <http://www.state.nj.us/treasury/pensions>

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2020

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, which 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	216,892
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	148,051
Inactive Plan Members or Beneficiaries	
Not Yet Receiving Benefits	<u>- 0 -</u>
Total Plan Members	<u>364,943</u>

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2020

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

Total Non-Employer OPEB Liability

The portion of the total Non-Employer OPEB Liability that was associated with the District at June 30, 2020 was as follows:

Total OPEB Liability:	
District's Proportionate Share	\$-0-
State's Proportionate Share associated with the District	<u>364,885,924</u>
	<u><u>\$364,885,924</u></u>

The total Non-Employer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019.

The total Non-Employer OPEB liability was determined separately based on actual data of the District.

For the year ended June 30, 2020, the District recognized on-behalf post-employment expense and revenue of \$5,431,442.00 in the government-wide financial statements for contributions provided by the State. This expense and revenue was based on the plans June 30, 2019 measurement date.

At June 30, 2019, the District's proportion was .8744163899 percent, which was a decrease of .0194228673 from its proportion measured as of June 30, 2018.

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 Non-Employer OPEB liability on the Statement of Net Position.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2020

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

Actuarial Assumptions and Other Imputes

The total Non-Employer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>June 30, 2019</u>		
	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Inflation – 2.5%			
Salary Increases			
Through 2026	1.55-3.05%*	2.00-6.00%*	3.25-15.25%*
Thereafter	1.55-3.05%*	3.00-7.00%*	Applied to All Future Years

*- Based on Years of Service

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2020

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

Actuarial Assumptions and Other Imputes (Continued)

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 — June 30, 2018, July 1, 2014 — June 30, 2018, and July 1, 2013 - June 30, 2018 for TPAF, PERS and PFRS, respectively.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 is reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate

The discount rate for June 30, 2020 and June 30, 2019 was 3.50% and 3.87% 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2020

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

Changes in the Total Non-Employer OPEB Liability

Shown below are details regarding The Total OPEB non-employer Liability associated with the District for the measurement period from June 30, 2018 to June 30, 2019.

Balance at 6/30/18		\$412,156,727
Changes for the year:		
Service cost	13,548,164	
Interest	16,266,463	
Differences between expected and actual experience	(71,657,025)	
Changes in assumptions or other inputs	5,440,479	
Membership Contributions	332,026	
Benefit payments - Net	<u>(11,200,910)</u>	
Net changes		<u>(47,270,803)</u>
Balance at 6/30/19		<u>\$364,885,924</u>

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate

The following presents the total Non-Employer OPEB liability associated with the District as of June 30, 2019, calculated using the discount rate as disclosed above as well as what the total Non-Employer 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, 2019		
	<u>1.00% Decrease (2.50%)</u>	<u>At Discount Rate (3.50)</u>	<u>1.00% Increase (4.50%)</u>
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability associated with the District	\$431,074,469	\$364,885,924	\$312,309,372

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2020

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

Sensitivity of the Total Non-Employer OPEB Liability to Changes in Healthcare Trends

The following presents the total Non-Employer OPEB liability associated with the District as of June 30, 2019, calculated using the healthcare trend rate as disclosed above as well as what the total Non-Employer 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, 2019		
	<u>1.00% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1.00% Increase</u>
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability associated with the District	\$300,649,738	\$364,885,924	\$449,921,445

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Non-Employer OPEB Liability

At June 30, 2019, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's Non-Employer OPEB Liability associated with the District from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$	\$ 91,682,255.00
Changes of assumptions		74,163,883.00
Changes in proportion		14,593,423.00
	<u>\$</u>	<u>\$ 180,439,561.00</u>

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2020

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

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Non-Employer OPEB Liability (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the State's proportionate share of the total Non-Employer OPEB Liability associated with the District will be recognized in OPEB expense as follows:

<u>Year Ended</u> <u>June 30,</u>	<u>Amount</u>
2020	(\$25,185,936)
2021	(\$25,185,936)
2022	(\$25,185,936)
2023	(\$25,185,936)
2024	(\$25,185,936)
Total Thereafter	<u>(\$54,509,883)</u>
	<u><u>(\$180,439,561)</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/financial-reports.shtml>

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2020

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 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 2019-2020 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, 2020

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, 2020 the District, based upon the plan administrator's estimate, has established a reserve for reported claims in the amount of \$744,443.

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>
2020	\$35,582	\$457,383	\$272,730	\$2,447,947
2019	33,525	307,900	307,900	2,227,712
2018	18,262	305,466	452,049	2,194,187

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2020

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 District's 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, 2020, a liability existed for compensated absences for governmental fund-types in the district- wide statement of net position of \$3,824,583.

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, 2020

NOTE 12: FUND BALANCE APPROPRIATED

General Fund The table below reflects the District's Fund Balance at June 30, 2020 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	\$ 250,490	\$	250,490
Restricted:			
Excess Surplus:			
Designated for Subsequent			
Year's Expenditures			
Current Year			
Maintenance Reserve	1,803,468		1,803,468
Capital Reserve	8,739,507		8,739,507
Emergency Reserve	600,000		600,000
Assigned:			
Designated for Subsequent			
Year's Expenditures	5,000,000	(451,445)	4,548,555
Encumbrances	1,338,394	(1,338,394)	
Unassigned	5,070,427	(5,070,427)	
	<u>\$ 22,802,285</u>	<u>\$ (6,860,266)</u>	<u>\$ 15,942,019</u>

Debt Service Fund Debt Service Fund Balance at June 30, 2020 was \$544,504. \$94,255 is assigned for Subsequent years expenditure. The remaining \$450,249 is restricted for future debt service expenditures.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2020

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 2020		\$220,782,154
Less:		
Reimb. TPAF Social Security Contributions	\$6,423,877	
Reimb. TPAF Pension Contributions	23,623,345	
		30,047,222
Adjusted General Fund Expenditures		190,734,932
Excess Surplus Percentage		2.00%
		3,814,699
Increased by:		
Extraordinary Aid (unbudgeted)	1,229,199	
Non-Public Transportation Aid (unbudgeted)	26,529	
		1,255,728
Maximum Unreserved/Undesignated General Fund Balance		5,070,427
Actual Unassigned General Fund Balance		5,070,427
Excess Surplus		\$ -

Based on the preceding calculation, as of June 30, 2020, the District has no Excess Surplus

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2020

NOTE 14: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2020:

<u>Fund</u>	<u>Interfund Balance</u>	
	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 1,454,861	\$ 35,206
Special Revenue Fund		40,899
Capital Projects Fund		1,650,886
Debt Service Fund	450,249	
Enterprise Fund	15,989	245,422
Fiduciary Fund	69,953	18,639
	<u>\$ 1,991,052</u>	<u>\$ 1,991,052</u>

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

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department 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, 2020

NOTE 15: CAPITAL RESERVE ACCOUNT (CONTINUED)

The activity of the capital reserve for the July 1, 2019 to June 30, 2020 fiscal year is as follows:

Balance, July 1, 2019 (Budgetary Basis)	\$	5,251,494.00
Interest Earnings		100,194.00
Deposits:		
Board Resolution dated - 06/24/20	\$	5,000,000.00
		5,000,000.00
		10,351,688.00
Withdrawals:		
Budgeted Withdrawal	\$	350,000.00
Board Resolution dated - 09/25/19		12,525.00
Board Resolution dated - 12/18/19		103,620.00
Board Resolution dated - 04/29/20		931,836.00
Board Resolution dated - 05/27/20		214,200.00
		1,612,181.00

NOTE 16: MAINTENANCE RESERVE ACCOUNT

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

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

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2020

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, 2020, the balance of the Maintenance Reserve Account was within the statutory limitations. The activity of the maintenance reserve for the July 1, 2019 to June 30, 2020 fiscal year is as follows:

Balance, July 1, 2019 (Budgetary Basis)	\$	703,561.00
Interest Earnings		<u>12,023.26</u>
Deposits:		
Board Resolution dated - 06/24/20	\$	<u>1,287,884.00</u>
		<u>1,287,884.00</u>
		2,003,468.26
Withdrawals:		
Budgeted Withdrawal	\$	<u>200,000.00</u>
		<u>200,000.00</u>
Balance, June 30, 2020 (Budgetary Basis)	\$	<u><u>1,803,468.26</u></u>

NOTE 17: EMERGENCY RESERVE ACCOUNT

In accordance with N.J.S.A. 18A:7F-41c(1), an emergency reserve account was established by the District. The emergency reserve account is maintained in the general fund.

The account balance is not to exceed \$250,000 or one percent of the district's general fund budget up to a maximum of \$1,000,000, whichever is greater. Withdrawals require approval by the Commissioner.

On June 24, 2020, the District, by resolution, transferred \$600,000.00 in to the Emergency Reserve account. This was also the balance of the account at June 30, 2020.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2020

NOTE 18: INVENTORY

Inventory in the General Fund at June 30, 2020 consisted of the following:

Paper, Custodial, Maintenance, Computer and General School Supplies	<u>\$250,490</u>
--	------------------

Inventory in the Food Service Fund at June 30, 2020 consisted of the following:

Food and Supplies	<u>\$180,158</u>
-------------------	------------------

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Act Amendment of 1996) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

NOTE 19: 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 .

NOTE 20: 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.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2020

NOTE 20: TAX ABATEMENTS (CONTINUED)

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 \$449,154. 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 FY2020.

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 FY2020 the District received \$438,674 under the terms of the agreements

NOTE 21: SUBSEQUENT EVENTS

The Board of Education has evaluated subsequent events occurring after the financial statement date through January 25, 2021 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, except as follows:

The ongoing spread of the new COVID-19 has become a threat to the global economy and financial markets. The ultimate effect of COVID-19 on the District and its future operations cannot presently be determined.

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, 2020

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 113,961,826	\$	\$ 113,961,826	\$ 113,961,826	\$ (139,850)
Tuition from Individuals	220,000		220,000	80,150	(76,277)
Tuition from Other LEAs Within State	178,000		178,000	101,723	7,065
Transportation Fees From Individuals	30,000		30,000	37,065	(137,793)
Transportation Fees From Other LEAs	150,000		150,000	12,207	840,475
Unrestricted Miscellaneous Revenues	1,622,000		1,622,000	2,462,475	3,723
Interest Earned on Maintenance Reserve	8,300		8,300	12,023	35,194
Interest Earned on Capital Reserve Funds	65,000		65,000	100,194	532,637
Total Local Sources	116,235,126		116,235,126	116,767,663	
Intermediate Sources:					
PILOT Payments to School District	400,000		400,000	438,674	38,674
Total Intermediate Sources	400,000		400,000	438,674	38,674
Slate Sources:					
Categorical Transportation Aid	1,446,373		1,446,373	1,446,373	
Extraordinary Aid	600,000		600,000	1,829,199	1,229,199
Categorical Special Education Aid	8,198,284		8,198,284	8,198,284	
Equalization Aid	64,409,125		64,409,125	64,409,125	
Categorical Security Aid	630,559		630,559	630,559	
Other State Aids				26,529	26,529
On-behalf TPAF Contributions-non-budgeted				17,010,984	17,010,984
On-behalf TPAF N.C.G.I.-non-budgeted				304,903	304,903
Reimbursed TPAF Soc. Sec. Contribution-non-budgeted				6,294,503	6,294,503
Post Retirement Medical-non budgeted				6,423,877	6,423,877
Long Term Disability Insurance				12,955	12,955
Total Slate Sources	75,284,341		75,284,341	106,587,291	31,302,950
Federal Sources:					
Medicaid Reimbursement	214,699		214,699	249,333	34,634
Total Federal Sources	214,699		214,699	249,333	34,634
Total Revenues	192,134,166.00		192,134,166.00	224,042,961.03	31,908,795.03
EXPENDITURES:					
CURRENT EXPENSE:					
Instruction - Regular Programs:					
Preschool	1,228		1,228	1,193	35
Kindergarten	2,890,830	(353,658)	2,527,172	2,507,852	19,320
Grades 1-5	17,283,020	(281,462)	17,001,558	16,815,027	186,531
Grades 6-8	11,501,539	195,195	11,696,734	11,536,719	160,015
Grades 9-12	17,895,472	272,623	17,968,095	17,876,394	91,701
Regular programs - home instruction:					
Salaries of teachers	225,000	(24,890)	200,120	170,970	29,150
Purchased professional educational services	158,000	(61,604)	96,396	92,353	4,043
Regular programs - undistributed instruction:					
Other salaries for instruction	88,294	13,656	102,150	54,752	47,397
Purchased professional - educational services	1,513,985	36,433	1,550,428	1,415,409	135,019
Purchased technical services	54,275	350	54,625	33,601	21,024
Other purchased services (400 - 500 series)	2,832,122	(20,402)	2,811,720	2,627,214	184,506
General supplies	1,566,838	10,357	1,577,194	1,325,852	251,342
Textbooks	472,796	(60,832)	412,164	399,394	72,770
Other objects	51,415	(975)	50,840	13,729	37,111
Total regular programs	96,323,596	(273,170)	96,050,425	54,810,460	1,239,965

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, 2020

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Instruction - Special Education:					
Learning and/or Language Disabilities:					
Salaries of Teachers	3,089,062	49,430	3,132,512	3,099,918	32,594
Other salaries for Instruction	1,323,882	(69,764)	1,254,128	1,220,411	33,717
Purchased Professional-Educational Services		51,489	51,489	49,273	2,216
General Supplies	25,876	(2,500)	23,376	17,970	5,406
Total Learning and/or Language Disabilities	4,439,650	22,655	4,461,505	4,387,572	73,933
Behavioral Disabilities:					
Salaries of Teachers	1,078,115	(34,924)	1,043,191	981,381	61,810
Other Salaries for Instruction	698,401	205,033	903,434	864,753	38,681
Purchased Professional-Educational Services		318	3,498	3,339	159
Purchased Technical Services		95	95	95	
General Supplies	17,300	(4,632)	12,668	10,086	2,581
Textbooks	1,500	(1,500)			
Total Behavioral Disabilities	1,798,496	164,389	1,962,885	1,859,655	103,230
Multiple Disabilities:					
Salaries of Teachers	866,957	161,568	1,028,525	1,026,893	1,632
Other Salaries for Instruction	782,547	(93,691)	688,856	671,988	16,868
General Supplies	19,000	4,821	23,821	18,133	5,687
Total Multiple Disabilities	1,668,504	72,697	1,741,201	1,717,024	24,177
Resource Room / Resource Center:					
Salaries of Teachers	6,926,889	(103,717)	6,823,172	6,759,620	63,552
Other salaries for Instruction	1,008,839	53,342	1,062,181	1,061,389	822
Purchased Professional-Educational Services		(12,800)	72,300	63,633	8,667
Purchased Technical Services		8,000			
General Supplies	84,725	(26,217)	58,508	49,130	9,378
Total Resource Room / Resource Center	8,113,553	(67,391)	8,046,162	7,933,742	112,420
Autism:					
Salaries of Teachers	859,463	89,781	949,244	938,673	10,570
Other Salaries for Instruction	686,800	41,073	727,873	726,476	1,397
General Supplies	22,600	(1,137)	21,463	16,980	4,483
Total Autism	1,568,863	129,717	1,698,580	1,682,129	16,451
Preschool Disabilities - Part - Time:					
Salaries of Teachers	369,445	(63,060)	316,385	303,912	12,473
Other Salaries for Instruction	311,948	18,889	330,837	330,937	
General Supplies	10,000	(1,049)	8,951	8,951	
Total Preschool Disabilities - Part - Time	691,393	(35,120)	656,273	643,800	12,473
Preschool Disabilities - Full - Time:					
Salaries of Teachers	327,029	(12,547)	314,482	289,444	15,038
Other Salaries for Instruction	346,693	(20,596)	326,097	291,109	34,988
Purchased Professional-Educational Services		30,000	30,000	14,612	15,388
Supplies and Materials		1,069	1,069	1,069	
Total Preschool Disabilities - Full - Time	673,722	(2,073)	671,649	606,235	65,415
Total Special Education	18,953,381	254,875	19,208,256	18,830,157	378,099

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, 2020

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Basic Skills / Remedial:					
Salaries of Teachers	2,472,810	48,326	2,521,136	2,521,136	668
General Supplies	12,692	10,000	22,692	22,024	668
Total Basic Skills / Remedial	2,485,502	58,326	2,543,828	2,543,160	
Bilingual Education Instruction:					
Salaries of Teachers	1,251,045	20,092	1,271,137	1,207,706	63,431
Purchased Professional-Educational Services	1,604	1,604	1,604	1,604	
General Supplies	8,718	2,500	11,218	8,357	2,861
Textbooks	13,400		13,400	1,944	11,456
Total Bilingual Education Instruction	1,273,163	24,196	1,297,359	1,219,611	77,748
School Sponsored Co-Curricular Activities:					
Salaries	693,283	29,492	722,775	710,403	12,372
Purchased Services (300-500 series)	19,094	(2,610)	16,474	1,198	15,276
Supplies and Materials	137,795	(12,075)	125,720	85,237	40,483
Other Objects	19,339	2,713	22,052	12,030	10,022
Total School Sponsored Co-Curricular Activities	869,501	17,519	887,020	608,868	278,152
School Sponsored Athletics:					
Salaries	1,475,553	10,943	1,486,496	1,486,028	468
Purchased Services (300-500 Series)	13,650	98	13,749	6,883	6,866
Supplies and Materials	271,140	(45,165)	225,975	151,768	74,207
Other Objects	250,525	(0)	250,525	168,983	81,542
Total School Sponsored Athletics	2,070,868	(34,123)	1,976,745	1,813,661	163,084
Instructional ALT ED Prog Instruction:					
Salaries of Teachers	155,000	(6,460)	148,540	120,195	28,345
Other Salaries of Instruction	22,895		22,895	22,895	
General Supplies	2,000		2,000	981	1,009
Total Instructional ALT ED Prog Instruction	179,895	(6,460)	173,435	121,186	52,249
Instructional ALT ED Prog Support:					
Salaries	134,500	5,080	139,580	114,108	25,472
Total Instructional ALT ED Prog Support	134,500	5,080	139,580	114,108	25,472
Total Instructional ALT ED Program	314,395	(1,380)	313,015	235,294	77,721
Other Instructional Programs Instruction:					
Salaries	4,000	(4,000)	(4,000)	(4,000)	
Total Other Instructional Programs Instruction	4,000	(4,000)	(4,000)	(4,000)	
Community Services Programs/Operation:					
Salaries	5,550	180	5,730	5,730	
Other Objects	8,750	(180)	8,570	271	8,299
Total Community Services Programs/Operation	14,300		14,300	6,001	8,299
Total Other Instructional Programs	6,971,729	60,539	7,032,268	6,626,596	405,672
Total - Instruction	82,248,706	42,243	82,290,949	80,267,214	2,023,735

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, 2020

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's within the State - Regular	95,155	126,400	221,555	220,999	556
Tuition to Other LEA's within the State - Special	79,730	(17,986)	61,744	61,740	4
Tuition to County Vocational School District - Regular	850,500	(91,851)	758,649	758,607	42
Tuition to County Vocational School District - Sp Ed	369,410	202,704	572,114	572,104	10
Tuition to CSSD & Regional Day Schools	3,181,003	(328,593)	2,852,410	2,852,369	41
Tuition to Private Schools for the Handicapped w/in State	3,896,209	284,875	4,181,084	4,179,524	1,360
Tuition - State Facilities	124,116		124,116	124,116	
Tuition - Other	691,171	(332,337)	358,834	358,834	
Total Undistributed Expenditures - Instruction	9,287,234	(156,899)	9,130,335	9,128,292	2,013
Attendance and Social Work Services:					
Salaries	890,884	(100,698)	790,185	534,191	255,994
Unused Vacation Payment to Terminated/Retired Staff		7,499	7,499	7,499	
Purchased Professional and Technical Services	64,500	224	64,724	60,724	4,000
Other Purchased Services (400-500 series)	6,120		6,120	6,120	
Supplies and Materials	2,500	(224)	2,276	280	1,996
Total Attendance and Social Work Services	964,004	(93,201)	870,803	602,693	268,110
Health Services:					
Salaries	2,189,956	(79,369)	2,110,587	2,025,835	84,752
Purchased Professional and Technical Services	130,815	23,826	154,641	149,369	5,252
Other Purchased Services	1,250	(1,250)			
Supplies and Materials	32,325	22,903	55,228	47,476	7,752
Total Health Services	2,354,346	(33,690)	2,320,656	2,222,700	97,756
Other Support Services - Speech, OT, PT & Related Services:					
Salaries	2,022,405	32,659	2,055,064	2,030,768	24,296
Purchased Professional - Educational Services	716,962	405,509	1,122,471	1,117,283	5,188
Supplies and Materials	20,000	25,976	45,976	43,989	1,987
Total Other Support Services - Speech, OT, PT & Related Services	2,759,367	464,144	3,223,511	3,192,040	31,471
Other Support Services - Students - Extra Services					
Salaries	767,640	177,439	945,079	863,229	61,850
Purchased Professional - Educational Services	1,355,738	108,445	1,464,183	1,422,832	41,352
Total Other Support Services - Students - Extra Services	2,123,378	285,884	2,409,262	2,306,060	103,202

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, 2020

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Guidance:					
Salaries of Other Professional Staff	3,891,391	23,628	3,915,019	3,696,358	218,660
Salaries of Secretarial and Clerical Assistants	556,344	120,274	678,618	576,710	101,907
Other Salaries		1,200	1,200	319	881
Unused Vacation Payment to Terminated/Retired Staff	59,080	10,987	10,987	10,987	290
Purchased Professional - Educational Services	13,287	4,753	63,833	63,543	4,174
Supplies and Materials	5,820	(1,077)	12,210	8,036	5,700
Other Objects			5,820	120	5,700
Total Guidance	4,527,922	159,784	4,687,686	4,356,074	331,613
Child Study Teams:					
Salaries of Other Professional Staff	4,797,942	(109,458)	4,688,484	4,645,631	42,853
Salaries of Secretarial and Clerical Assistants	549,015	6,596	555,611	534,117	21,494
Salaries of ABA in Home Therapy		6,772	6,772	4,065	2,708
Unused Vac. Payment to Terminated/Retired Staff		5,366	5,366	5,366	
Purchased Professional Educational Services	844,881	(67,605)	777,276	760,335	16,941
Other Purchased Professional and Technical Svces.	10,016	(8,816)	1,200	1,193	8
Other Purchased Services (400-500 series)	29,566	479	30,045	29,806	239
Supplies and Materials	27,000	1,143	28,143	26,687	1,456
Other Objects	300	(300)			
Total Child Study Teams	6,258,720	(165,823)	6,092,897	6,007,199	85,698
Improvement of Instruction Services					
Other Support Services - Instructional Staff:					
Summer Curriculum Development					
Salaries of Supervisors of Instruction	1,148,339	(54,372)	1,093,967	1,084,114	9,853
Salaries of Other Professional Staff	229,189	105	229,294	229,294	
Salaries of Secretarial and Clerical Assis.	302,337	(1,900)	300,437	230,464	69,953
Unused Vacation Payment to Terminated/Retired Staff		39,517	39,517	39,517	
Other Purchased Services (400-500)	20,488		20,488	13,985	6,493
Supplies and materials	184,900		184,900	131,991	52,909
Total Improvement of Instruction Services /					
Other Support Services - Instructional Staff	1,865,253	(16,651)	1,868,602	1,729,394	139,208
Educational Media Services / School Library:					
Salaries	1,261,976	14,795	1,276,771	1,190,683	86,088
Purchased Professional and Technical Services	95,350	363	95,713	51,105	44,627
Supplies and materials	98,235	69,471	168,706	154,405	14,302
Total Educational Media Services / School Library	1,456,561	84,649	1,541,210	1,396,193	145,017
Instructional Staff Training Services:					
Salaries of Other Professional Staff	18,000	1,144	19,144	19,144	
Other Purchased Professional - Educational Svces.	268,150	(3,644)	264,507	194,167	70,320
Other Purchased Services (400- 500)	38,521	(12,681)	25,860	24,172	1,688
Supplies and materials	23,772	350	24,072	11,565	12,507
Total Instructional Staff Training Services	348,393	(14,811)	333,582	249,068	84,514

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, 2020

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Support Services General Administration:					
Salaries	365,362	(43,305)	322,057	312,792	9,265
Legal Services	271,000	10,218	281,218	280,969	249
Audit Fees	63,240	(690)	62,550	62,550	
Architectural/Engineering Services	99,935	96,554	196,489	145,011	54,478
Other Purchased Professional Services	118,700	(25,989)	92,711	92,082	630
Communications / Telephone	268,600	(28,371)	240,229	239,558	670
Board Travel Expense	3,500	(2,813)	687	687	
Miscellaneous Expenditures	983,012	(7,988)	975,024	876,999	98,025
General Supplies	17,800	(6,083)	11,707	11,439	268
BOE In- House Training/ Meeting Supplies	2,500	(2,500)			
Judgements against the District	1,300,000	98,565	1,398,565	1,398,565	
Miscellaneous Expenditures	7,350	84,424	91,774	91,236	538
BOE Membership Dues and Fees	29,000	(115)	28,885	28,363	522
Total Support Services General Administration	3,529,999	174,897	3,704,896	3,540,250	164,646
Support Services School Administration:					
Salaries of Principals / Asst. Principals	5,393,764	(497)	5,393,267	5,393,240	27
Salaries of Secretarial and Clerical Assistants	2,159,184	70,122	2,229,306	2,203,931	25,375
Other Salaries	8,840	8,840	17,680	6,746	2,094
Unused Vacation Payment to Terminated/Retired Staff	40,000	(6,534)	33,466	29,562	3,904
Purchased Professional and Technical Services	13,218	11,068	24,286	17,348	6,938
Other Purchased Services(400-500 series)	71,429	(26,347)	45,082	45,082	
Supplies and Materials	136,405	(9,073)	127,332	70,388	18,337
Other Objects	52,917	35,366	88,283	57,525	30,757
Total Support Services School Administration	7,966,917	82,944	7,949,861	7,805,496	144,366
Central Service:					
Salaries	1,789,350	(9,564)	1,779,786	1,640,661	139,125
Unused Vacation Payment to Terminated/Retired Staff		11,564	11,564		
Purchased Professional Services	2,000	(2,000)			
Other Purchased Professional Service	1,300	(300)	1,000	1,000	
Misc. Purch Services (400-500)	111,913	(1,252)	110,661	97,011	13,650
Supplies and Materials	15,400	3,500	18,900	17,645	1,255
Miscellaneous Expenditures	64,400	7,048	71,448	70,252	1,197
Total Central Service	1,984,363	8,996	1,993,359	1,838,133	155,227
Administrative Information Technology:					
Salaries	1,187,542	(14,223)	1,173,319	1,139,927	33,391
Unused Vacation Payment to Terminated/Retired Staff		14,520	14,520		
Purchased Technical Services	481,892	(49,843)	432,049	369,408	62,642
Other Purchased Services	88,160	(13,620)	74,540	52,115	22,425
Supplies and Materials	30,000	5,500	35,500	15,782	19,718
Total Administrative Information Technology	1,787,594	(57,666)	1,729,928	1,581,752	138,176
Required Maintenance for School Facilities:					
Salaries	2,357,120	49,971	2,407,091	2,397,353	9,739
Cleaning, Repair and Maintenance Services	751,979	(170,325)	581,654	474,262	107,392
General Supplies	461,627	(12,767)	448,860	322,640	126,420
Other Objects	11,100		11,100	3,690	7,410
Total Required Maintenance for School Facilities	3,582,026	(133,121)	3,448,905	3,197,945	250,961

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, 2020

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Custodial Services:					
Salaries	\$ 5,989,315	\$ (4,872)	\$ 5,984,443	\$ 5,788,424	\$ 165,019
Unused Vacation Payment to Terminated/Retired Staff		35,554	35,554	35,554	4
Purchased Professional and Technical Services	38,830	2,187	41,017	41,013	122,986
Cleaning, Repair and Maintenance Services	736,835	(6,000)	730,835	607,849	7,339
Rental of Land and Building	100,000		100,000	92,681	22,439
Lease Purchase Pymts.- Energy Savings Impr Prog	1,225,088	0	1,225,088	1,202,659	114,345
Other Purchased Property Services	383,700		383,700	269,355	355
Insurance	260,823	471	261,294	260,939	356
Miscellaneous Purchased Services	7,500		7,500	3,914	3,586
General Supplies	435,080	228,740	663,820	432,842	230,978
Energy (Natural Gas)	873,438	(1,003)	872,435	585,429	287,008
Energy (Heat and Electricity)	1,482,654	(0)	1,482,654	1,070,021	412,633
Energy (Gasoline)	42,250	(2,987)	39,263	39,253	634
Other Objects	11,300		11,300	10,667	1,367,325
Total Custodial Services	11,556,823	252,080	11,808,903	10,441,578	
Care and Upkeep of Grounds:					
Salaries	639,030	(13,419)	625,611	611,111	14,500
Unused Vacation Payment to Terminated/Retired Staff		6,266	6,266	6,266	
Cleaning, Repair and Maintenance	71,000	(30,000)	41,000	15,979	25,021
General Supplies	105,000	(28,027)	76,973	50,487	26,486
Total Care and Upkeep of Grounds	815,030	(65,180)	749,850	683,843	66,007
Security:					
Salaries	504,203	(8,423)	495,780	495,780	
Purchased Professional and Technical Services	170,290	(16,520)	153,770	120,010	33,760
General Supplies	117,146	1,639	118,785	88,285	30,500
Other Objects	7,300		7,300	584	6,716
Total Security	798,939	(23,304)	775,635	704,660	70,976
Student Transportation Services:					
Salaries for Pupil Transportation (Between Home and School) - Regular	234,717	1,963	236,680	236,642	38
Salaries for Pupil Transportation (Between Home and School) - Special	280,830	20,276	301,106	289,087	12,019
Transportation- Other Purchased Prof & Tech	31,560	(200)	31,360	23,807	7,553
Cleaning, Repair and Maintenance Services	13,000	(1,608)	11,400	5,387	6,013
Rental Payments	43,000	200	43,200	43,200	
Contracted Services - Aid in Lieu Payments-NonPub Sch	500,000		500,000	315,878	184,121
Contracted Services (Between Home & School) - Vendors	3,555,000	(13,607)	3,541,393	2,827,212	714,181
Contracted Services (Other than Between Home and School) - Vendors	754,344		754,344	423,312	363,643
Contract Services (Sp. Ed. Stds.) - Vendors	6,421,021	(761)	6,420,260	4,908,354	1,511,906
Contracted Svcs - (Spec.Ed. Stnd) - ESCs & CTSAs	1,100,000	(400)	1,100,000	954,999	145,001
Miscellaneous Purchased Services - Transportation	1,800		1,800	1,400	1,400
General Supplies	2,000	(65)	1,945	1,712	233
Transportation Supplies	33,000	17,500	50,500	44,327	6,173
Other Objects	2,265	(469)	1,797	917	880
Total Student Transportation Services	12,972,537	55,458	13,027,995	10,074,834	2,953,160

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, 2020

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Unallocated Benefits - Employee Benefits:					
Group Insurance	\$ 145,000	\$ 1,868	\$ 146,868	\$ 146,868	
Social Security Contributions	2,109,320	296,410	2,407,730	2,132,587	275,143
T.P.A.F. Contributions - ERIP	250	713	963	963	
Other Retirement Contributions - PERS	2,950,834	(25,000)	2,925,834	2,774,936	150,898
Workmen's Compensation	893,040	46,206	939,246	939,246	
Health Benefits	30,437,229	(1,350,986)	29,086,243	27,613,695	1,472,549
Tuition Reimbursements	285,000	16,111	281,111	278,284	4,827
Unused sick payment	1,032,000	61,251	1,093,251	1,059,617	33,634
Total Unallocated Benefits - Employee Benefits	37,832,673	(951,426)	36,881,247	34,944,196	1,937,051
On-Behalf TPAF Contributions (Non-Budgeted):					
On-behalf TPAF Contributions-non-budgeted				17,010,984	(17,010,984)
NOGI-non-budgeted				304,903	(304,903)
Post Retirement Medical-non budgeted				6,423,877	(6,423,877)
Reimbursed TPAF Social Security Contribution-non-budgeted				6,294,503	(6,294,503)
Long Term Disability Insurance				12,955	(12,955)
Total TPAF Pension/Social Security				30,047,222	(30,047,222)
Total Undistributed Expenditures	114,692,139	(143,244)	114,548,896	136,059,621	(21,510,725)
General Current Expense:					
Interest Earned on Maintenance Reserve	8,300		8,300		8,300
Total General Current Expense	8,300		8,300		8,300
TOTAL EXPENDITURES - CURRENT EXPENSE	196,949,145	(101,001)	196,848,145	216,326,834	(19,478,689)
CAPITAL OUTLAY:					
Equipment					
Preschool Equipment				12,959	
Grades 9-12 - Equipment	9,000	6,850	15,850	5,347	2,891
Behavioral Disabilities		5,347	5,347	2,910	
Multiple Disabilities	3,500	(590)	2,910	16,237	
Undistributed-Reg. Maint. For Schools		16,237	16,237	27	
Undist. Expend. - Care and Upkeep of Grounds		27	27		
Total Equipment	12,500	27,871	40,371	37,479	2,891
Facilities Acquisition and Construction Services:					
Construction services	979,318	1,262,181	2,241,499	1,032,381	1,209,118
Assessment for Debt Service on SDA Funding	146,170		146,170	146,170	
Total Facilities Acquisition and Construction Services	1,125,488	1,262,181	2,387,669	1,178,551	1,209,118
Interest Deposit to Capital Reserve	65,000		65,000		65,000
TOTAL CAPITAL OUTLAY	1,202,988	1,290,052	2,493,039	1,216,030	1,277,009
Transfer of funds to charter schools	2,916,159	323,130	3,239,289	3,239,289	
TOTAL EXPENDITURES	\$ 201,068,291	\$ 1,512,181	\$ 202,580,473	\$ 220,782,154	\$ (18,201,680)

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, 2020

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Excess (deficiency) of revenues over (under) expenditures	\$ (8,934,125)	\$ (1,512,181)	\$ (10,446,307)	\$ 3,250,807	\$ 13,707,115
Other financing sources (uses)				38,192	38,192
Transfers from Other Funds				38,192	38,192
Total other financing sources(uses)					
Excess of revenues and other financing sources over expenditures and other expenditures and other financing sources	(8,934,125)	(1,512,181)	(10,446,307)	3,288,999	13,745,307
Fund balances, July 1	19,503,286		19,503,286	19,503,286	
Fund balances, June 30	10,569,160	(1,512,181)	9,056,978	22,802,285	13,745,307

Recapitulation:

Non-Spendable - inventory	\$ 250,490
Assigned - year-end encumbrances	1,338,394
Restricted - capital reserve	8,739,507
Restricted - maintenance reserve	1,803,468
Restricted - emergency reserve	600,000
Unassigned fund balance	5,070,427
Assigned - designated for subsequent years expenditures	5,000,000
	22,802,285
	(6,860,266)
	\$ 15,942,019

Reconciliation to governmental funds statements (GAAP):
Prior Year aid payment not recognized on GAAP basis

Fund balance per governmental funds (GAAP)

HAMILTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
State sources	\$ 1,231,941	\$ 309,282	\$ 1,541,223	\$ 1,314,388	(226,835)
Federal sources	5,681,693	2,823,192	8,504,885	6,536,737	(1,968,148)
Other sources	128,565	84,534	213,099	84,117	(128,982)
Total revenues	7,042,199	3,217,008	10,259,207	7,935,242	(2,323,965)
EXPENDITURES:					
Instruction:					
Salaries of teachers	836,405	67,734	904,139	708,137	196,002
Other salaries for instruction	171,395	11,003	182,398	180,320	2,078
Purchased professional services	2,500	100,805	103,305	100,382	2,923
Purchased professional - educational services	959,094	275,261	1,234,355	1,006,749	227,606
Telephone/Communications		50,000	50,000		50,000
Tuition	2,810,309	545,682	3,355,991	3,155,991	200,000
Supplies and materials	635,166	963,716	1,598,882	1,119,267	479,615
Textbooks	73,104	7,067	80,171	71,453	8,718
Other Objects		120	120		120
Total instruction	5,487,973	2,021,388	7,509,361	6,342,299	1,167,062
Support services:					
Salaries of Other professional staff	637,552	(63,795)	573,757	536,141	37,616
Other Salaries					
Personal services - employee benefits	150,000	272,290	422,290	417,953	4,337
Purchased professional services	496,135	441,008	937,143	548,945	388,198
Purchased professional - technical services		164,894	164,894		164,894
Contracted services(btw home & school) - Vendors	750	3,800	4,550	1,475	3,075
Contracted services(other than btw home & school) - Vendors		1,400	1,400	517	883
Contracted services(other than btw home & school) - Grant Agreements		2,256	2,256		2,256
Travel	100,000	5,421	105,421	67,933	37,488
Supplies and materials	169,789	356,142	525,931	17,229	508,702
Miscellaneous expenditures		2,548	2,548		2,548
Total support services	1,554,226	1,185,964	2,740,190	1,590,193	1,149,997
Facilities acquisition and construction services:					
Instructional equipment		4,630	4,630		4,630
Non-Instructional equipment		5,026	5,026	2,750	2,276
Total facilities acquisition and construction serv.		9,656	9,656	2,750	6,906
Total expenditures	7,042,199	3,217,008	10,259,207	7,935,242	2,323,965
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, 2020

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	\$224,042,961.03	\$7,935,242.00
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		398,052.00
Less current year encumbrances		(335,990.00)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year	(6,860,266.00)	
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	6,779,626.00	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$223,962,321.03</u>	<u>\$7,997,304.00</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	\$220,782,153.54	\$7,935,242.00
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		398,052.00
Less current year encumbrances		(335,990.00)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$220,782,153.54</u>	<u>\$7,997,304.00</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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

	Measurement Date Ending June 30, 2019	Measurement Date Ending June 30, 2018	Measurement Date Ending June 30, 2017	Measurement Date Ending June 30, 2016	Measurement Date Ending June 30, 2015	Measurement Date Ending June 30, 2014	Measurement Date Ending June 30, 2013
District's proportion of the net pension liability (asset)	0.2770048260%	0.2914616700%	0.2903429124%	0.3033493165%	0.2901148926%	0.2798236728%	0.2730809259%
District's proportionate share of the net pension liability (asset)	\$49,912,067	\$57,387,350	\$67,587,189	\$89,843,367	\$65,124,980	\$52,390,645	\$52,191,191
District's covered-employee payroll	20,031,559	19,590,657	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	249.17%	292.93%	333.15%	452.73%	353.02%	265.21%	269.08%
Plan fiduciary net position as a percentage of the total pension liability	56.27%	53.60%	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

	Fiscal Year Ending June 30, 2020	Fiscal Year Ending June 30, 2019	Fiscal Year Ending June 30, 2018	Fiscal Year Ending June 30, 2017	Fiscal Year Ending June 30, 2016	Fiscal Year Ending June 30, 2015	Fiscal Year Ending June 30, 2014
Contractually required contribution	\$ 2,694,454	\$ 2,899,102	\$ 2,913,664	\$ 2,689,717	\$ 2,694,912	\$ 2,494,210	\$ 2,306,826
Contributions in relation to the contractually required contribution	2,694,454	2,899,102	2,913,664	2,689,717	2,694,912	2,494,210	2,306,826
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	21,019,464	20,031,559	19,590,657	20,287,601	19,844,925	18,447,735	19,754,726
Contributions as a percentage of covered-employee payroll	12.82%	14.47%	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

	Measurement Date Ending June 30, 2019	Measurement Date Ending June 30, 2018	Measurement Date Ending June 30, 2017	Measurement Date Ending June 30, 2016	Measurement Date Ending June 30, 2015	Measurement Date Ending June 30, 2014	Measurement Date Ending June 30, 2013
District's proportion of the net pension liability (asset)	0.7809615082%	0.7576667172%	0.7920642357%	0.7949697212%	0.7972868278%	0.7890660282%	0.7844176179%
State's proportionate share of the net pension liability (asset) associated with the District	\$479,283,449	\$482,004,929	\$534,038,268	\$625,373,799	\$503,918,690	\$421,730,111	\$396,438,495
District's covered-employee payroll	81,657,147	82,274,742	80,182,382	78,043,603	79,890,797	78,364,476	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%	0%	0%
State's Proportionate Share of the Total Net Pension Liability associated with the District as a percentage of the District's Covered-Employee Payroll	586.95%	585.85%	666.03%	801.31%	630.76%	538.16%	511.65%
Plan fiduciary net position as a percentage of the total pension liability	26.95%	26.49%	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
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms:

None

Change in assumptions:

The following assumptions were used in calculating the net pension liability in their respective accounting periods:

Measurement Date Ending <u>June 30,</u>	Discount <u>Rate</u>	Long-Term Expected Rate of <u>Return</u>	Actuarial Experience <u>Study Period</u>
2019	6.28%	7.00%	07/01/14-06/30/18
2018	5.66%	7.00%	07/01/11-06/30/14
2017	5.00%	7.00%	07/01/11-06/30/14
2016	3.98%	7.65%	07/01/11-06/30/14
2015	4.90%	7.90%	07/01/08-06/30/11
2014	5.39%	7.90%	07/01/08-06/30/11
2013	5.55%	7.90%	07/01/08-06/30/11

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms:

None

Change in assumptions:

The following assumptions were used in calculating the net pension liability in their respective accounting periods:

Measurement Date Ending <u>June 30,</u>	Discount <u>Rate</u>	Long-Term Expected Rate of <u>Return</u>	Actuarial Experience <u>Study Period</u>
2019	5.60%	7.00%	07/01/15-06/30/18
2018	4.86%	7.00%	07/01/12-06/30/15
2017	4.25%	7.00%	07/01/12-06/30/15
2016	3.22%	7.65%	07/01/12-06/30/15
2015	4.13%	7.90%	07/01/09-06/30/12
2014	4.68%	7.90%	07/01/09-06/30/12
2013	4.95%	7.90%	07/01/09-06/30/12

REQUIRED SUPPLEMENTARY INFORMATION - PART IV

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

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

	Measurement Date Ended June 30,	
	<u>2019</u>	<u>2017</u>
Total Non-Employer OPEB Liability - State's Proportionate Share of Total OPEB Liability Associated with the School District		
Balance at 6/30	\$412,156,727	\$482,816,104
Changes for the year:		
Service cost	13,548,164	15,662,557
Interest	16,266,463	17,656,754
Changes of benefit terms		
Differences between expected and actual experience	(71,657,025)	(46,041,618)
Changes in assumptions or other inputs	5,440,479	(47,297,047)
Membership Contributions	332,026	380,901
Benefit payments - Net	(11,200,910)	(11,020,924)
Net changes	<u>(47,270,803)</u>	<u>(70,659,377)</u>
Balance at 6/30	<u>\$364,885,924</u>	<u>\$412,156,727</u>
Covered Employee Payroll	101,688,706	101,865,399
District's Proportionate Share of the Total Non-Employer OPEB Liability as a percentage of the District's Covered Employee Payroll	-0-	-0-
State's Proportionate Share of the Total Non-Employer OPEB Liability associated with the District as a percentage of the District's Covered Employee Payroll	358.83%	404.61%
		475.45%

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART IV
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Change in benefit terms: None

Change in assumptions: The discount rate changed from 3.87% to 3.50% as of
June 30, 2019.

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, 2020

	TITLE I A	TITLE I S/A	TITLE I	TITLE II A	TITLE III E/E	TITLE III IMMIGRANT	TITLE IV	IDEA PART B
			REALLOCATION					
REVENUES:								
State sources	\$ 2,009,698.00	\$ 64,463.00	\$ 60,886.00	\$ 210,942.00	\$ 87,107.00	\$ 5,657.00	\$ 49,701.00	\$ 3,355,092.00
Federal sources								
Local sources								
Total revenues	\$ 2,009,698.00	\$ 64,463.00	\$ 60,886.00	\$ 210,942.00	\$ 87,107.00	\$ 5,657.00	\$ 49,701.00	\$ 3,355,092.00
EXPENDITURES:								
Instruction:								
Salaries of teachers	\$ 659,100.00	\$ 19,267.00	\$ 14,300.00	\$ 9,360.00	\$ 3,410.00	\$ 460.00	\$ 460.00	\$ 460.00
Other salaries for instruction	180,320.00		2,933.00	31,460.00		4,206.00		
Purchased professional - technical services	22,399.00							
Purchased professional - educational services								
Tuition	131,471.00	2,025.00	23,677.00		45,627.00	672.00	42,785.00	3,030,191.00
Supplies and materials								51,399.00
Textbooks	993,290.00	21,292.00	40,910.00		86,447.00	4,062.00	47,451.00	3,081,590.00
Support services:								
Salaries of Other professional staff	534,321.00		929.00	231.00	660.00			
Personal services - employee benefits	417,953.00							
Purchased professional services	38,673.00	41,061.00	16,334.00	159,055.00			2,250.00	270,752.00
Contracted Services:								
(btw home & school) - Vendors						1,475.00		
(other than btw home & school - Vendors								
Travel	16,523.00	558.00		50,852.00				
Supplies and materials	8,938.00	1,532.00	2,713.00	804.00				
Total support services	1,016,408.00	43,171.00	19,976.00	210,942.00	660.00	1,475.00	2,250.00	270,752.00
Facilities acquisition and construction serv:								
Non - instructional equipment								2,750.00
Total facilities acquisition and construction serv.								2,750.00
Total expenditures	\$ 2,009,698.00	\$ 64,463.00	\$ 60,886.00	\$ 210,942.00	\$ 87,107.00	\$ 5,657.00	\$ 49,701.00	\$ 3,355,092.00

HAMILTON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	IDEA PRESCHOOL	CARL D PERKINS	CARES ACT	NONPUBLIC TEXTBOOKS	COMPENSATORY EDUCATION	NON-PUBLIC NJ CH 192 ENGLISH AS SECOND LANGUAGE	TRANSPORTATION	NON-PUBLIC NJ CH 1E SUPPLEMENTAL INSTRUCTION
REVENUES:								
State sources	\$ 132,219.00	\$ 65,498.00	\$ 495,574.00	\$ 68,240.00	\$ 398,639.00	\$ 15,339.00	\$ 40,679.00	\$ 152,229.00
Federal sources								
Local sources								
Total revenues	\$ 132,219.00	\$ 65,498.00	\$ 495,574.00	\$ 68,240.00	\$ 398,639.00	\$ 15,339.00	\$ 40,679.00	\$ 152,229.00
EXPENDITURES:								
Instruction:								
Salaries of teachers		\$ 2,240.00	\$	\$	\$	\$	\$	\$
Other salaries for instruction		10,224.00						
Purchased professional - technical services					398,639.00	15,339.00	40,679.00	152,229.00
Purchased professional - educational services								
Tuition	125,800.00							
Supplies and materials	6,419.00	53,034.00	495,574.00	68,240.00				
Textbooks								
Total instruction	\$ 132,219.00	\$ 65,498.00	\$ 495,574.00	\$ 68,240.00	\$ 398,639.00	\$ 15,339.00	\$ 40,679.00	\$ 152,229.00
Support services:								
Salaries of Other professional staff								
Personal services - employee benefits								
Purchased professional - technical services								
Contracted Services:								
(b/w home & school) - Vendors								
(other than b/w home & school - Vendors								
Travel								
Supplies and materials								
Total support services								
Facilities acquisition and construction serv:								
Non - instructional equipment								
Total facilities acquisition and construction serv.								
Total expenditures	\$ 132,219.00	\$ 65,498.00	\$ 495,574.00	\$ 68,240.00	\$ 398,639.00	\$ 15,339.00	\$ 40,679.00	\$ 152,229.00

HAMILTON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	NON-PUBLIC NJ CH 193 EXAMINATION AND CORRECTIVE SPEECH	NON-PUBLIC NURSING	NON-PUBLIC TECHNOLOGY	NON-PUBLIC SECURITY AID	SAFETY GRANT	OTHER LOCAL	TOTAL
REVENUES:							
State sources	\$ 149,602.00	\$ 134,722.00	\$ 51,559.00	\$ 212,983.00	\$ 26,168.00	\$ 57,949.00	\$ 1,314,388.00
Federal sources							6,536,737.00
Local sources							84,117.00
Total revenues	\$ 149,602.00	\$ 134,722.00	\$ 51,559.00	\$ 212,983.00	\$ 26,168.00	\$ 57,949.00	\$ 7,935,242.00
EXPENDITURES:							
Instruction:							
Salaries of teachers	\$	\$	\$	\$	\$	\$	\$ 708,137.00
Other salaries for instruction							180,320.00
Purchased professional - technical services	149,602.00	134,722.00	51,559.00			2,744.00	100,382.00
Tuition				212,983.00	26,168.00		1,006,749.00
Supplies and materials						3,213.00	3,155,981.00
Textbooks							1,119,267.00
Total instruction	\$ 149,602.00	\$ 134,722.00	\$ 51,559.00	\$ 212,983.00	\$ 26,168.00	\$ 33,990.00	\$ 71,453.00
Support services:							
Salaries of Other professional staff							536,141.00
Personal services - employee benefits							417,953.00
Purchased professional - technical services						20,800.00	548,945.00
Contracted Services:							
(btw home & school) - Vendors						517.00	1,475.00
(other than btw home & school - Vendors							517.00
Travel							67,933.00
Supplies and materials						3,242.00	17,229.00
Total support services						24,559.00	1,590,193.00
Facilities acquisition and construction serv:							
Non - instructional equipment							2,750.00
Total facilities acquisition and construction serv:							2,750.00
Total expenditures	\$ 149,602.00	\$ 134,722.00	\$ 51,559.00	\$ 212,983.00	\$ 26,168.00	\$ 57,949.00	\$ 7,935,242.00

**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, 2020

Revenues:		
Interest	\$	<u>1,666,499</u>
Total revenues		<u>1,666,499</u>
Expenditures and Other Financing Uses:		
Architectural Services		271,322
Purchased professional and technical services		43,496
Equipment		2,082,327
Construction services		<u>16,761,326</u>
Total expenditures		<u>19,158,471</u>
Excess (deficiency) of revenues over (under) expenditures		(17,491,972)
Other financing sources (uses):		
Transfers out		(488,441)
Proceeds of Capital Lease		<u>2,200,000</u>
Total other financing sources (uses)		1,711,559
Net change in fund balance		(15,780,413)
Fund balance - beginning		<u>22,270,217</u>
Fund balance - ending	\$	<u><u>6,489,804</u></u>
Fund Balance - budgetary basis	\$	6,489,804
Current Year Encumbrances		<u>14,900,308</u>
Fund Balance - GAAP basis (B-1)	\$	<u><u>21,390,112</u></u>
Expenditures - budgetary basis	\$	19,158,471
Add: prior year encumbrances		<u>16,063,885</u>
		35,222,356
Less:		
Current year encumbrances		<u>14,900,308</u>
Expenditures - GAAP basis (B-2)	\$	<u><u>20,322,048</u></u>

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, 2020

	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	1,395,270		1,395,270	1,395,270
Total reserve	2,698,410		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		2,384,421	2,698,410
Excess (deficiency) of revenues over (under) expenditures	\$ 313,989	\$	313,989	\$

Additional project information:

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

0.828279132

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, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Lease Proceeds	\$ 18,962,000	\$ (22,439)	\$ 18,939,561	\$ 18,939,561
Total reserve	18,962,000	(22,439)	18,939,561	18,939,561
Expenditures and Other Financing Uses:				
Purchased professional and technical services	4,474,675		4,474,675	4,474,675
Construction services	14,464,886		14,464,886	14,464,886
Total expenditures and other financing uses	18,939,561	0	18,939,561	18,939,561
Excess (deficiency) of revenues over (under) expenditures	\$ 22,439	\$ (22,439)	\$ 0	\$ 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	(22,439)
Revised Authorized Cost	18,939,561
Percentage of Original Authorized Cost	100.00%
Percentage completion	100.00%
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
TECHNOLOGY EQUIPMENT LEASE PURCHASE
FOR THE YEAR ENDED JUNE 30, 2020

	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	2,490,946		2,490,946	2,476,064
Total expenditures and other financing uses	2,499,882		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		2,500,000	2,500,000
Excess (deficiency) of revenues over (under) expenditures	\$ 118	\$	118	\$

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	-
Revised Authorized Cost	2,500,000
Percentage of Original Authorized Cost	100.00%
Percentage completion	99.00%
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, 2020

	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	1,514,043		1,514,043	1,514,756
Total expenditures and other financing uses	1,519,287	0	1,519,287	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	\$ 713	\$ 0	\$ 713	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	99.00%
Original target completion date	FY2019
Revised target completion date	FY2019

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, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Expenditures and Other Financing Uses:				
Purchased professional and technical services	\$ 6,655	\$ 23,374	\$ 30,029	\$ 33,247
Equipment	<u>2,929,516</u>		<u>2,929,516</u>	<u>2,930,753</u>
Total expenditures and other financing uses	<u>2,936,171</u>	<u>23,374</u>	<u>2,959,545</u>	<u>2,964,000</u>
Other financing sources				
Capital lease proceeds	<u>2,964,000</u>		<u>2,964,000</u>	<u>2,964,000</u>
Other financing sources	<u>2,964,000</u>		<u>2,964,000</u>	<u>2,964,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 27,829</u>	<u>(23,374)</u>	<u>\$ 4,455</u>	

Additional project information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 2,964,000
Additional Authorized Cost	-
Revised Authorized Cost	2,964,000
Percentage of Original Authorized Cost	100.00%
Percentage completion	99.85%
Original target completion date	FY2020
Revised target completion date	FY2020

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, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Cost
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	\$ 271,322	\$ 3,511,028	\$ 3,812,706
Purchased professional and technical services	15,592		15,592	1,167,780
Construction Services	30,331,556	16,761,326	47,092,882	50,402,514
Miscellaneous Expenditures	1,095		1,095	10,000
Total expenditures	33,586,854.00	17,032,648	50,620,597	55,393,000
Excess (deficiency) of revenues over (under) expenditures	\$ 21,806,146.00	\$ (17,032,648)	\$ 4,772,403	\$ -

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	\$ -0-
Revised Authorized Cost	55,393,000
Percentage of Original Authorized Cost	100.00%
Percentage completion	91.38%
Original target completion date	FY2020
Revised target completion date	FY2021

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
VARIOUS CAPITAL EQUIPMENT LEASE PURCHASES - FY2019
FOR THE YEAR ENDED JUNE 30, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Expenditures and Other Financing Uses:				
Equipment	\$ 1,699,966	\$ 85,503	\$ 1,785,469	\$ 1,800,000
Total expenditures and other financing uses	1,699,966	85,503	1,785,469	1,800,000
Other financing sources				
Capital lease proceeds	1,800,000		1,800,000	1,800,000
Other financing sources	1,800,000	0	1,800,000	1,800,000
Excess (deficiency) of revenues over (under) expenditures	\$ 100,034	\$ (85,503)	\$ 14,531	\$ 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	\$ 1,800,000
Additional Authorized Cost	-0-
Revised Authorized Cost	1,800,000
Percentage of Original Authorized Cost	100.00%
Percentage completion	99.19%
Original target completion date	FY2020
Revised target completion date	FY2020

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
VARIOUS CAPITAL EQUIPMENT LEASE PURCHASES - FY2020
FOR THE YEAR ENDED JUNE 30, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Expenditures and Other Financing Uses:				
Purchased professional and technical services	\$	20,122 \$	20,122 \$	100,000
Equipment	\$	1,996,824 \$	1,996,824 \$	2,100,000
Total expenditures and other financing uses		2,016,946	2,016,946	2,200,000
Other financing sources				
Capital lease proceeds		2,200,000	2,200,000	2,200,000
Other financing sources		2,200,000	2,200,000	2,200,000
Excess (deficiency) of revenues over (under) expenditures	\$	183,054 \$	183,054 \$	

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	2,200,000
Additional Authorized Cost	-0-
Revised Authorized Cost	2,200,000
Percentage of Original Authorized Cost	100.00%
Percentage completion	91.68%
Original target completion date	FY2020
Revised target completion date	FY2020

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES - BUDGETARY BASIS
AS OF JUNE 30, 2020

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	18,939,561	18,939,561		
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	2,499,882		118
Technology Equipment and Infrastructure I - FY2016	7/12/2016	1,521,500	1,520,787		713
Technology Equipment and Infrastructure II - FY2016	6/16/2017	2,964,000	2,936,171	23,374	4,455
2018 Referendum	9/26/2017	55,393,000	33,587,947	17,032,648	4,772,405
Various Capital Lease Purchases - FY2019	7/12/2018	1,800,000	1,699,966	85,503	14,531
Various Capital Lease Purchases - FY2020	7/18/2019	2,200,000		2,016,946	183,054
Totals		91,081,471	66,633,693	19,158,471	5,289,307

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
STATEMENT OF NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
JUNE 30, 2020

		BUSINESS-TYPE ACTIVITIES
		<u>ENTERPRISE FUND</u>
		<u>FOOD SERVICE</u>
ASSETS:		
Current assets:		
Cash and cash equivalents	\$	833,808
Accounts receivable:		
State		12,482
Federal		231,162
Other		184,799
Interfund Receivable		15,989
Inventories		180,158
Total current assets		<u>1,458,398</u>
Noncurrent assets:		
Furniture, machinery & equipment		1,269,977
Less accumulated depreciation		<u>(818,058)</u>
Total noncurrent assets		<u>451,919</u>
Total assets		<u>1,910,317</u>
LIABILITIES:		
Current liabilities:		
Accounts payable		137,535
Unearned revenue		161,473
Total liabilities		<u>299,008</u>
NET POSITION:		
Net investment in capital assets		451,919
Unrestricted		<u>1,159,390</u>
Total net position	\$	<u><u>1,611,309</u></u>

EXHIBIT "G-2"

HAMILTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND FOOD SERVICE
OPERATING REVENUES:	
Charges for services:	
Daily sales - reimbursable programs	\$ 303,757
Daily sales - non-reimbursable programs	503,718
Other income	105
Total operating revenues	807,580
OPERATING EXPENSES:	
Salaries	1,183,647
Employee benefits	271,763
Management and consultant fees	181,437
Insurance	41,454
Other Purchased Services	141,914
Other Purchased Property Services (Repairs)	21,259
Supplies and materials	345,597
Depreciation	41,236
Miscellaneous	999
Cost of sales - reimbursable	991,608
Cost of sales - non-reimbursable	25,767
Total operating expenses	3,246,681
Operating income (loss)	(2,439,101)
Nonoperating Revenues (Expenses):	
State sources	
State school lunch program	46,343
Federal sources:	
National school lunch program	1,794,469
National school breakfast program	635,747
Supplemental Nutrition Assistance Program	46,920
Special Milk	608
Fresh Fruit and Vegetable	8,169
Food Distribution Program	127,421
Interest & Investment Revenue	18,841
Miscellaneous-prior year payables canceled	98,916
Disposal of Capital Assets (net)	(823)
Total nonoperating revenues (expenses)	2,776,611
Change in net position	337,510
Total net position - beginning	1,273,799
Total net position - ending	\$ 1,611,309

HAMILTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND FOOD SERVICE
Cash flows from operating activities:	
Receipts from customers, net	\$ 788,067
Cash Payments to Vendors for Goods & Services	(2,829,979)
Cash Payments for Employees' Salaries & Benefits	(311,498)
	<u>(2,353,410)</u>
Net cash provided by (used for) operating activities	(2,353,410)
Cash flows from noncapital financing activities:	
Cash Received from State & Federal Sources	2,434,147
Operating subsidies and transfers to other funds	(18,475)
	<u>2,415,672</u>
Net cash provided by noncapital financing activities	2,415,672
Cash flows from capital and related financing activities:	
Acquisition of Capital Assets	(64,736)
Net cash provided by (used for) capital and related financing activities	(64,736)
	<u>(64,736)</u>
Cash Flows From Investing Activities:	
Interest on Deposits	18,841
	<u>18,841</u>
Net Cash Provided/(Used) by Investing Activities	18,841
Net increase (decrease) in cash and cash equivalents	16,367
Balances - Beginning of Year	817,441
Balances - End of Year	\$ 833,808
	<u>833,808</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities	
Operating income (loss)	\$ (2,439,101)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation and Amortization	41,236
Federal commodities	127,421
(Increase) decrease in inventories	(171,664)
(Increase) decrease in interfunds receivable	(15,989)
(Increase) decrease in other accounts receivable	(39,307)
Increase (decrease) in accounts payable for operating purposes	9,468
Increase (decrease) in unearned revenue	134,526
	<u>85,691</u>
Total Adjustments	85,691
Net cash provided by (used for) operating activities	\$ (2,353,410)
	<u>(2,353,410)</u>

HAMILTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
JUNE 30, 2020

	<u>GOVERNMENTAL ACTIVITIES</u>
	<u>INTERNAL SERVICE FUND</u>
	WORKERS'
	<u>COMPENSATION FUND</u>
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ 989,865
Total current assets	989,865
Total assets	989,865
LIABILITIES:	
Interfund payable	245,422
Claims payable	744,443
Total liabilities	\$ 989,865
NET POSITION:	
Unrestricted	-
Total net position	-

HAMILTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

		<u>GOVERNMENTAL ACTIVITIES</u> <u>INTERNAL SERVICE FUND</u> <u>WORKERS'</u> <u>COMPENSATION FUND</u>
Other financing sources (uses):		
Prior Year Claims	\$	18,070
Transfers out		(18,070)
		-
Total other financing sources (uses)		-
Net change in net position		-
Total net position - beginning		-
Total net position - ending		-

EXHIBIT "G-6"

HAMILTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

GOVERNMENTAL ACTIVITIES
INTERNAL SERVICE FUND
WORKERS'
COMPENSATION FUND

Cash flows from operating activities:	
Cash Payments for Employee Benefits - Net	\$ (43,435)
Net cash provided by (used for) operating activities	<u>(43,435)</u>
Cash flows from noncapital financing activities:	
Operating subsidies and transfers to other funds	50,000
Net cash provided by noncapital financing activities	<u>50,000</u>
Net increase (decrease) in cash and cash equivalents	6,565
Balances - Beginning of Year	<u>983,300</u>
Balances - End of Year	<u>\$ 989,865</u>
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	\$ (43,435)
Total Adjustments	<u>(43,435)</u>
Net cash provided by (used for) operating activities	<u>\$ (43,435)</u>

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, 2020

	PAYROLL AGENCY	AGENCY FUNDS STUDENT ACTIVITY	TOTAL AGENCY FUNDS	UNEMPLOYMENT COMPENSATION TRUST	PRIVATE PURPOSE SCHOLARSHIP	TOTAL JUNE 30, 2020
ASSETS:						
Cash and cash equivalents	\$ 94,462	\$ 539,921	\$ 634,383	\$ 2,447,947	\$ 144,034	\$ 3,226,364
Other Accounts Receivable	48,818		48,818			48,818
Interfunds Receivable					69,953	69,953
Total assets	143,280	539,921	683,201	2,447,947	213,987	3,345,135
LIABILITIES:						
Payroll Deductions and Withholdings	80,491		80,491			80,491
Accounts Payable	18,639		18,639			18,639
Interfund Payable	44,150		44,150			44,150
Due to Employees		539,921	539,921			539,921
Due to Student Groups						
Total liabilities	143,280	539,921	683,201			683,201
NET POSITION:						
Held in Reserve for Unemployment Claims Reserved for Scholarships				2,447,947	213,987	2,447,947
Total net position	\$	\$	\$	2,447,947	213,987	2,661,934

HAMILTON TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	PRIVATE PURPOSE		
	UNEMPLOYMENT COMPENSATION TRUST	PRIVATE PURPOSE SCHOLARSHIP	TOTAL
Contributions:			
Plan Members	\$ 381,233	\$	\$ 381,233
Other			
Total contributions	381,233		381,233
Investment earnings:			
Interest	35,582	2,668	38,250
Net investment earnings	35,582	2,668	38,250
Total Additions	416,815	2,668	419,483
DEDUCTIONS:			
Unemployment Claims	196,580		196,580
Scholarships Awarded		23,750	23,750
Total deductions	196,580	23,750	220,330
Change in net position	220,235	(21,082)	199,153
Net position beginning of year	2,227,712	235,069	2,462,781
Net position end of year	\$ 2,447,947	\$ 213,987	\$ 2,661,934

HAMILTON TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>BALANCE</u> <u>JUNE 30, 2019</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2020</u>
Elementary Schools				
Alexander	\$ 5,190	\$ 10,559	\$ 14,612	\$ 1,137
Greenwood	3,111	3,300	4,587	1,824
Kisthardt	766	8,007	3,893	4,880
Klockner	1,863	2,220	2,478	1,605
Kuser	2,817	1,469	1,615	2,671
Lalor	2,030	2,634	3,051	1,613
Langtree	8,153	3,431	3,497	8,087
McGalliard	2,381	4,838	2,298	4,921
Mercerville	12,754	6,473	6,920	12,307
Morgan	2,564	3,721	1,581	4,705
Robinson	2,953	19,451	14,497	7,907
Sayen	2,029	15,861	14,514	3,376
Sunnybrae	1,986	5,024	4,368	2,642
University Heights	9,087	151	583	8,655
Wilson	6,144	756	518	6,382
Yardville	4,106	1,662	2,937	2,830
Yardville Heights	2,297	6,356	4,808	3,845
Total Elementary Schools	<u>70,231</u>	<u>95,912</u>	<u>86,755</u>	<u>79,387</u>
Middle Schools				
Albert E. Grice	57,568	66,449	73,478	50,539
Reynolds	88,256	194,612	195,775	87,093
Crockett	78,245	70,997	78,702	70,540
Total Middle Schools	<u>224,069</u>	<u>332,058</u>	<u>347,955</u>	<u>208,172</u>
High Schools:				
Hamilton H.S. - West	57,942	76,744	83,976	50,710
Hamilton H.S. - East	121,859	145,150	152,270	114,739
Hamilton H.S. - North	99,699	134,900	149,111	85,488
Total High Schools	<u>279,500</u>	<u>356,794</u>	<u>385,357</u>	<u>250,937</u>
Alternative School:				
Hamilton Educational Program	1,426	2,072	2,073	1,425
Total Alternative School	<u>1,426</u>	<u>2,072</u>	<u>2,073</u>	<u>1,425</u>
Total All Schools	<u>\$ 575,226</u>	<u>\$ 786,836</u>	<u>\$ 822,140</u>	<u>\$ 539,921</u>

EXHIBIT "H-4"

HAMILTON TOWNSHIP SCHOOL DISTRICT
PAYROLL AGENCY FUNDS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>BALANCE</u> <u>JUNE 30, 2019</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2020</u>
ASSETS:				
Cash and cash equivalents	\$ 82,642 \$	130,089,348 \$	130,077,528 \$	94,462
Other accounts receivable		48,818		48,818
Total assets	<u>\$ 82,642 \$</u>	<u>130,138,166 \$</u>	<u>130,077,528 \$</u>	<u>143,280</u>
LIABILITIES:				
Payroll deductions and withholdings	\$ 33,580 \$	62,722,981 \$	62,676,070 \$	80,491
Due to Employees	33,709	110,751	100,310	44,150
Interfund Payable	15,353	67,304,434	67,301,148	18,639
Total liabilities	<u>\$ 82,642 \$</u>	<u>130,138,166 \$</u>	<u>130,077,528 \$</u>	<u>143,280</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, 2020

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL PAYMENTS		RATE OF INTEREST	BALANCE JUNE 30, 2019	RETIRED	BALANCE JUNE 30, 2020
			DATE	AMOUNT				
School District Refunding Bonds Series 2012	12/4/2012	\$ 28,275,000	08/15/20	\$ 2,970,000	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%	17,910,000	2,715,000	15,195,000
Refunding School Bonds Series 2015	11/20/2015	9,010,000	02/15/21	1,800,000	5.00%			
			02/15/22	1,790,000	5.00%	5,315,000	1,725,000	3,590,000
School Bonds, 2017	12/28/2017	55,393,000	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						\$ 78,618,000	\$ 5,473,000	\$ 73,145,000

HAMILTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
AS OF JUNE 30, 2020

SERIES	DATE OF ISSUE	AMOUNT OF ISSUE	INTEREST RATE	AMOUNT		ISSUED	RETIRED	AMOUNT OUTSTANDING JUNE 30, 2020
				OUTSTANDING JUNE 30, 2019				
2015 ESIP Lease	2/3/2015	18,962,000	2.71%	\$ 15,914,769	\$		799,186	\$ 15,115,583
Technology and Equipment - FY2016	9/30/2015	2,500,000	1.49%	511,328			511,328	0
Technology and Equipment - FY2017 I	7/12/2016	1,520,000	1.29%	618,913			307,467	311,446
Technology and Equipment - FY2017 II	6/16/2017	2,964,000	1.64%	1,807,338			592,628	1,214,710
Technology and Equipment - FY2019	7/12/2018	1,800,000	2.88%	1,457,524			348,904	1,108,620
Technology and Equipment - FY2020	7/18/2019	2,200,000	2.02%		2,200,000		213,494	1,986,506
Total				\$ 20,309,872	\$ 2,200,000		2,773,007	\$ 19,736,865

HAMILTON TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES:					
Local sources:					
Local tax levy	6,702,070 \$		6,702,070 \$	6,702,070 \$	-
State sources:					
Debt service aid type II	949,353		949,353	949,353	-
Total revenues	<u>7,651,423</u>		<u>7,651,423</u>	<u>7,651,423</u>	<u>-</u>
EXPENDITURES:					
Regular debt service:					
Interest Payments Bonds	2,400,765		2,400,765	2,400,765	-
Redemption of Bond Principal	5,473,000		5,473,000	5,473,000	-
Total regular debt service-expenditures	<u>7,873,765</u>		<u>7,873,765</u>	<u>7,873,765</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(222,342)		(222,342)	(222,342)	-
Other financing sources:					
Transfers In				450,249	450,249
Total other financing sources:				<u>450,249</u>	<u>450,249</u>
Net change in fund balances	<u>(222,342)</u>		<u>(222,342)</u>	<u>227,907</u>	<u>450,249</u>
Fund balance, July 1	<u>316,597</u>		<u>316,597</u>	<u>316,597</u>	
Fund balance, June 30	<u>94,255 \$</u>		<u>94,255 \$</u>	<u>544,504 \$</u>	<u>450,249</u>

STATISTICAL SECTION - UNAUDITED

HAMILTON TOWNSHIP SCHOOL DISTRICT
STATISTICAL SECTION

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

Sources

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

HAMILTON OF TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
UNAUDITED

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental activities										
Net investment in capital assets	\$37,459,058	\$33,955,889	\$31,447,415	\$26,309,244	\$22,531,140	\$20,196,914	\$1,377,077	\$7,339,460	\$34,978,504	\$35,384,820
Restricted	11,843,714	8,661,032	8,387,173	11,085,767	10,696,362	11,723,880	18,569,971	22,997,089	14,972,059	17,000,288
Unrestricted (deficit)	(65,217,907)	(65,637,942)	(62,061,242)	(59,384,965)	(48,035,273)	(46,956,222)	3,465,789	5,683,052	(24,010,970)	(28,197,412)
Total governmental activities net position	(15,915,135)	(23,021,021)	(22,226,654)	(21,989,954)	(14,807,771)	(15,035,429)	23,412,837	35,919,601	25,939,593	24,187,696
Business-type activities										
Net investment in capital assets	451,919	301,726	316,162	351,401	300,002	258,074	213,659	212,811	135,246	31,950
Unrestricted	1,159,390	972,073	1,130,048	982,351	1,029,015	878,641	641,299	657,715	559,412	482,821
Total business-type activities net position	1,611,309	1,273,799	1,446,210	1,333,752	1,329,017	1,136,715	854,958	870,526	694,658	514,771
District-wide										
Net investment in capital assets	37,910,977	34,257,615	31,763,577	26,660,645	22,831,142	20,454,988	1,590,736	7,552,271	35,113,750	35,416,770
Restricted	11,843,714	8,661,032	8,387,173	11,085,767	10,696,362	11,723,880	18,569,971	22,997,089	14,972,059	17,000,288
Unrestricted (deficit)	(64,058,517)	(64,665,869)	(60,931,194)	(58,402,614)	(47,006,258)	(46,077,581) a	4,107,088	6,240,767	(23,451,558)	(27,714,591)
Total district net position	(\$14,303,826)	(\$21,747,222)	(\$20,780,444)	(\$20,656,202)	(\$13,478,754)	(\$13,888,713)	\$24,267,795	\$36,790,127	\$26,634,251	\$24,702,467

Sources: CAFR Schedule A-1
a - In FY2015 the District implemented GASB 68

HAMILTON TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
UNAUDITED

	2020	2019	2018	2017	2016 (a)	2015	2014	2013	2012	2011
EXPENSES										
Governmental activities										
Instruction:										
Regular	91,220,855	84,899,215	105,764,753	103,361,967	92,709,459	58,632,133	60,854,903	58,078,633	57,542,173	56,644,936
Special	49,983,080	48,818,944	45,435,850	45,486,646	41,453,048	14,551,457	14,321,087	13,989,305	13,601,887	13,519,058
Other instruction	11,191,219	10,623,478	11,678,503	10,874,967	9,460,370	4,843,440	4,692,904	4,269,203	4,019,816	4,587,670
Support services:										
Tuition	35,727,122	38,113,679	41,430,668	39,662,020	34,635,285	13,067,142	11,952,190	11,427,609	12,325,903	11,966,301
Student and instruction related services	14,476,399	15,492,005	16,415,653	16,062,104	13,880,742	7,207,052	6,681,153	6,825,173	6,610,894	7,476,233
School administrative services	7,035,530	7,590,349	8,661,973	7,509,331	6,440,639	5,066,329	5,406,001	4,556,523	3,308,212	2,667,510
General and business administrative services	17,644,151	19,750,550	21,912,193	24,085,418	21,548,995	15,475,436	15,984,777	14,020,550	14,500,756	14,397,901
Plant operations and maintenance	10,295,866	13,564,981	11,609,635	11,198,763	9,800,436	9,362,502	9,093,391	8,963,800	8,668,131	8,152,631
Pupil transportation					4,507	68,434,886	49,815,775	50,015,952	46,651,663	41,394,402
Unallocated Employee Benefits					153,449	122,412	115,947	123,795	135,387	136,290
Special Schools					1,200,629	1,501,509	1,449,546	1,259,791	2,117,376	2,290,847
Interest on Long-Term Debt	2,418,381	3,543,291	1,893,942	1,243,324	1,200,629	(452,388)	(355,399)	(39,241)		
Unallocated Compensated Absences										
Amortization of Debt Issuance Costs										
Unallocated depreciation	4,140,357	3,453,312	4,460,254	3,521,532	3,547,882	677,208	2,536,407	2,602,431	1,069,061	1,050,649
Total governmental activities expenses	244,132,750	255,847,805	269,283,424	263,005,093	234,855,342	219,050,247	202,642,898	195,666,610	188,321,985	182,024,233
Business-type activities:										
Food Service	3,246,681	3,640,981	3,233,503	3,236,226	3,057,843	3,180,243	3,200,594	3,178,209	3,082,251	2,995,544
Total business-type activities expense	3,246,681	3,640,981	3,233,503	3,236,226	3,057,843	3,180,243	3,200,594	3,178,209	3,082,251	2,995,544
Total district expenses	247,379,431	259,488,786	272,516,927	266,242,319	237,913,185	222,230,490	205,843,492	198,864,819	191,404,236	185,019,777
PROGRAM REVENUES										
Governmental activities:										
Grants and contributions	49,734,052	59,630,374	78,330,202	68,389,102	52,512,774	42,526,203	7,821,185	8,157,538	13,191,193	10,949,173
Interest on Long-Term Debt						226,332	225,604	225,571	226,043	225,635
Total governmental activities program revenues	49,734,052	59,630,374	78,330,202	68,389,102	52,512,774	42,752,535	8,046,789	8,383,109	13,417,236	11,175,008

HAMILTON TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
UNAUDITED

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
PROGRAM REVENUES										
Business-type activities:										
Charges for services	\$807,580.00	\$1,068,626.00	\$954,345.00	\$864,848.00	\$901,625.00	\$966,675.00	\$1,010,070.00	\$1,097,279.00	\$1,316,446.00	\$1,280,184.00
Food Service	2,678,518.00	2,375,741.00	2,381,048.00	2,370,372.00	2,339,220.00	2,495,325.00	2,174,956.00	2,256,798.00	1,944,034.00	1,788,587.00
Operating grants and contributions	3,486,098.00	3,444,367.00	3,335,394.00	3,235,220.00	3,240,845.00	3,462,000.00	3,185,026.00	3,354,077.00	3,260,480.00	3,058,771.00
Total business-type activities program revenues	\$53,220,150.42	\$63,074,740.56	\$81,665,595.97	\$71,624,322.17	\$55,753,616.86	\$46,214,535.00	\$11,231,615.00	\$11,737,186.00	\$16,677,716.00	\$14,243,779.00
NET (EXPENSE)/REVENUE										
Governmental activities	(\$194,398,707.65)	(\$196,217,431.76)	(\$190,953,222.33)	(\$194,616,990.85)	(\$182,342,567.65)	(\$176,287,712.00)	(\$194,796,109.00)	(\$187,303,501.00)	(\$174,904,749.00)	(\$170,849,225.00)
Business-type activities	239,417.00	(186,613.60)	101,891.24	(1,006.00)	183,002.00	281,757.00	(15,568.00)	175,868.00	179,229.00	73,227.00
Total district-wide net expense	(\$194,159,290.65)	(\$196,414,045.36)	(\$189,851,331.09)	(\$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)
GENERAL REVENUES AND OTHER CHANGES										
IN NET POSITION										
Governmental activities:										
Property taxes levied for general purposes, net	\$113,981,826.00	\$110,834,993.00	\$108,661,758.00	\$106,214,572.00	\$102,609,694.00	\$100,597,740.00	\$98,625,236.00	\$96,839,447.00	\$94,940,634.00	\$94,940,634.00
Taxes levied for debt service	6,702,070.00	6,758,825.00	4,813,636.00	4,951,045.00	4,933,388.00	3,807,850.00	1,960,445.00	3,764,868.00	537,200.00	1,840,961.00
Unrestricted Grants and Contributions	75,262,388.97	74,579,618.13	74,495,125.08	74,372,884.02	74,016,975.00	77,264,566.00	89,645,931.00	91,000,537.00	74,407,106.00	69,307,966.00
Restricted Grants and Contributions	687,287.10	504,987.51	226,360.00	119,253.00	209,103.00			1,070,199.00	5,535,459.00	9,538,769.00
Tuition Received	4,911,010.52	2,744,631.00	2,814,923.10	1,647,103.54	2,451,537.00			28,791.00	396,666.00	387,158.00
Miscellaneous Income			(45,207.00)	(11,488.00)		1,710,596.00	1,675,500.00	3,742,424.00	1,145,364.00	1,129,348.00
Special Item(s):			(250,371.00)							(199,704.00)
Prior Year Accounts Receivable Cancelled										(5,924.00)
Retirement ERI Liability										(58,803.00)
Transfer - Charter School/Disposal of Assets										
Transfers - Business - Type Activities										
Total governmental activities	201,504,592.59	195,423,064.64	190,716,524.18	187,293,369.56	184,220,677.00	190,040,708.00	182,830,358.00	186,060,971.00	178,656,648.00	176,880,405.00
Business-type activities:										
Investment Earnings										1,290.00
Miscellaneous Income	98,916.00	24,203.00	10,567.00	5,741.00	8,248.00					1,290.00
Total business-type activities	98,916.00	24,203.00	10,567.00	5,741.00	8,248.00					1,290.00
Total district-wide	\$201,603,508.59	\$195,447,267.64	\$190,727,091.18	\$187,299,110.56	\$184,228,925.00	\$190,040,708.00	\$182,830,358.00	\$186,060,971.00	\$178,657,897.00	\$176,881,695.00
CHANGE IN NET POSITION										
Governmental activities	\$7,105,865.04	(\$784,367.14)	(\$236,696.15)	(\$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
Business-type activities	338,333.00	(172,410.60)	112,458.24	4,735.00	191,250.00	281,757.00	(15,568.00)	175,868.00	179,475.00	74,517.00
Total district	\$7,444,218.04	(\$956,777.74)	(\$124,237.91)	(\$7,318,886.29)	\$2,069,359.35	\$14,024,753.00	(\$11,981,319.00)	\$8,953,338.00	\$1,931,374.00	\$6,105,697.00

Source: CAFR Schedule A-2

HAMILTON TOWNSHIP SCHOOL DISTRICT
 FUND BALANCES - GOVERNMENTAL FUNDS
 UNAUDITED

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund										
Nonspendable	\$250,489.67	\$196,549.00	\$228,815.00	\$260,752.77	\$264,171.00	\$348,053.00	\$391,296.00	\$383,920.00	\$424,961.00	\$475,122.00
Restricted	11,142,974.79	8,370,228.12	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
Assigned	4,548,554.65		6,105,211.00	6,000,000.00	10,202,470.00	5,151,055.00	4,496,311.00	5,084,417.00	534,457.00	1,296,737.00
Unassigned		4,156,882.00				3,057,395.00	621,815.00		2,643,586.00	4,018,710.00
Total general fund	<u>\$15,942,019.11</u>	<u>\$12,723,659.12</u>	<u>\$15,385,273.80</u>	<u>\$14,895,055.69</u>	<u>\$20,357,852.00</u>	<u>\$20,321,923.00</u>	<u>\$18,608,324.00</u>	<u>\$25,371,019.00</u>	<u>\$17,621,296.00</u>	<u>\$16,654,073.00</u>
All Other Governmental Funds										
Restricted	\$6,940,053.00	\$22,364,472.00	\$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	14,900,308.00	16,063,885.00	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	94,255.00						\$220,805.00		\$14,941.00	\$7,562.00
Unassigned									(\$816,325.00)	
Total all other governmental funds	<u>\$21,934,616.00</u>	<u>\$38,428,357.00</u>	<u>\$54,801,381.16</u>	<u>\$6,672,908.63</u>	<u>\$9,465,393.00</u>	<u>\$19,464,985.00</u>	<u>\$6,178,629.24</u>	<u>\$3,154,796.00</u>	<u>\$4,683,228.00</u>	<u>\$3,863,932.00</u>

Source: CAFR Schedule B-1

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues										
Tax levy	\$120,663,896	\$117,593,818	\$113,475,694	\$111,165,617	\$107,543,062	\$104,405,590	\$100,585,681	\$100,585,681	\$95,477,834	\$96,791,995
Tuition charges	181,873	140,204	104,615	92,201	84,020	148,365	81,018	81,018		
Interest earnings on cap. and maint. reserve	112,217	130,375	70,823	61,196	41,537				395,856	387,158
Transportation Fees from Individuals	37,065	127,402				23,474				
Transportation Fees From Other LEAs	12,267									
PILOT Payments to School District	436,674									
Miscellaneous	4,195,884	2,395,837	2,717,739	1,630,287	2,355,480	1,822,007	1,680,874	1,680,874	1,145,364	1,129,348
State sources	108,784,470	107,048,121	101,265,463	98,666,802	95,229,398	95,304,382	90,889,352	90,889,352	86,344,375	81,703,951
Federal sources	6,871,261	5,910,969	6,160,606	6,046,490	6,359,294	6,046,849	6,797,994	6,797,994	7,015,426	8,318,862
Total revenue	241,277,547	233,347,746	223,792,940	217,662,594	211,612,791	207,750,667	200,034,919	200,034,919	190,378,855	188,319,844
Expenditures										
Instruction										
Regular instruction	54,810,460	55,148,558	54,509,021	54,178,780	53,707,870	59,282,133	60,854,903	56,078,633	55,730,240	55,069,044
Special education instruction	25,275,415	23,473,962	22,766,320	22,253,095	21,939,443	14,551,457	14,321,087	13,989,305	13,857,310	13,424,959
Other Special Instruction	3,762,772	3,563,300	3,468,033	3,085,035	3,023,156	2,415,155	2,287,227	2,087,632	1,997,707	2,656,243
Other Instruction	2,622,529	2,192,196	2,182,857	2,202,541	1,945,145	1,912,608	1,878,879	1,703,016	1,603,512	1,550,901
Adult/Continuing Education	241,295	289,657	349,414	380,975	509,309	515,677	546,798	472,555	418,597	380,528
Support Services:										
Tuition	12,367,581	11,772,867	10,917,715	10,988,290	10,398,527	13,067,142	11,952,180	11,437,609	12,325,903	11,986,301
Student and instruction related services	23,610,717	23,622,063	22,868,529	21,977,840	20,987,167	20,561,119	20,294,216	19,351,059	17,570,726	17,720,865
General administrative services	3,540,250	3,532,185	3,490,111	2,307,287	2,307,287	5,066,329	5,406,001	4,466,825	3,204,399	2,447,729
School administrative services	7,805,496	7,990,375	7,671,941	7,639,289	7,399,526	7,207,052	6,681,153	6,825,173	6,610,894	7,476,233
Central Services/Admin Technology	3,429,885	3,438,734	3,354,387	3,328,584	3,161,485					
Plant operations and maintenance	15,028,026	15,504,825	15,766,624	16,170,335	16,722,462	15,517,465	15,073,490	14,020,550	14,288,563	14,397,901
Pupil transportation	10,074,834	13,256,794	11,245,505	10,820,190	9,670,549	9,382,502	9,093,391	8,963,800	8,152,631	8,152,631
Unallocated benefits	64,991,418	63,789,006	58,907,800	60,277,657	51,640,114	50,980,151	48,792,068	50,028,943	48,561,482	42,431,071
Special schools					106,894	122,412	115,947	123,795	135,387	136,290
Capital Outlay	21,540,828	18,740,468	9,009,963	9,763,188	15,266,160	9,272,756	2,269,305	3,468,503	816,823	571,925
Cost of issuance					102,378					
Debt service:										
Principal	5,473,000	4,295,000	4,025,000	4,000,000	3,950,000	3,150,000	3,005,000	2,910,000	2,315,000	2,345,000
Interest and other charges	2,400,765	3,377,153	865,658	951,045	899,064	1,991,579	1,194,654	1,522,228	2,222,166	2,321,333
Total expenditures	259,975,271	253,960,042	230,316,879	230,354,266	223,757,545	213,175,537	203,746,329	196,469,626	186,326,860	183,068,892
Excess (Deficiency) of revenues over (under) expenditures	(15,697,724)	(20,612,296)	(6,523,938)	(12,691,672)	(12,144,754)	(6,424,870)	(3,711,410)	\$65,293	2,051,995	5,250,952
Other Financing sources (uses)										
Capital leases (non-budgeted)										
Proceeds from Refunding										
Payment to escrow Agent										
Bond Proceeds	2,200,000	1,800,000	55,393,000	(47,809)						
Accounts Receivable Cancelled			(250,371)							
Transfers In										
Transfers Out										
Total other financing sources (uses)	2,200,000	1,800,000	55,142,629	4,436,391	2,602,378	(922,540)	(707,087)	(340,995)	4,703,848	1,946,538
Net change in fund balances	(\$13,497,724)	(\$18,812,296)	\$48,618,691	(\$8,542,376)	(\$9,542,376)	\$15,679,590	(\$4,418,497)	\$224,298	\$1,786,521	\$4,992,445
Debt service as a percentage of noncapital expenditures	3.34%	3.25%	2.22%	2.24%	2.33%	2.09%	2.09%	2.26%	2.42%	2.56%

Source: CAFR Schedule B-2

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Interest on Investments & Deposits \$	288,558.00	262,667.00	200,923.00	206,586.00	237,018.00	262,404.00	302,161.00	230,428.00	395,856.00	387,158.00
Athletic Receipts	50,245.00	41,319.00	51,973.25	48,079.00	45,468.00	46,388.00	44,636.00	39,506.00	38,261.00	36,053.00
Facility Rental Fees	152,375.00	201,814.00	183,102.50	193,320.00	193,458.00	158,803.00	172,720.00	208,852.00	58,893.00	64,528.00
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
Other Miscellaneous Revenues	1,197,686.00	856,857.00	70,086.53	334,705.00	588,855.00	271,727.00	353,323.00	2,387,000.00	453,549.00	424,011.00
Refund of Prior Year Expenditures	456,052.00	149,599.00	198,041.00	238,401.00	820,425.00	384,655.00	604,659.00	392,795.00		10,762.00
Tuition - Individuals & State				74,546.00	145,544.00	148,365.00				71,999.00
Payments in Lieu of Taxes	188,747.35	416,577.00	399,588.29	381,470.00	320,000.00	320,000.00		320,000.00	320,000.00	320,000.00
ESIP Incentives	128,811.84	76,124.00	254,489.70							
E-Rate		214,521.71	528,500.48							
Community Education						57,657.00	40,532.00	52,027.00	61,329.00	60,643.00
	\$ 2,462,474.19	\$ 2,219,478.71	\$ 2,034,895.06	\$ 1,535,543.00	\$ 2,351,560.00	\$ 1,674,073.00	\$ 1,572,008.00	\$ 3,673,996.00	\$ 1,495,569.00	\$ 1,405,279.00
	0									

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 Real.	QFARM	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
2019	\$77,232,300	\$6,264,636,280	\$18,462,200	\$1,705,700	\$1,645,555,430	\$240,420,100	\$553,902,300	\$8,607,944,310	\$27,035,685	\$8,628,979,995	\$840,296,900	\$9,120,000,072	1.381	94.62%
2018	76,463,500	6,233,102,990	18,308,900	2,364,600	1,607,280,480	204,889,500	345,477,300	8,489,887,260	27,164,069	8,517,051,328	840,523,600	8,812,303,648	1.357	96.65%
2017	79,285,400	6,225,112,730	18,323,400	1,593,100	1,590,421,790	221,089,500	346,912,400	8,482,718,310	27,366,795	8,510,085,105	838,942,800	8,727,476,700	1.320	97.51%
2016	73,390,600	6,210,309,480	18,225,800	1,625,700	1,608,628,730	162,490,300	352,100,700	8,428,761,310 (c)	27,704,237	8,454,465,547	838,470,200	8,653,838,044	1.291	97.70%
2015	50,937,959	3,874,408,400	13,271,850	1,543,765	935,126,700	93,188,700	181,058,100	5,148,535,474	16,005,511	5,165,540,985	477,993,411	8,495,589,488	2,052	59.28%
2014	48,363,059	3,866,022,600	13,307,150	1,710,726	955,339,880	98,057,000	167,141,200	5,148,941,715	16,960,925	5,166,302,640	477,640,881	8,476,394,360	1,980	60.95%
2013	48,771,459	3,859,025,150	13,327,250	1,999,226	958,686,350	98,937,900	159,106,700	5,139,254,035	18,516,381	5,157,770,396	475,285,481	8,312,838,274	1,960	62.05%
2012	50,915,209	3,856,632,500	14,226,550	1,772,042	960,241,400	99,139,400	158,687,750	5,139,614,851	18,655,945	5,156,310,796	480,244,473	9,160,155,030	1,860	66.31%
2011	52,441,009	3,856,470,550	14,348,350	1,745,202	972,705,800	91,370,800	150,129,200	5,138,210,911	17,779,026	5,156,989,937	481,345,473	9,825,524,148	1,860	52.49%
2010	53,010,909	3,849,953,450	13,765,450	1,762,711	996,793,500	94,652,000	152,721,100	5,162,599,120	18,861,711	5,181,260,831	487,099,013	10,455,312,066	1,860	48.56%

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	
2020	\$1.329	\$0.078	\$1.407	\$0.822	\$0.674	\$2.903
2019	1.302	0.079	1.381	0.810	0.644	2.835
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

* - 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 TAXPAYERS - CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Taxpayer	2020			2010		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
JDN	\$90,919,000.00	1	1.05%	\$59,726,283.00	1	1.15%
QB Partners	44,917,000.00	2	0.52%			
Reckson - Matrix	38,559,800.00	3	0.45%			
RAR2 - 401 Cabot Dr LLC	38,004,500.00	4	0.44%			
MREEIC Trenton NJ LLC	32,600,000.00	5	0.38%			
Bell Atlantic	32,086,855.00	6	0.37%	22,175,612.00	3	0.43%
Homestead Senior Living	31,816,500.00	7	0.37%			
Hamilton Station Apartments	31,485,200.00	8	0.36%			
Hamilton Montage LLC	31,132,100.00	9	0.36%			
Levin Properties	30,865,500.00	10				
Quakerbridge Partners				37,553,300.00	2	0.72%
Cobalt Realty				19,363,900.00	4	0.37%
Horizon Bus Park				18,580,100.00	5	0.36%
EPT Hamilton				17,396,000.00	6	0.34%
Mitzen Farms				17,388,500.00	7	0.34%
Cabot Drive Holdings				17,237,800.00	8	0.33%
Danch Farms				16,823,200.00	9	0.32%
Congoleum				13,522,000.00	10	0.26%
Total	\$402,386,455.00		4.306%	\$239,766,695.00		4.628%

HAMILTON TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
UNAUDITED

<u>Fiscal Year</u> <u>Ended</u> <u>June 30,</u>	<u>Taxes Levied</u> <u>for the</u> <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (a)</u>		<u>Collections in</u> <u>Subsequent Years</u>
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	
2020	\$120,663,896.00	\$120,663,896.00	100.00%	0.00
2019	117,593,818.00	117,593,818.00	100.00%	0.00
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

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>			
2020	\$73,145,000	\$19,736,865	\$92,881,865	N/A	N/A
2019	78,618,000	20,309,872	98,927,872	N/A	1,136.25
2018	82,883,000	21,634,656	104,517,656	1.722%	1,193.78
2017	31,515,000	25,351,439	56,866,439	0.962%	638.39
2016	35,515,000	23,492,432	59,007,432	1.048%	662.69
2015	40,375,000	21,377,000	61,752,000	1.108%	692.37
2014	42,705,000	820,000	43,525,000	0.798%	487.09
2013	17,285,000	850,000	18,135,000	0.352%	203.01
2012	44,300,000	1,950,000	46,250,000	0.883%	519.78
2011	45,885,000	3,090,000	48,975,000	0.979%	551.77

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 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 Outstanding	Percentage of Actual Taxable Value (a) of Property	Per Capita (b)
	General Obligation Bonds	Deductions			
2020	\$73,145,000	N/A	\$78,618,000	N/A	N/A
2019	78,618,000	N/A	78,618,000	0.911%	903
2018	82,883,000	N/A	82,883,000	0.973%	946
2017	31,515,000	N/A	31,515,000	0.370%	354
2016	35,515,000	N/A	35,515,000	0.420%	399
2015	40,375,000	N/A	40,375,000	0.780%	453
2014	42,705,000	N/A	42,705,000	0.830%	478
2013	17,285,000	N/A	17,285,000	0.340%	193
2012	44,300,000	N/A	44,300,000	0.340%	498
2011	45,885,000	N/A	45,885,000	0.890%	517
2010	47,525,000	N/A	47,525,000	0.920%	537

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, 2019
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	\$167,336,349.00	100.00%	\$167,336,349.00
County of Mercer - Township's Share	836,270,013.00	19.80%	165,572,968.78
Subtotal, overlapping debt			<u>332,909,317.78</u>
Hamilton School District Direct Debt			<u>74,870,000.00</u>
Total direct and overlapping debt			<u><u>\$407,779,317.78</u></u>

Source: Township of Hamilton, Statement of Indebtedness as of December 31, 2019
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 2020:

Equalized Valuation Basis

Calendar Year	2019	2018	2017	2016	2015	2014	2013	2012	2011
	\$9,092,964,387.00	8,901,118,956.00	8,741,465,695.00	\$26,735,549,038.00					
Average Equalized Valuation of Taxable Property	\$8,911,849,679.00								
Debt Limit (4% of average equalization value)	356,473,987.16								
Net Bonded School Debt	74,870,000.00								
Legal Debt Margin	\$281,603,987.16								

	2019	2018	2017	2016	2015	2014	2013	2012	2011
Debt Limit	\$356,473,987.16	\$350,249,579.44	\$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
Total Net Debt Applicable To Limit	74,870,000.00	78,618,000.00	84,473,000.00	37,255,000.00	40,375,000.00	42,705,000.00	44,925,000.00	44,300,000.00	45,855,000.00
Legal Debt Margin	\$281,603,987.16	\$271,631,579.44	\$260,209,446.39	\$191,341,944.68	\$326,784,906.00	\$324,454,906.00	\$337,249,527.00	\$346,304,518.00	\$361,972,504.00
Total Net Debt Applicable to the Limit as a % of Debt Limit	21.00%	22.45%	24.51%	16.30%	11.00%	11.63%	11.76%	11.34%	11.24%

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>
2019	87,065	N/A	N/A	3.00%
2018	87,552	6,071,205,888	69,344	3.60%
2017	89,078	5,909,701,754	66,343	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%

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	2019			2011		
	# 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	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Instruction:										
Regular	764	770	767	735	784	794	803	763	771	750
Special education	360	355	341	187	226	182	181	171	177	169
Other Special Education	78	75	75	74	74	74	63	75	74	73
Support Services:										
Student and instruction related services	119	112	106	94	89	89	90	85	86	81
General administrative services	2	3	3	3	3	3	3	3	3	3
School administrative services	113	113	113	109	92	118	99	41	43	41
Other administrative services	39	40	43	49	62	50	60	13	14	13
Central services	24	24	24	23	23	24	24	6	6	6
Administration information technology	17	17	17	17	20	18	18	125	134	129
Plant operations and maintenance	167	170	170	157	166	166	168	177	170	157
Pupil transportation	12	12	10	10	10	10	11	7	7	8
Other support services	18	18	18	206	173	237	245	273	276	271
Food Service	2	1	1	1	1	1	1	1	2	7
Total	1,715	1,710	1,688	1,665	1,723	1,766	1,766	1,739	1,763	1,708

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				
2020	11,817	\$227,560,678.17	\$19,257.06	-1.40%	973	1:12	1:12	1:12	11,424	10,823	0.00%	94.74%
2019	11,653	\$227,577,421.20	19,529.51	-3.45%	970	1:12	1:12	1:12	11,424	10,823	-1.17%	94.74%
2018	11,614	\$227,840,088.33	19,617.71	8.37%	928	1:12	1:12	1:12	11,559	10,722	-0.34%	92.76%
2017	11,662	\$215,640,033.00	18,490.83	6.62%	960	1:12	1:12	1:12	11,599	10,925	-0.64%	94.19%
2016	11,683	\$203,519,953.06	17,420.18	6.05%	975	1:12	1:12	1:12	11,673	11,025	-1.97%	94.45%
2015	11,988	\$199,661,202.00	16,655.09	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	1:13	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%

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
District Buildings										
Elementary School(s):										
Alexander (1962)	31,997	31,997	31,997	31,997	31,977	31,977	31,977	31,977	31,977	31,977
Square Feet	245	245	245	245	360	360	351	351	351	351
Capacity (students)	370	365	351	318	313	318	317	333	344	346
Enrollment										
Greenwood (1917)	28,398	28,398	28,398	28,398	28,398	26,948	26,948	26,948	26,948	26,948
Square Feet	220	220	220	220	240	240	227	227	227	227
Capacity (students)	232	248	250	258	269	258	233	243	247	242
Enrollment										
Klithardt (1951)	25,242	25,242	25,242	25,242	25,242	25,242	25,242	25,242	25,242	25,242
Square Feet	189	189	189	189	252	252	245	245	245	245
Capacity (students)	235	253	233	233	222	223	213	234	233	236
Enrollment										
Klockner (1908)	44,354	44,354	44,354	44,354	44,354	44,354	44,354	44,354	44,354	44,354
Square Feet	256	256	256	256	251	251	254	254	254	254
Capacity (students)	247	246	235	248	267	248	260	260	262	243
Enrollment										
Kuser (1908)	51,813	51,813	51,813	51,813	51,813	51,813	51,813	51,813	51,813	51,813
Square Feet	367	367	367	367	351	351	404	404	404	404
Capacity (students)	366	336	347	381	433	433	402	387	387	388
Enrollment										
Lalor (1926)	36,408	36,408	36,408	36,408	36,408	36,408	36,408	36,408	36,408	36,408
Square Feet	217	217	217	217	262	262	242	242	242	242
Capacity (students)	274	266	270	282	276	282	242	249	262	258
Enrollment										
Langtree (1966)	39,516	39,516	39,516	39,516	39,516	39,516	39,516	39,516	39,516	39,516
Square Feet	293	293	293	293	360	360	392	392	392	392
Capacity (students)	374	346	328	388	311	388	371	385	403	404
Enrollment										
McGalliard (1952)	29,444	29,444	29,444	29,444	29,444	29,444	29,444	29,444	29,444	29,444
Square Feet	226	226	226	226	262	262	277	277	277	277
Capacity (students)	289	275	285	277	267	277	270	273	278	278
Enrollment										
Mercerville (1911)	45,098	45,098	45,098	45,098	45,098	45,098	45,098	45,098	45,098	45,098
Square Feet	329	329	329	329	384	384	385	385	385	385
Capacity (students)	384	369	361	389	371	389	312	331	346	348
Enrollment										
Morgan (1957)	34,434	34,434	34,434	34,434	34,434	34,434	34,434	34,434	34,434	34,434
Square Feet	352	352	352	352	390	390	386	386	386	386
Capacity (students)	380	373	356	356	345	356	311	312	304	311
Enrollment										

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
UNAUDITED

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Robinson (1962)										
Square Feet	40,073	40,073	40,073	40,073	40,073	40,073	40,073	40,073	40,073	40,073
Capacity (students)	309	309	309	309	382	382	381	381	381	381
Enrollment	408	387	373	365	351	365	373	383	409	415
Sayen (1955)										
Square Feet	27,750	27,750	27,750	27,750	27,750	27,750	27,750	27,750	27,750	27,750
Capacity (students)	208	208	208	208	270	270	250	250	250	250
Enrollment	301	301	296	281	269	281	273	288	275	274
Sunnybrae (1966)										
Square Feet	31,778	31,778	31,778	31,778	31,778	31,778	31,778	31,778	31,778	31,778
Capacity (students)	244	244	244	244	371	371	353	353	353	353
Enrollment	335	362	352	342	315	342	316	317	321	328
University Hgts. (1977)										
Square Feet	39,333	39,333	39,333	39,333	39,333	39,333	39,333	39,333	39,333	39,333
Capacity (students)	299	299	299	299	361	361	347	347	347	347
Enrollment	356	333	345	317	297	317	312	317	340	343
Wilson (1977)										
Square Feet	39,333	39,333	39,333	39,333	39,333	39,333	39,333	39,333	39,333	39,333
Capacity (students)	307	307	307	307	447	447	387	387	387	387
Enrollment	378	393	394	419	448	419	437	436	410	410
Yardville (1938)										
Square Feet	35,370	35,370	35,370	35,370	35,370	35,370	35,370	35,370	35,370	35,370
Capacity (students)	254	254	254	254	291	291	304	304	304	304
Enrollment	279	298	288	280	278	280	284	282	293	301
Yardville Hgts. (1917)										
Square Feet	33,365	33,365	33,365	33,365	33,365	33,365	33,365	33,365	33,365	33,365
Capacity (students)	237	237	237	237	262	262	261	261	261	261
Enrollment	269	265	260	241	234	241	262	263	291	289
Middle School(s):										
Crockett (1989)										
Square Feet	115,142	115,142	115,142	115,142	115,142	115,142	115,142	115,142	115,142	115,142
Capacity (students)	780	780	780	780	696	696	944	944	944	944
Enrollment	892	903	892	831	819	831	794	795	785	783
Grice (1960)										
Square Feet	114,128	114,128	114,128	114,128	114,128	114,128	114,128	114,128	114,128	114,128
Capacity (students)	796	796	796	796	716	716	988	988	988	988
Enrollment	946	910	966	918	916	918	881	891	895	895
Reynolds (1960)										
Square Feet	113,514	113,514	113,514	113,514	113,514	113,514	113,514	113,514	113,514	113,514
Capacity (students)	774	774	774	774	737	737	979	979	979	979
Enrollment	1,107	1,100	1,076	1,029	1,025	1,029	908	893	955	952

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
UNAUDITED

	2011	2012	2013	2014	2015 *	2016	2017	x	2018	2019	2020
High School(s):											
Hamilton East (1967)											
Square Feet	195,185	195,185	195,185	195,185	195,185	195,185	195,185		195,185	195,185	195,185
Capacity (students)	1,265	1,265	1,265	1,265	1,453	1,453	1,313		1,313	1,313	1,313
Enrollment	1,548	1,503	1,431	1,345	1,303	1,345	1,251		1,204	1,359	1,308
Hamilton North (1953)											
Square Feet	162,586	162,586	162,586	162,586	162,586	162,586	162,586		162,586	162,586	162,586
Capacity (students)	1,063	1,063	1,063	1,063	1,303	1,303	1,172		1,172	1,172	1,172
Enrollment	1,387	1,326	1,313	1,316	1,352	1,316	1,240		1,038	1,054	1,009
Hamilton West (1929)											
Square Feet	182,348	182,348	182,348	182,348	182,348	182,348	182,348		182,348	182,348	182,348
Capacity (students)	1,113	1,113	1,113	1,113	1,292	1,292	1,256		1,256	1,256	1,256
Enrollment	1,329	1,296	1,275	1,270	1,219	1,219	1,233		1,159	1,246	1,206
Other Buildings:											
Administration Building (1898)											
Square Feet	25,515	25,515	25,515	25,515	25,515	25,515	25,515		25,515	25,515	25,515
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A		N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A		N/A	N/A	N/A
Hamilton Educational Program (HEP)											
Square Feet	14,400	14,400	14,400	14,400	14,400	14,400	14,400		14,400	14,400	14,400
Capacity (students)	23	23	23	23	23	23	23		23	23	23
Enrollment	61	51	56	52	61	52	37		35	35	38

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)	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Hamilton HS East - Steinert	\$413,462	\$443,778	\$417,017	\$417,384	\$501,056	\$389,297	\$391,885	\$326,928	\$328,323	\$366,539
Hamilton HS North - Nottingham	344,432	369,660	347,369	347,674	417,372	324,279	328,434	272,271	273,433	286,787
Hamilton HS West	386,297	414,591	389,591	389,933	468,103	363,694	366,112	305,420	306,723	292,657
Grice Middle	241,776	259,484	243,637	244,051	292,976	227,629	229,142	191,045	191,860	188,900
Reynolds Middle	240,475	256,088	242,525	242,738	291,400	228,404	227,909	190,033	190,844	191,623
Crockett Middle	243,924	261,790	246,003	246,220	296,579	229,651	231,178	192,817	193,639	190,963
Alexander Elementary	67,784	72,749	68,362	68,422	82,139	63,618	64,242	53,645	53,873	58,940
Wilson Elementary	85,326	89,429	84,036	84,110	100,971	78,450	78,971	65,790	66,071	67,922
Greenwood Elementary	57,088	61,270	57,575	57,626	69,178	53,748	54,105	47,572	47,775	49,314
Kishardt Elementary	53,474	57,391	53,930	53,978	64,798	50,680	50,680	42,268	42,438	52,181
Klockner Elementary	93,962	100,844	94,763	94,847	113,960	88,464	88,052	74,394	74,712	81,566
Kuser Elementary	109,764	117,803	110,700	110,797	133,008	103,341	104,028	86,793	87,164	84,244
Lalor Elementary	77,129	82,778	77,786	77,855	93,462	72,616	73,099	60,983	61,243	64,729
Langtree Elementary	83,713	89,845	84,427	84,501	101,441	78,815	79,339	66,297	66,579	63,995
McGalliard Elementary	62,376	66,945	62,908	62,963	75,585	58,726	59,117	49,343	49,553	58,796
Mercerville Elementary	95,538	102,536	96,353	96,438	115,770	89,948	90,546	75,406	75,728	85,642
Morgan Elementary	72,947	78,290	73,569	73,634	86,395	66,679	66,135	57,693	57,939	60,912
Robinson Elementary	84,893	91,111	85,617	85,692	102,671	79,925	80,457	67,056	67,342	68,739
Sayen Elementary	58,787	63,093	59,288	59,341	71,237	55,348	55,715	46,559	46,758	56,997
Sunnybrae Elementary	67,321	72,251	67,994	67,954	81,577	63,381	63,803	53,138	53,365	56,507
University Heights Elementary	83,326	89,429	84,036	84,110	100,971	78,450	78,971	65,790	66,071	68,557
Yardville Elementary	74,930	80,418	75,569	75,635	90,798	70,546	71,015	59,211	59,464	59,362
Yardville Heights Elementary	70,693	75,960	71,285	71,348	85,651	66,547	66,989	55,922	56,160	53,968
Willey School	30,506	32,740	30,766	30,793	36,966	28,721	28,914	24,039	24,141	23,153
Total School Facilities	\$3,197,945	\$3,432,173	\$3,225,206	\$3,228,043	\$3,875,166	\$3,010,822	\$3,030,838	\$2,530,403	\$2,541,198	\$2,604,591

* - 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	\$314,856,500	\$5,000
Comprehensive general liability	2,000,000	1,000
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 (4)	1,000,000	25,000
Crime (1)	500,000	5,000
Cyber Security (5)	1,000,000	25,000

(1) Selective

(2) Chartis

(3) NJ School Boards Insurance Group

(4) Steadfast-Zurich

(5) Beazley

THIS PAGE INTENTIONALLY LEFT BLANK

SINGLE AUDIT SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

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

Honorable President and Members
of the Board of Education
Hamilton Township School District
County of Mercer
Hamilton, New Jersey 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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 25, 2021.

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

January 25, 2021



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

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

Honorable President and Members
of the Board of Education
Hamilton Township School District
County of Mercer
Hamilton, New Jersey 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, 2020. 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.

SUPLEE, CLOONEY & COMPANY

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, 2020.

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

January 25, 2021

HAMILTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

FEDERAL AWARD NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD BEGIN	GRANT PERIOD END	AWARD AMOUNT	BALANCE AT JUNE 30, 2019	ADJUSTED BALANCE AT JUNE 30, 2019	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED-THROUGH TO SUBRECIPIENTS	REPAYMENT OF FY15 BALANCE	(ACCOUNTS RECEIVABLE)	BALANCE JUNE 30, 2020	DUE GRANTOR								
93.778	1900NJSWAP	N/A	7/1/2019	6/30/2020	249,333	\$	\$	249,333	(249,333)	\$	\$	\$	\$									
General Fund:																						
U.S. Department of Education:																						
Passed-through State Department of Education:																						
Medical Assistance Program (SEMI)																						
Total General Fund																						
Special Revenue Fund:																						
U.S. Department of Education:																						
Passed-through State Department of Education:																						
84.010	S010A150000	NCLB195019	7/1/18	6/30/19	2,141,219	(738,978)	(738,978)	739,055	(167,987)			(167,987)		77								
84.010	S010A150000	NCLB195020	7/1/19	6/30/20	2,020,004	(5,028)	(5,028)	1,272,342	(1,841,711)			(569,369)										
84.010	S010A150000	NCLB195021	7/1/18	6/30/19	15,195			5,028	(86,385)			(13,380)										
84.010	S010A150000	NCLB195022	7/1/19	6/30/20	38,886			4,585														
84.010	S010A150000	NCLB195023	7/1/18	6/30/19	11,770			33,178	(84,483)			(81,285)										
84.357A	S387A150000	NCLB195019	7/1/18	6/30/19	132,482	(24,489)	(24,489)	24,489	(210,842)			(43,597)										
84.357A	S387A150000	NCLB195020	7/1/19	6/30/20	94,102	(24,377)	(24,377)	167,345	(87,108)			(46,096)										
84.358A	S385A150000	NCLB195019	7/1/18	6/30/19	143,471	(7,715)	(7,715)	41,013	(46,420)			(46,420)										
84.424A	S424A150000	NCLB195020	7/1/19	6/30/20	96,540			3,281	(46,101)			(46,101)										
84.385	S385A150000	NCLB195019	7/1/18	6/30/19	46,055			872	(5,857)			(6,885)										
84.385	S385A150000	NCLB195020	7/1/19	6/30/20	44,311	(609,196)	(609,196)	2,375,179	(2,488,094)			(953,018)		77								
I.D.E.A. Part B Special Education Cluster																						
84.027	S027A151100	IDEA195019	7/1/18	6/30/19	3,891,122	(504,440)	(504,440)	504,440	(9,385,925)			(159,350)										
84.027	S027A151100	IDEA195020	7/1/19	6/30/20	3,150,715	(1)	(1)	3,150,715	(7,596)			(7,596)										
84.173	S173A150114	IDEA195019	7/1/18	6/30/19	116,415			103,850	(124,623)			(20,743)										
84.173	S173A150114	IDEA195018	7/1/17	6/30/18	124,623	(504,441)	(504,441)	3,764,052	(3,487,711)			(227,669)										
Carl D. Perkins - Secondary																						
84.048	V048A140030	N/A	7/1/13	6/30/14	78,294	(9,383)	(9,383)	15,494	(85,488)			(8,383)										
84.048	V048A140030	N/A	7/1/18	6/30/19	65,498	(15,494)	(15,494)	55,772	(65,576)			(8,726)										
21.019	N/A	N/A	3/13/20	9/30/22	1,462,262	(1,339,065)	(1,339,065)	6,216,497	(6,536,575)			(1,665,400)		77								
Total Special Revenue Fund																						
Enterprise Fund:																						
U.S. Department of Agriculture:																						
Passed-through State Department of Education:																						
Child Nutrition Cluster																						
10.555	16161NJ30AH1099	N/A	7/1/18	6/30/19	1,699,735	(114,404)	(114,404)	114,404														
10.555	16161NJ30AH1099	N/A	7/1/19	6/30/20	1,841,930			1,261,715	(7,261,715)			(141,810)										
10.555	16161NJ30AH1099	N/A	7/1/18	6/30/19	374,836	(27,123)	(27,123)	271,223	(859,674)													
10.553	16161NJ30AH1099	N/A	7/1/19	6/30/20	635,207			283,952	(283,952)			(89,552)										
10.553	16161NJ30AH1099	N/A	7/1/18	6/30/19	874	(42)	(42)	42														
10.556	16161NJ30AH1099	N/A	7/1/18	6/30/19	606	(141,569)	(141,569)	606	(695)			(231,162)										
10.565	16161NJ30AH1099	N/A	7/1/18	6/30/19	201,852	2,613	2,613		(2,613)													
10.565	16161NJ30AH1099	N/A	7/1/19	6/30/20	242,154	(741)	(741)	242,154	(124,006)			117,346										
10.562	16161NJ30AH1099	N/A	7/1/18	6/30/19	8,159			8,159	(8,159)													
10.562	16161NJ30AH1099	N/A	7/1/19	6/30/20	8,159	(139,897)	(139,897)	2,859,215	(2,811,344)			(231,162)										
Total Enterprise Fund																						
Total Federal Financial Assistance																						
													\$	(1,478,700)	\$	9,069,045	\$	(8,399,604)	\$	117,346	\$	77

See accompanying notes to schedules of financial assistance.

HAMILTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

STATE GRANT OR PROGRAM TITLE	BALANCE JUNE 30, 2019		GRANT PERIOD	GRANT OR STATE PROJECT NUMBER	GRANT AMOUNT	ADJUSTED BALANCE AT 06/30/19		CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAYMENT OF PRIOR YEARS BALANCES		BALANCE JUNE 30, 2020		MEMO CUMULATIVE TOTAL EXPENDITURES	
	UNEARNED REVENUE (ACCT'S REC)	DUE TO GRANITOR				PRIOR PERIOD ADJUSTMENTS	BUDGETARY RECEIVABLE			BUDGETARY REVENUE	DUE GRANITOR	(ACCOUNTS RECEIVABLE)	BUDGETARY RECEIVABLE		
State Department of Education															
General Fund:															
Equalization Aid															
Categorical Special Education Aid	19-495-0344-5120-078	7,629,324	7/1/18-6/30/19		\$64,409,125										
Categorical Security Aid	19-495-0344-5120-084	630,559	7/1/18-6/30/19		58,492,707										
Equalization Aid	20-495-0344-5120-078	84,409,125	7/1/19-6/30/20		7,443,215										
Categorical Special Education Aid	20-495-0344-5120-084	8,198,284	7/1/19-6/30/20		572,638										
Categorical Security Aid	20-495-0344-5120-084	630,559	7/1/19-6/30/20		66,810,861										
Total State Aid - Public Charter															
Categorical Transportation Aid	19-495-0344-5120-014	1,448,373	7/1/18-6/30/19		1,448,373										
Categorical Transportation Aid	20-495-0344-5120-014	1,448,373	7/1/19-6/30/20		1,313,514										
Emergency Aid	19-495-0344-5120-044	1,595,887	7/1/18-6/30/19		1,595,887										
Emergency Aid	20-495-0344-5120-044	1,828,199	7/1/19-6/30/20		1,46,796										
Non-Public Transportation Aid	19-100-0344-5120-088	146,796	7/1/18-6/30/19		304,903										
Non-Public Transportation Aid	20-100-0344-5120-088	26,529	7/1/19-6/30/20		17,010,964										
On-behalf TPAF non-contributory insurance	20-495-0344-5094-002		7/1/19-6/30/20		12,955										
On-behalf TPAF Long-Term Disability Insurance (non-bud.)	20-495-0344-5094-004		7/1/19-6/30/20		6,423,877										
On-behalf TPAF Post-retirement medical	20-495-0344-5094-001		7/1/19-6/30/20		288,899										
Reimbursed TPAF Social Security Contributions	19-495-0344-5095-002		7/1/18-6/30/19		5,895,477										
Reimbursed TPAF Social Security Contributions	20-495-0344-5095-002		7/1/19-6/30/20		99,587,893										
Total General Funds															
Spectral Revenue Fund:															
Non-Public Textbooks	19-100-0344-5120-064	78,993	7/1/18-6/30/19		4,355										
Non-Public Textbooks	20-100-0344-5120-064	53,928	7/1/19-6/30/20		76,957										
Non-Public Technology Aid	19-100-0344-5120-064	59,560	7/1/18-6/30/19		6,185										
Non-Public Technology Aid	20-100-0344-5120-064	549,073	7/1/19-6/30/20		89,084										
Non-Public Camp Ed	19-100-0344-5120-067	21,569	7/1/18-6/30/19		5,404										
Non-Public ESL	19-100-0344-5120-067	24,403	7/1/18-6/30/19		2,682										
Non-Public Home Instruction	19-100-0344-5120-067	52,700	7/1/18-6/30/19		9,964										
Non-Public Home Instruction	20-100-0344-5120-067	195,993	7/1/19-6/30/20		26,919										
Non-Public Transportation	19-100-0344-5120-088	114,100	7/1/18-6/30/19		15,664										
Non-Public Supplemental Instruction	19-100-0344-5120-088	120,781	7/1/18-6/30/19		9,279										
Non-Public Supplemental Instruction	20-100-0344-5120-088	146,179	7/1/19-6/30/20		643										
Non-Public Examination & Classification	19-100-0344-5120-086	142,784	7/1/18-6/30/19		32,290										
Non-Public Examination & Classification	20-100-0344-5120-086	226,050	7/1/19-6/30/20		197,105										
Non-Public Corrective Speech	19-100-0344-5120-096	120,781	7/1/18-6/30/19		108,407										
Non-Public Nursing	19-100-0344-5120-070	142,784	7/1/18-6/30/19		643										
Non-Public Security Aid	20-100-0344-5120-509	226,050	7/1/19-6/30/20		200,800										
Total Special Revenue Fund															
Debt Service Fund:															
Debt Service Aid Type II	20-100-0344-5120-125	849,353	7/1/19-6/30/20		849,353										
Total Debt Service Fund															
Enterprise Fund:															
National School Lunch Program (State Share)	19-100-0344-5120-122	38,376	7/1/18-6/30/19		3,224										
National School Lunch Program (State Share)	20-100-0344-5120-122	48,343	7/1/19-6/30/20		33,862										
Total Enterprise Fund															
Total State Financial Assistance															
On-behalf TPAF non-contributory insurance															
On-behalf TPAF Pension															
On-behalf TPAF Long-Term Disability Insurance (non-bud.)															
On-behalf TPAF Post-retirement medical															
Total State Financial Assistance Subject to Single Audit															

See accompanying notes to schedule of financial assistance.

Hamilton Township School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2020

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.

Hamilton Township School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2020

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$80,640.00 for the general fund and (\$79,269.00) 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	\$249,333.00	\$106,506,651.00	\$106,755,984.00
Special Revenue Fund	6,621,928.00	1,308,466.00	7,930,394.00
Debt Service Fund		949,353.00	949,353.00
Food Service Fund	2,613,334.00	46,343.00	2,659,677.00
	<u>\$9,484,595.00</u>	<u>\$108,810,813.00</u>	<u>\$118,295,408.00</u>
GAAP Adjustment	(85,191.00)	86,562.00	1,371.00
Total Awards & Financial Assistance	<u>\$9,399,404.00</u>	<u>\$108,897,375.00</u>	<u>\$118,296,779.00</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 medical contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2020. 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, 2020.

Hamilton Township School District
Mercer County, New Jersey

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2020

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 2 CFR 200.516(a) of OMB Uniform Guidance? | No | | | | | | | | |
| (4) | Identification of Major Federal Program(s): | | | | | | | | | |
| | <table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: left;"><u>Program</u></th> <th style="text-align: left;"><u>CFDA</u></th> </tr> </thead> <tbody> <tr> <td>IDEA Basic</td> <td>84.027</td> </tr> <tr> <td>IDEA Preschool</td> <td>84.173</td> </tr> <tr> <td>Title II</td> <td>84.367a</td> </tr> </tbody> </table> | <u>Program</u> | <u>CFDA</u> | IDEA Basic | 84.027 | IDEA Preschool | 84.173 | Title II | 84.367a | |
| <u>Program</u> | <u>CFDA</u> | | | | | | | | | |
| IDEA Basic | 84.027 | | | | | | | | | |
| IDEA Preschool | 84.173 | | | | | | | | | |
| Title II | 84.367a | | | | | | | | | |
| (5) | Program Threshold Determination:
Type A Federal Program Threshold > \$750,000.00
Type B Federal Program Threshold <= \$750,000.00 | | | | | | | | | |
| (6) | Auditee qualified as a low-risk auditee under OMB Circular Uniform Guidance? | Yes | | | | | | | | |

Hamilton Township School District
Mercer County, New Jersey

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2020

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> |
|-----------------------------------|-----------------------|
| State Aid Public Cluster | |
| Equalization Aid | 20-495-034-5120-078 |
| Categorical Special Education Aid | 20-495-034-5120-089 |
| Categorical Security Aid | 20-495-034-5120-084 |
| Debt Service Aid Type II | 20-100-034-5120-125 |
- (5) Program Threshold Determination:
Type A State Program Threshold > \$2,554,340.00
Type B State Program Threshold <= \$2,554,340.00
- (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, 2020

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

