

Annual Comprehensive Financial Report

of the

Hamilton Township School District

County of Mercer

Hamilton, New Jersey

For the Fiscal Year Ended June 30, 2023

Prepared by

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

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INTRODUCTORY SECTION



HAMILTON TOWNSHIP SCHOOL DISTRICT

OFFICE OF THE SUPERINTENDENT OF SCHOOLS

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Scott R. Rocco, Ed. D.

Superintendent

December 20, 2023

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, 2023. 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 2022-23 fiscal year with an average daily enrollment of 11,804. 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>
2022-23	11,804.2	+2.25%
2021-22	11,544.6	+1.61%
2020-21	11,361.3	-1.63%
2019-20	11,549.7	+1.10%
2018-19	11,424.4	+0.05%
2017-18	11,419.1	-1.55%
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%

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, the district began the installation of artificial athletic fields and new tracks at the three high schools with completion of all three schools by the fall of 2023. Two classroom modular units were installed at Kuser and Wilson, HVAC upgrades were completed at Mercerville, Morgan and Langtree elementary schools, new bathroom was installed at Lalor, and VAT was replaced districtwide. Through the efforts of the Department of Student Services and Programs, the district recouped \$2,247,836 in Extraordinary Aid.

The following educational initiatives took place during the **2022-2023 School Year:**

English Language Arts

- Expansion of *Schoolwide Reading Series* – Grades K-2
- 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 1-5
- Professional Development (where applicable)
- Additional Novels

English as a Second Language

- Professional Development (particularly at the 6-12 level)
- Curricular resources to support Newcomers
- ESL Tutoring

Mathematics

- Revised Curriculum (where applicable)
- Continuation of Algebra I Units of Study
- Professional Development (where applicable)
- Continued implementation of iReady Math – Grades 1-5
- Continued implementation of *Math Expressions Series* (K-5)
- Online Platforms (K-12)
- New AP Computer Science, AP Statistics, Calculus Textbooks (9-12)

World Language

- New Spanish II Textbooks
- 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 Mystery Science (K-5)
- Continued science/applied tech equipment enhancements (6-12)

Social Studies

- Professional Development (where applicable)
- Grade 3 Tour of Hamilton
- Mock Trials
- New AP Govt Textbooks

Fine & Performing Arts

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

- Theatre Trips (Gr. 9-12)
- Additional Methods Books (Gr. 3-5)

Health/Physical Education

- Continuation of CPR/AED Certification
- Professional Development (where applicable)
- Driver's Education Program

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, 2023.

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, 2023 and the amount and percentage of increase in relation to prior year revenues.

	Revenue	Percentage of Total	(Decrease)/ Increase From 2022	Percentage Decrease/ Increase
Local Sources	\$ 128,930,460	44.08%	\$ 632,269	0.49%
Intermediate Sources	\$ 518,921	0.18%	\$ 6,822	1.31%
State Sources	142,122,613	48.59%	8,892,806	6.26%
Federal Sources	20,915,233	7.15%	10,950,207	52.36%
Total	\$ 292,487,227	100.00%	\$ 20,482,104	

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, 2023 and the percentage of increases and decreases in relation to prior year amounts.

	Expenditure	Percentage of Total	(Decrease)/ Increase From 2022	Percentage Decrease/ Increase
Current Expenditures:				
Instruction	\$ 87,588,599	29.87%	\$ 2,706,917	3.09%
Support Services & Undistributed Costs	172,743,333	58.92%	9,759,897	5.65%
Special Revenue:				
Instruction	8,217,034	2.80%	1,839,076	22.38%
Support Services & Undistributed Costs	5,138,629	1.75%	484,504	9.43%
Debt Service:				
Principal	4,840,000	1.65%	(980,000)	-20.25%
Interest	1,850,160	0.63%	(197,060)	-10.65%
Capital Outlay	12,820,382	4.37%	2,857,973	22.29%
Total	\$ 293,198,137	100.00%	\$ 16,471,307	

7) **DEBT ADMINISTRATION:** On June 30, 2023, the District reported outstanding principal debt of \$56,760,000 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.

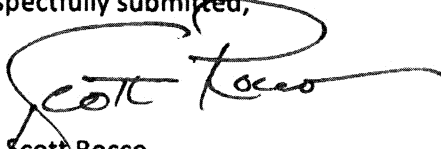
9) **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision hazard and theft insurance on property, contents and fidelity bonds.


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, 2023

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Susan Lombardo, President	2023
Dina Thornton, Vice President	2025
Stacy Byrne	2025
Anthony Celentano	2024
Dr. Susan Ferrara	2024
Liam Z. Gonzales	2023
Christina V. Harvey	2023
Richard Kanka	2024
Dr. Jason McSheene	2025

Other Officials

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

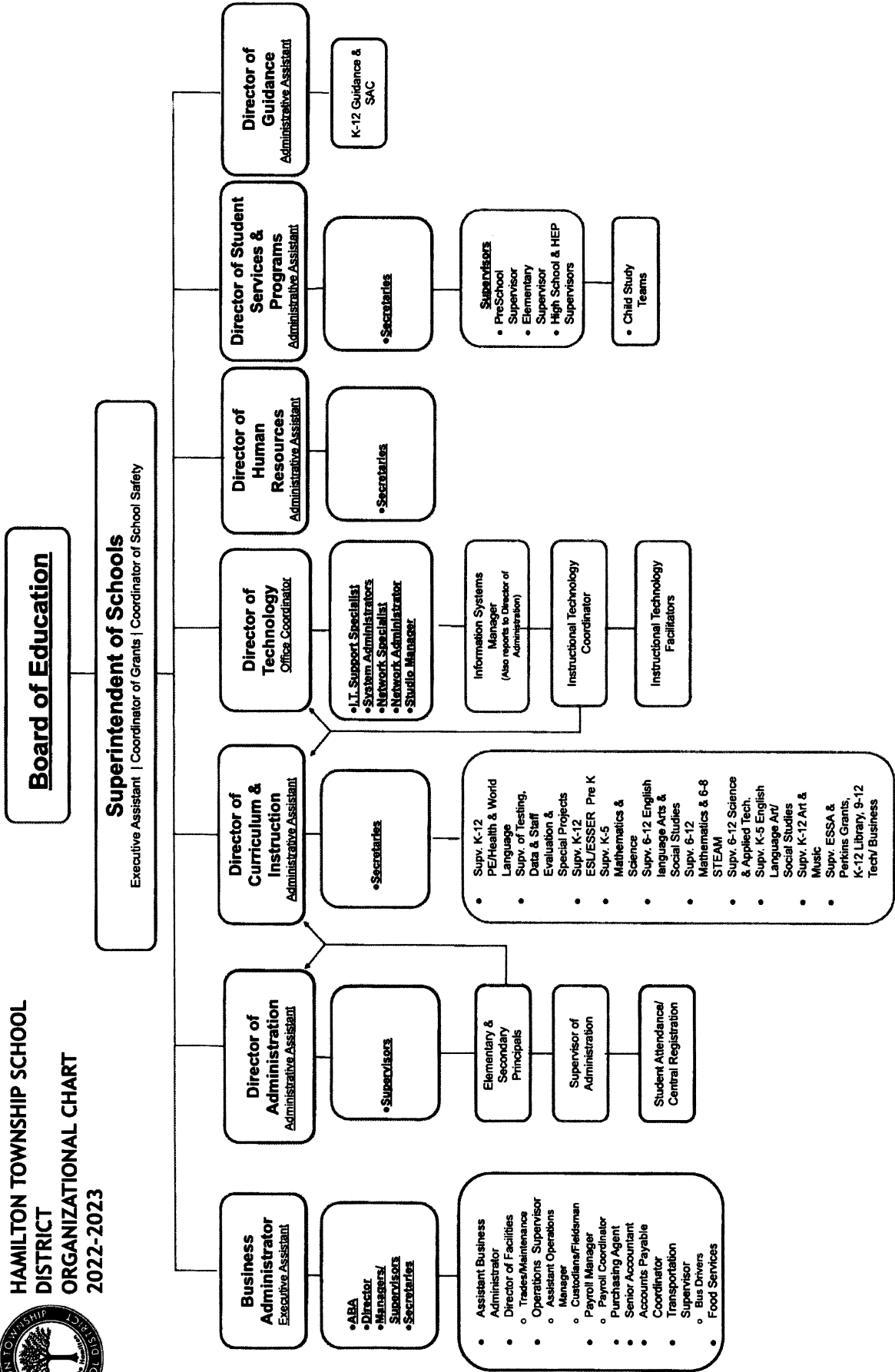
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OFFICIAL DEPOSITORY

TD Bank
Mount Laurel, New Jersey



HAMILTON TOWNSHIP SCHOOL DISTRICT ORGANIZATIONAL CHART 2022-2023



FINANCIAL SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Hamilton School District, in the County of Mercer, State of New Jersey (the "District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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 and each major fund of the District as of June 30, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, 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 (the "Uniform Guidance") the audit requirements of State of New Jersey OMB Circular 15-08 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards and provisions are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1 to the basic financial statements, for the year ended June 30, 2023, the District adopted Governmental Accounting Standards Board Statement No. 96, Subscription Based Information Technology Agreements. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, the Uniform Guidance, the State of New Jersey OMB Circular 15-08 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards the Uniform Guidance, the State of New Jersey OMB Circular 15-08 and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

SUPLEE, CLOONEY & COMPANY

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, 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) in Exhibits M-1 and M-2 are presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information schedules and data such as the combining statements and individual fund financial statements, and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by the Uniform Guidance, New Jersey's OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

SUPLEE, CLOONEY & COMPANY

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 20, 2023, on our consideration of the 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 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 District's internal control over financial reporting and compliance.

Suplee, Clooney & Company
CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 2389

December 20, 2023

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, 2023

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, 2023. 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. In fiscal year 2023 the District implemented GASB Statement No. 96- Subscription Base Information Technology Arrangements.

FINANCIAL HIGHLIGHTS

The key financial highlights for the 2022-2023 fiscal year include the following:

In the District-Wide statements, net position of governmental activities increased \$19,447,675. This is due to the impact of the required reported valuation of intangible assets and liabilities pursuant to recent GASB pronouncements.

The Board realized a positive change in net position in the District's food service program in the amount of \$502,243 resulting in total net position of \$3,310,688 for the fiscal year ended June 30, 2023.

Governmental funds reported a total fund balance of \$27,501,386 which is a 2.10% 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 \$24,064,315 of which \$5,000,000 was appropriated toward the 2023-24 budget. Total expenditures for all governmental funds were \$293,198,136. Total revenues were \$292,487,227 resulting in a deficit of expenditures over revenues of \$589,263 for the year. Revenues and Other Financing Sources increased \$17,682,105 over last year. Included are \$163,037,846 in state and federal aid and \$125,501,546 in local taxes.

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.

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

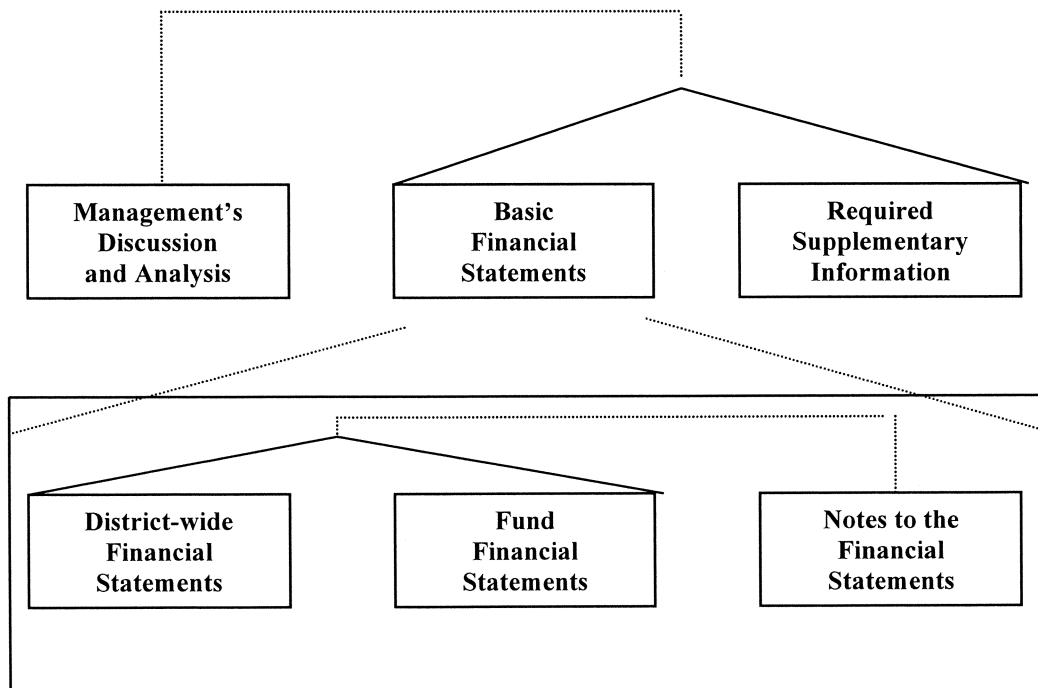


Figure A-2 summarizes the major features of the district’s financial statements, including the portion of the district’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and the contents 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
Scope	Entire district	The activities of the district that are not proprietary, such as special education and building maintenance	Activities the district operates similar to private businesses: food services and adult education
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
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial 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
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

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 two 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.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The school district's Governmental Activities net position, including Net Investment in Capital Assets was \$33,040,540 at June 30, 2023. This amount included an unrestricted deficit amount of \$46,348,946. 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 \$47,592,135. 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**

	2023			2022		
	Governmental Activities	Business Activities	Total	Governmental Activities (As Restated)	Business Activities	Total
ASSETS						
Current & Other Assets	\$42,533,325	\$3,449,754	\$45,983,080	\$40,879,946	\$4,237,177	\$45,117,123
Capital Assets	132,238,358	906,612	133,144,970	126,655,176	626,566	127,281,742
TOTAL ASSETS	174,771,683	4,356,367	179,128,050	167,535,122	4,863,743	172,398,865
DEFERRED OUTFLOWS OF RESOURCES:						
Loss on Refunding of Long Term Debt	259,231		259,231	489,659		489,659
Premium on Refunding of Long Term Debt	18,676		18,676	35,278		35,278
Pension Related	7,922,772		7,922,772	6,156,735		6,156,735
TOTAL DEFERRED OUTFLOWS	8,200,679		8,200,679	6,681,671		6,681,671
LIABILITIES						
Long-Term Liabilities	115,786,737		115,786,737	113,856,517		113,856,517
Other Liabilities	26,518,447	1,045,680	27,564,127	23,650,649	2,055,299	25,705,947
TOTAL LIABILITIES	142,305,184	1,045,680	143,350,864	137,507,166	2,055,299	139,562,465
DEFERRED INFLOWS OF RESOURCES:						
Pension Related	7,626,639		7,626,639	23,025,762		23,025,762
Gain on Refunding Bonds				91,000		91,000
TOTAL DEFERRED INFLOWS	7,626,639		7,626,639	23,116,762		23,116,762
NET POSITION						
Net investment in capital assets	59,360,206	906,612	60,266,818	49,926,728	626,566	50,553,294
Restricted	20,029,281		20,029,281	18,024,418		18,024,418
Unrestricted:						
Pension related (deficit)	(47,592,135)		(47,592,135)	(54,678,763)		(54,678,763)
Other	1,243,189	2,404,074	3,647,263	320,482	2,181,878	2,502,360
TOTAL NET POSITION	\$33,040,540	\$3,310,687	\$36,351,227	\$13,592,865	\$2,808,444	\$16,401,309

The unrestricted net position of governmental activities is broken into two elements. The deficit of \$47,592,135 represents the effect of the required accrual of the District's share of the Net Pension Liability, the remainder of \$1,243,189 represents the accumulated results of all past years' operations.

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

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

	2023			2022		
	<u>Governmental Activities</u>	<u>Business Activities</u>	<u>Total</u>	<u>Governmental Activities (As Restated)</u>	<u>Business Activities</u>	<u>Total</u>
Revenues:						
Program Revenues:						
Operating Grants & Contributions	\$42,830,248	\$3,485,835	\$46,316,082	\$54,087,970	\$6,152,300	\$60,240,269
Charges for Services	908,889	1,002,203	1,911,092	616,658	75,437	692,095
General Revenues						
Property Taxes	125,501,546		125,501,546	125,021,733		125,021,733
Grants (includes State Aid) and Entitlements	100,712,046		100,712,046	84,809,707		84,809,707
Other Revenues	2,385,757	392,895	2,778,652	2,441,237	26,728	2,467,966
Cancellation of Prior Year Account Receivable						
Disposal of Capital Assets		(10,565)	(10,565)			
	272,338,485	4,870,367	277,208,853	266,977,305	6,254,465	273,231,770
Expenses:						
Instruction	153,601,785		153,601,785	155,113,306		155,113,306
Support Services & Undistributed Costs	92,332,417		92,332,417	88,707,230		88,707,230
Interest on Long-Term Debt	1,945,769		1,945,769	2,197,060		2,197,060
Unallocated Depreciation	5,010,839		5,010,839	4,354,392		4,354,392
Business-Type		4,368,124	4,368,124		5,119,281	5,119,281
Total Expenses	252,890,810	4,368,124	257,258,934	250,371,989	5,119,281	255,491,269
Change in Net Position	19,447,675	502,243	19,949,918	16,605,316	1,135,184	17,740,501
Net Position July 1, (deficit)	13,592,865	2,808,444	16,401,309	(3,012,451)	1,673,260	(1,339,191)
Net Position June 30,	33,040,540	3,310,687	36,351,227	13,592,865	2,808,444	16,401,310

As reported in the Statement of Activities, expenditures for governmental activities this year totaled \$252,890,810. These costs were financed by \$125,501,546 in local property school taxes, \$42,830,248 in operating grants and federal and state aid, \$100,712,046 in Grants and Entitlements and \$2,385,758 in miscellaneous income.

In Figure A-5, below, we have presented the cost of each of the school district’s four 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>2023</u>	Total Cost of Services <u>2022</u>	Net Cost of Services <u>2023</u>	Net Cost of Services <u>2022</u>
Instruction	153,601,785	\$155,141,859	\$125,395,496	\$119,967,234
Support Services & Undistributed Costs	92,332,417	88,707,230	77,128,320	69,420,873
Interest on Long-Term Debt	1,945,769	2,197,060	1,617,019	1,953,414
Business-Type	4,368,124	5,119,281	(119,914)	(1,108,456)
Total Expenses	<u>\$257,258,934</u>	<u>\$251,165,430</u>	<u>\$209,031,760</u>	<u>\$190,233,066</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.

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 \$49.8 This is due primarily to two factors:

1. The State reimbursement in the amount of \$6.8 million for social security contributions and \$41.0 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. Excess of \$1,247,836 in Extraordinary Aid.

Actual expenditures reflect a negative variance of \$37.9 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, 2023, the school district had \$132,238,358 invested in a broad range governmental 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 \$5,583,182 or 4.41% from fiscal year 2022. In addition, the school district had \$906,612 invested in business-type capital assets related to food service operations. These assets increased \$280,049 or 44.7% from fiscal year 2022.

Figure A-6

Net Investment in Capital Assets Governmental Activities		
	<u>2023</u>	<u>2022</u>
Land	\$1,248,202	\$1,248,202
Construction in Progress	53,113,361	44,097,776
Buildings & Improvements	74,460,894	78,271,007
Furniture, Equipment & Vehicles	3,415,901	3,038,191
	\$132,238,358	\$126,655,176
Net Investment in Capital Assets Business-Type Activities		
	<u>2023</u>	<u>2022</u>
Construction in Progress	\$276,787	\$99,684
Furniture, Equipment & Vehicles	629,825	526,882
	\$906,612	\$626,566

This year's net additions are reported at \$11,019,489 for governmental assets and \$351,370 for Business Type assets. Depreciation totaled \$5,436,307 for governmental activity and \$60,758 for business-type activity.

Long-Term Debt

At the end of this year, the school district has \$123,430,015 outstanding, as detailed below, versus \$121,308,052 last year – a net increase of 1.75%. The great majority of the increase is attributable to the Net Pension Liability which increased \$9,849,698. 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:

Governmental Funds:

	Balance June 30, <u>2023</u>	Balance June 30, 2022 <u>(As Restated)</u>
Bonds Payable	\$56,760,000	\$61,600,000
Unamortized Bond Premium	18,677	35,278
Compensated Absences	3,599,690	3,602,323
Installment Purchase Contracts	18,246,830	20,866,763
Leases	460,703	474,189
SBITAs	360,030	595,110
Net Pension Liability	<u>43,984,087</u>	<u>34,134,389</u>
Balance June 30, 2023	<u><u>\$123,430,016</u></u>	<u><u>\$121,308,052</u></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 \$56,760,000 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, 2023

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, 2023

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS:			
Cash and cash equivalents	\$7,604,374	\$2,932,742	\$10,537,116
Receivables, net	14,440,024	482,778	14,922,802
Inventory		34,235	34,235
Interfunds	717,437		717,437
Restricted assets:			
Cash and cash equivalents	18,914,514		18,914,514
Cash with fiscal agents	7,519		7,519
Intangible Assets, Net of Amortization	387,751		387,751
Right to Use Leased Assets, Net of Amortization	461,707		461,707
Capital assets:			
Land and Construction in progress	54,361,563	276,787	54,638,350
Other Capital Assets net of depreciation	77,876,795	629,825	78,506,621
Total Assets	174,771,683	4,356,367	179,128,051
DEFERRED OUTFLOWS OF RESOURCES:			
Related to pensions	7,922,772		7,922,772
Related to loss on refunding bonds	259,231		259,231
Related to premium on refunding bonds	18,676		18,676
Total Deferred Outflow of Resources	8,200,679		8,200,679
LIABILITIES:			
Accounts payable	11,992,935	16,125	12,009,060
Interfunds payable		810,928	810,928
Payroll deductions payable	41,697		41,697
State unemployment insurance payable	373,600		373,600
Payable to state government	347,919		347,919
Payable to federal government	2,484		2,484
Unearned revenue	5,328,029	59,034	5,387,063
Accrued Interest Payable	788,504		788,504
Accrued Liability for Insurance Claims		159,593	159,593
Noncurrent liabilities:			
Due within one year:			
Bonds, leases installment purchases and SBITAs payable	7,643,279		7,643,279
Due beyond one year:			
Net Pension Liability	43,984,087		43,984,087
Compensated absences payable	3,599,690		3,599,690
Bonds, leases installment purchases and SBITAs payable	68,202,960		68,202,960
Total liabilities	142,305,184	1,045,680	143,350,864
DEFERRED INFLOWS OF RESOURCES:			
Related to pensions	7,626,639		7,626,639
Total Deferred Inflow of Resources	7,626,639		7,626,639
NET POSITION:			
Net investment in capital assets	59,360,206	906,612	60,266,818
Restricted for:			
Capital projects	15,639,893		15,639,893
Debt service fund	335,868		335,868
Other purposes	4,053,520		4,053,520
Unrestricted (deficit)	(46,348,946)	2,404,075	(43,944,872)
Total net position	\$33,040,540	\$3,310,687	\$36,351,227

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
JUNE 30, 2023

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	\$ 48,178,923	\$ 40,785,280	\$	13,076,294	\$ (75,887,909)	\$ (75,887,909)
Special	25,428,215	28,395,849		13,476,451	(40,347,613)	(40,347,613)
Other Instruction	5,918,326	4,895,193		1,653,545	(9,159,974)	(9,159,974)
Support services:						
Tuition	13,597,182	(13,597,182)				
Student and instruction related services	24,848,217	13,265,357	908,889	9,493,466	(27,711,220)	(27,711,220)
General administrative services	1,143,572	103,939		25,352	(1,222,158)	(1,222,158)
School administrative services	10,159,196	6,807,828		2,195,247	(14,771,777)	(14,771,777)
Central services/Admin information technology	2,706,201	1,169,683		263,664	(3,612,220)	(3,612,220)
Plant operations and maintenance	11,970,240	2,967,231		818,374	(14,119,098)	(14,119,098)
Pupil transportation	17,023,132	167,821		1,499,106	(15,691,847)	(15,691,847)
Unallocated benefits	84,535,530	(84,535,530)				
Interest on Long-Term Debt	1,945,769			328,750	(1,617,019)	(1,617,019)
Unallocated depreciation	5,436,308	(425,469)			(5,010,839)	(5,010,839)
Total governmental activities	252,890,810		908,889	42,830,248	(209,151,674)	(209,151,674)
Business-type activities						
Food Service	4,368,124		1,002,203	3,485,835	119,914	119,914
Total business-type activities	4,368,124		1,002,203	3,485,835	119,914	119,914
Total primary government	\$ 257,258,934	\$	1,911,092	46,316,082	(209,151,674)	(209,031,760)
General Revenues:						
Taxes:						
Property taxes, levied for general purposes, net					\$ 120,438,532	\$ 120,438,532
Taxes levied for debt service					5,063,014	5,063,014
Federal and state aid not restricted					94,735,760	94,735,760
Federal and state aid restricted					5,976,285	5,976,285
Miscellaneous income					2,385,757	2,385,757
Disposal of capital asset (net)					392,895	392,895
Total general revenues and special items					228,599,349	228,599,349
Change in Net Position					19,447,675	19,447,675
Net Position - beginning (as restated)					13,592,865	13,592,865
Net Position ending					33,040,540	33,040,540

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, 2023

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS:					
Cash and cash equivalents	\$ 2,737,066	\$ 712,946	\$ 3,700,715	\$ 453,648	\$ 7,604,374
Cash with fiscal agents	7,519				7,519
Receivables from other governments	2,754,161	11,499,918			14,254,079
Other receivables	185,945				185,945
Interfund Accounts Receivable	4,395,967	66,079		335,078	4,797,125
Restricted cash and cash equivalents	18,914,514				18,914,514
Total assets	\$ 28,995,172	\$ 12,278,944	\$ 3,700,715	\$ 788,726	\$ 45,763,556
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	4,253,064	3,768,309	67,380		8,088,754
Payroll deductions payable	41,697				41,697
State unemployment insurance payable	373,600				373,600
Payable to state government		347,919			347,919
Payable to federal government		2,484			2,484
Interfund payables	121,413	2,194,386	1,763,889		4,079,688
Unearned revenue	141,083	5,186,946			5,328,029
Total liabilities	4,930,858	11,500,045	1,831,269		18,262,171
Fund balances:					
Restricted:					
Capital reserve account	15,639,893				15,639,893
Maintenance reserve account	762,654				762,654
State unemployment insurance	2,511,967				2,511,967
Student activities		596,024			596,024
Scholarships		182,875			182,875
Capital Projects			863,325		863,325
Debt Service				335,868	335,868
Committed for:					
For Encumbrances			1,006,121		1,006,121
Assigned:					
Designated for Subsequent Year's Expenditures	5,000,000			452,858	5,452,858
SEMI/FFCRA	21,196				21,196
Unassigned	128,604				128,604
Total fund balances	24,064,314	778,899	1,869,446	788,726	27,501,385
Total liabilities and fund balances	\$ 28,995,172	\$ 12,278,944	\$ 3,700,715	\$ 788,726	\$ 45,763,556

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, 2023

Total Fund Balances (Brought Forward)	\$	27,501,385
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	\$ 230,547,511	
Accumulated Depreciation	<u>(98,309,153)</u>	132,238,358
Intangible assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
		387,751
Right to Use assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
		461,707
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	(43,984,087)	
Compensated Absences	(3,599,690)	
Bonds Payable	(56,760,000)	
Deferred Amount on Gain on Refunding Bonds	(18,676)	
Leases	(460,703)	
Subscription Based Information Technology Agreements	(360,030)	
Installment purchase contracts	<u>(18,246,829.38)</u>	(123,430,016)
Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.		
Pensions:		
Deferred Outflows		
Pension related	7,922,772	
Loss on Refunding Bonds	259,231	
Premium on Refunding Bonds	<u>18,676</u>	8,200,679
Deferred Inflows:		
Pension related	<u>(7,626,639)</u>	(7,626,639)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.		
Accounts Payable - Pension Related	(3,904,181)	
Accrued Interest Payable	<u>(788,504)</u>	(4,692,685)
Net Position of Governmental Activities	\$	<u><u>33,040,540</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, 2023

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local sources:					
Local tax levy	\$ 120,438,532	\$	\$	5,063,014	\$ 125,501,546
Tuition from Individuals	98,550				98,550
Tuition from Other LEAs Within the State	146,611				146,611
Transportation Fees From Individuals	39,534				39,534
Transportation Fees From Other LEAs	9,561				9,561
Interest Earned on Capital Reserve	424,086				424,086
Interest Earned on Maintenance Reserve	17,500				17,500
Interest on Investments			58,822		58,822
Restricted miscellaneous revenue	53,434				53,434
Unrestricted miscellaneous revenue	1,929,732	651,083			2,580,815
Total - local sources	123,157,541	651,083	58,822	5,063,014	128,930,460
Intermediate Sources:					
PILOT Payments to School District	518,921				518,921
Total Intermediate Sources	518,921				518,921
State sources	143,636,305	(2,687,800)		1,174,108	142,122,613
Federal sources	391,926	20,523,307			20,915,233
Total revenues	267,704,693	18,486,591	58,822	6,237,122	292,487,227
EXPENDITURES:					
Current expense:					
Regular instruction	58,908,145				58,908,145
Special instruction	21,434,861	8,217,034			29,651,895
Other Instruction	7,245,593				7,245,593
Support services:					
Tuition	13,597,182				13,597,182
Student & instruction related services	23,203,617	5,138,629			28,342,246
General administrative services	3,955,335				3,955,335
School administrative services	9,235,529				9,235,529
Central service/Admin information technology	4,052,363				4,052,363
Plant operations and maintenance	16,866,283				16,866,283
Pupil transportation	17,294,860				17,294,860
Unallocated benefits	84,538,163				84,538,163
Debt Service:					
Principal				4,840,000	4,840,000
Interest				1,850,160	1,850,160
Capital outlay	4,842,734	5,123,360	2,854,288		12,820,382
Total expenditures	265,174,667	18,479,022	2,854,288	6,690,160	293,198,136
Excess (deficiency) of revenues over (under) expenditures	2,530,026	7,568	(2,795,466)	(453,038)	(710,909)
Other financing sources (uses):					
Transfers In/out	338,876		(674,744)	335,868	
Leases (non-budgeted)	121,646				121,646
Total other financing sources/(uses)	460,522		(674,744)	335,868	121,646
Net change in fund balances	2,990,548	7,568	(3,470,210)	(117,170)	(589,263)
Fund balances, July 1, 2022	\$ 21,073,766	\$ 771,331	\$ 5,339,656	\$ 905,896	\$ 28,090,649
Fund balances, June 30, 2023	\$ 24,064,314	\$ 778,899	\$ 1,869,446	\$ 788,726	\$ 27,501,385

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, 2023

Total net change in fund balances - governmental funds (from B-2)	\$	(589,263)
<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		(5,436,308)
Capital outlays	\$ 12,820,382	
Less: Right to Use Assets	(121,646)	
Less: Capital Outlays not capitalized	<u>(1,679,246)</u>	
		11,019,490
<p>Capital outlays related to leases 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 amortization expense. This is the amount by which capital outlays exceeded amortization in the period.</p>		
Implementation Expenses		1,070
Amortization Expense:		
Leases	(137,681)	
Subscription Based Information Technology Agreements	<u>(237,470)</u>	
		(375,151)
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
Bonds Paid by Budget		4,840,000
<p>Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
Payment of lease payable		135,131
Payment of Subscription Based Information Technology Agreement		239,121
Payment of installment purchase contracts payable		2,619,933
<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>		
		43,818
<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>		
		(139,428)
<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	\$ 3,697,229	
Add: Pension benefit	<u>3,389,399</u>	
		7,086,628
<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>2,633</u>
Change in net position of governmental activities (A-2)	\$	<u><u>19,447,675</u></u>

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

OTHER FUNDS

HAMILTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	<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>
ASSETS:		
Current assets:		
Cash and cash equivalents	\$1,962,221	\$970,521
Accounts receivable		
State	8,401	
Federal	195,778	
Other	185,108	
Interfund Receivable	93,491	
Inventories	34,235	
	<hr/>	<hr/>
Total current assets	2,479,234	970,521
	<hr/>	<hr/>
Noncurrent assets:		
Furniture, machinery and equipment	1,811,487	
Less accumulated depreciation	(904,875)	
	<hr/>	<hr/>
Total noncurrent assets	906,612	
	<hr/>	<hr/>
Total assets	3,385,847	970,521
	<hr/>	<hr/>
LIABILITIES:		
Current liabilities:		
Interfund payable		810,928
Accounts payable	16,125	
Unearned revenue	59,034	
Accrued liability for insurance claims		159,593
	<hr/>	<hr/>
Total liabilities	75,159	970,521
	<hr/>	<hr/>
NET POSITION:		
Net investment in capital assets	906,612	
Unrestricted	2,404,075	
	<hr/>	<hr/>
Total net position	\$3,310,687	<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, 2023

	<u>ENTERPRISE FUND</u> <u>BUSINESS-TYPE ACTIVITIES</u> <u>FOOD SERVICE FUND</u>	<u>GOVERNMENTAL ACTIVITIES</u> <u>INTERNAL SERVICE FUND</u> <u>WORKERS'</u> <u>COMPENSATION FUND</u>
OPERATING REVENUES:		
Charges for services:		
Daily sales - reimbursable programs	\$826,172	
Daily sales - non-reimbursable programs	176,031	
	<hr/>	<hr/>
Total operating revenues	1,002,203	
OPERATING EXPENSES:		
Salaries	382,191	
Employee benefits	97,410	
Management and consultant fees	195,359	
Other Purchased Services	1,697	
Supplies and materials	131,289	
Depreciation	60,758	
Miscellaneous	48,874	
Cost of sales - reimbursable	3,326,010	
Cost of sales - non-reimbursable	124,536	
	<hr/>	<hr/>
Total operating expenses	4,368,124	
Operating income (loss)	<hr/> (3,365,921) <hr/>	
NONOPERATING REVENUES (EXPENSES):		
State sources		
State school lunch program	90,316	
State school breakfast program	33,132	
Federal sources:		
National school lunch program	2,363,626	
National school breakfast program	478,143	
Fresh Fruit and Vegetable	54,025	
Special Milk	70	
Food Distribution Program	418,334	
Interest & Investment Revenue	48,189	
Miscellaneous-prior year payables canceled	392,895	
Disposal of capital asset (net)	(10,565)	
	<hr/>	<hr/>
Total Nonoperating Revenues/(Expenses)	3,868,164	
Excess (deficiency) of revenues over (under) expenditures	502,243	
Other financing sources (uses):		
Claims Cancelled		\$3,552
Transfers In/out		(3,552)
	<hr/>	<hr/>
Total other financing sources (uses)		
Net change in net position	502,243	
Total net position - beginning	<hr/> 2,808,444 <hr/>	
Total net position - ending	<hr/> <u>\$3,310,687</u> <hr/>	<hr/> <u> </u> <hr/>

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>GOVERNMENTAL ACTIVITIES</u>
	<u>ENTERPRISE FUND</u>	<u>INTERNAL SERVICE FUND</u>
	<u>FOOD SERVICE FUND</u>	<u>WORKERS' COMPENSATION FUND</u>
Cash flows from operating activities:		
Receipts from customers, net	\$766,480	
Payments for employees and benefits	(479,601)	
Payments to vendors	(3,941,724)	
Cash Payments for Employee Benefits - Net		\$3,055
Net cash provided by (used for) operating activities	<u>(3,654,845)</u>	<u>3,055</u>
Cash flows from noncapital financing activities:		
Federal and State sources	3,211,018	
Transfers to other funds	2,212	
Net cash provided by noncapital financing activities	<u>3,213,230</u>	
Cash flows from capital and related financing activities:		
Acquisition of Capital Assets	<u>(351,370)</u>	
Net cash provided by (used for) capital and related financing activities	<u>(351,370)</u>	
Cash Flows From Investing Activities:		
Interest on Deposits	<u>48,189</u>	
Net Cash Provided/(Used) by Investing Activities	<u>48,189</u>	
Net increase (decrease) in cash and cash equivalents	(744,797)	3,055
Cash and cash equivalents, July 1, 2022	<u>2,707,018</u>	<u>967,466</u>
Cash and cash equivalents, June 30, 2023	<u>\$1,962,221</u>	<u>\$970,521</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities		
Operating income (loss)	(\$3,365,921)	
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	60,758	
Federal commodities	418,334	
(Increase) decrease in inventories	95,906	
(Increase) decrease in other accounts receivable	(244,142)	
Increase (decrease) in accounts payable	(633,313)	
Increase (decrease) in unearned revenue	13,533	
Increase (decrease) in claims payable		3,055
Total Adjustments	<u>(288,924)</u>	<u>3,055</u>
Net cash provided by (used for) operating activities	<u>(\$3,654,845)</u>	<u>\$3,055</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, 2023

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, 2023

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.. 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, 2023

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.. Separate statements are presented for each fund category- governmental, and proprietary. 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, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Funds (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.

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 and Proprietary 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.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting-Measurement Focus (Continued)

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 installment purchase contracts are reported as other financing sources.

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, 2023 totaled \$738,492.

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).

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control (Continued)

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.

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.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

The District has 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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 State Unemployment Insurance, Capital Reserve, Maintenance Reserve, State Unemployment Insurance, Student Activities and Excess Surplus as Restricted Fund Balance.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Restrictions (Continued)

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

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District’s policy, amounts may be assigned by the Business Administrator. 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.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues Exchange and Non-exchange Transactions (Continued)

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.

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.

Proprietary Funds Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the School District enterprise funds are charges to customers for sales of food service. Operating expenses for enterprise funds include the cost of sales and services, administrative expense and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 one item that qualifies for reporting in this category, deferred amounts related to pensions.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

Lease receivables are measured at the present value of the lease payments expected to be received during the lease term. The District may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized in a systematic and rational manner over the lease term.

Lease liabilities represent obligations to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of the expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. Payments for short-term leases with a term of 12 months or less are expensed as incurred and these leases are not included as lease liabilities or right-to-use assets on the statements of net position.

Right to Use Assets

Right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized in a systematic and rational manner over the life of the related lease.

Recently Adopted Accounting Pronouncements

Beginning with the year ended June 30, 2023, the District has implemented GASB Statement 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. GASB Statement No. 96 defines a SBITA; establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding liability; provides capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosure regarding SBITAs.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

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, 2023:

<u>Fund Type</u>	<u>Amount</u>
Cash in Bank:	
Governmental Funds	\$ 37,080,890
Proprietary Funds	<u>2,236,316</u>
Total Cash in Bank	\$ 39,317,205
Less: Reconciling Items	<u>(9,858,055)</u>
Reconciled Balance	<u><u>\$ 29,459,150</u></u>

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

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, 2023, 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 \$39,317,205, \$585,906 was covered by Federal Depository Insurance; \$37,458,862 was covered under the provisions of NJGUDPA; \$7,519 was held in escrow with fiscal agents and \$1,264,917 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, 2023

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, 2023, the District has \$1,264,917 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, 2023

NOTE 3: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2023, was as follows:

	Beginning <u>Balance</u>	<u>Additions</u>	Deletions & <u>Transfers</u>	Ending <u>Balance</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$1,248,202			\$1,248,202
Construction in Progress	44,097,776	9,015,585		53,113,361
Total Capital Assets not being depreciated	<u>45,345,978</u>	<u>9,015,585</u>		<u>54,361,563</u>
Buildings & Building Improvements	158,123,230	1,076,454		159,199,684
Machinery & Equipment	16,316,672	927,451	107,027	17,351,150
Totals at historical cost	<u>174,439,902</u>	<u>2,003,905</u>	<u>107,027</u>	<u>176,550,834</u>
Gross Assets (Memo only)	<u>219,785,880</u>	<u>11,019,489</u>	<u>107,027</u>	<u>230,912,396</u>
Less: Accumulated Depreciation				
Buildings & Building Improvements	(79,852,223)	(4,886,567)		(84,738,790)
Machinery & Equipment	(13,278,481)	(549,741)	107,027	(13,935,249)
Total Depreciation	<u>(93,130,704)</u>	<u>(5,436,307)</u>	<u>107,027</u>	<u>(98,674,038)</u>
Total capital assets being depreciated, net of depreciation	<u>81,309,198</u>	<u>(3,432,403)</u>		<u>77,876,795</u>
Total Governmental Activities (net)	<u>\$126,655,176</u>	<u>\$5,583,182</u>		<u>\$132,238,358</u>

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 3: CAPITAL ASSETS (CONTINUED)

	Beginning <u>Balance</u>	<u>Additions</u>	Deletions & <u>Transfers</u>	Ending <u>Balance</u>
Business-Type Activities:				
Capital assets not being depreciated:				
Construction in Progress	\$99,684.00	\$177,103.00	_____	\$276,787.00
Total Capital Assets not being depreciated	<u>99,684.00</u>	<u>177,103.00</u>	_____	<u>276,787.00</u>
 Machinery & Equipment	 \$1,448,749	 \$174,267	 \$88,316	 \$1,534,700
Totals at historical cost	<u>1,448,749</u>	<u>174,267</u>	<u>88,316</u>	<u>1,534,700</u>
 Gross Assets (Memo only)	 <u>1,548,433</u>	 <u>351,370</u>	 <u>88,316</u>	 <u>1,811,487</u>
 Less: Accumulated Depreciation				
Machinery & Equipment	(921,868)	(60,758)	(77,751)	(904,875)
Total Depreciation	<u>(921,868)</u>	<u>(60,758)</u>	<u>(77,751)</u>	<u>(904,875)</u>
Total capital assets being depreciated, net of depreciation	<u>526,881</u>	<u>113,509</u>	<u>10,565</u>	<u>629,825</u>
 Total Business-Type Activities (net)	 <u>\$626,565</u>	 <u>\$290,612</u>	 <u>\$10,565</u>	 <u>\$906,612</u>

Depreciation expense was charged to functional expenses areas of the District for Governmental Activities as follows:

Instruction:

Regular (68,143)

Support services:

Student & Instruction Related Services (124,558)

General Administrative Services (11,933)

School administrative services (17,335)

Plant Operations & Maintenance (180,811)

Pupil transportation (21,689)

Direct Expense of various functions (5,011,838)

(5,436,307)

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 4: RIGHT TO USE LEASED ASSETS

The District has recorded the following right to use leased assets. The assets are right to use assets for leased equipment and buildings. The related leases are discussed in the Leases subsection of the Long-term debt section of these notes. The right to use lease assets are amortized on a straight-line basis over the terms of the related leases. Right to use asset activity for the Government Funds for the year ended June 30, 2023 was as follows:

GOVERNMENTAL ACTIVITIES:

	Balance as of June 30, 2022 <u>(As Restated)</u>	<u>Additions</u>	Balance as of June 30, 2023
Lease Assets			
Equipment			
Altalink C8170H2 - 1	\$12,276		\$12,276
AltaLink C8170H2 - 2	62,331		62,331
AltaLink C8170H2 - 3	60,906		60,906
AltaLink C8170H2 - 4		\$74,673	74,673
PrimeLink C9070 Copier		30,572	30,572
Xerox Work Centre 5755		16,400	16,400
Total Equipment Lease Assets	135,513	121,646	257,158
Buildings			
Premises - 2445 Kuser Road	461,451		461,451
Total Building Lease Assets	461,451		461,451
Total Lease Assets	596,964	121,646	718,609
Lease Accumulated Amortization			
Equipment			
Altalink C8170H2 - 1	2,733	2,733	5,466
AltaLink C8170H2 - 2	14,412	14,412	28,824
AltaLink C8170H2 - 3	8,222	12,181	20,404
AltaLink C8170H2 - 4		11,426	11,426
PrimeLink C9070 Copier		1,953	1,953
Xerox Work Centre 5755		1,121	1,121
Total Equipment Lease Accumulated Amortization	25,367	43,826	69,193
Buildings			
Premises - 2445 Kuser Road	93,854	93,854	187,709
Total Building Lease Accumulated Amortization	93,854	93,854	187,709
Total Lease Accumulated Amortization	119,221	137,681	256,902
Total Governmental Lease Assets, Net	\$477,742	(\$16,035)	\$461,707

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 5: INTANGIBLE ASSETS

The District has recorded the following intangible assets. The assets are for various subscription-based information technology arrangements (“SBITAs”). These agreements are discussed in the SBITAs subsection of the Long-term liabilities section of these notes. The intangible assets are amortized on a straight-line basis over the terms of the related agreement. Intangible asset activity for the Government Funds for the year ended June 30, 2023 was as follows:

GOVERNMENTAL ACTIVITIES:

	Balance as of July 1, 2022 <u>(As Restated)</u>	<u>Additions</u>	<u>Balance as of June 30, 2023</u>
Subscription Assets			
Software			
Cisco EA Bundle	\$49,264		\$49,264
Kronos SaaS Services	70,046		70,046
EMS Linq Subscription	155,948		155,948
PowerPack Locker Management Subscription		\$5,110	5,110
Systems 3K License & Employee Portal	294,275		294,275
Systems 3K Annual Hosting and Backup	50,577		50,577
Total Software Subscription Assets	<u>620,110</u>	<u>5,110</u>	<u>625,220</u>
 Total Subscription Assets	 <u>620,110</u>	 <u>5,110</u>	 <u>625,220</u>
 Subscription Accumulated Amortization			
Software			
Cisco EA Bundle		23,742	23,742
Kronos SaaS Services		45,517	45,517
EMS Linq Subscription		51,983	51,983
PowerPack Locker Management Subscription		1,278	1,278
Systems 3K License & Employee Portal		98,092	98,092
Systems 3K Annual Hosting and Backup		16,859	16,859
Total Software Subscription Accumulated Amortization		<u>237,470</u>	<u>237,470</u>
 Total Subscription Accumulated Amortization		 <u>237,470</u>	 <u>237,470</u>
 Total Governmental Subscription Assets, Net	 <u>\$620,110</u>	 <u>(\$232,360)</u>	 <u>\$387,751</u>

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 6: 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, 2023:

	Balance June 30, 2022 <u>(As Restated)</u>	<u>Additions</u>	<u>Reductions</u>	Balance June 30, 2023	Amounts due Within <u>one year</u>
Bonds Payable	\$61,600,000		\$4,840,000	\$56,760,000	\$4,980,000
Unamortized Bond Premium	35,278		16,601	18,677	16,601
Compensated Absences	3,602,323		2,633	3,599,690	
Installment Purchase					
Contracts Payable	20,866,763		2,619,933	18,246,830	2,309,709
Leases Payable	474,188	121,646	135,131	460,703	148,231
SBITA's Payable	595,110	4,040	239,121	360,030	188,737
Net Pension Liability	34,134,389	9,849,698		43,984,087	
	<u>\$121,308,052</u>	<u>\$9,975,384</u>	<u>\$7,853,419</u>	<u>\$123,430,016</u>	<u>\$7,643,279</u>
Totals					

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 6: LONG-TERM LIABILITIES (CONTINUED)

Debt Service Requirements:

The annual requirements to amortize all debt outstanding as of June 30, 2023, including interest payments on issued debt, are as follows:

Fiscal Year	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>June 30,</u> 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>\$56,760,000</u>	<u>\$21,677,988</u>	<u>\$78,437,988</u>

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 6: 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, 2023</u>
\$28,275,000.00 in Refunding School Bonds dated December 4, 2012, due in remaining annual installments ranging between \$3,115,000.00 and \$3,200,000.00 beginning August 15, 2023 and ending August 15, 2024 with interest from 2.50% to 2.63%	\$6,315,000
\$55,393,000.00 in School Bonds dated December 28, 2017, due in remaining annual installments ranging between \$1,865,000.00 and \$2,060,000.00 beginning December 15, 2023 and ending December 15, 2047 with interest from 3.00% to 4.00%	\$50,445,000
	\$56,760,000

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 \$230,426 leaving a balance of \$259,231. 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, 2023

NOTE 6: LONG-TERM LIABILITIES (CONTINUED)

Bonds Authorized But Not Issued

As of June 30, 2023, the District had no Bonds Authorized but not issued.

Installment Purchase Contracts Payable

The District is contracting technology equipment and energy improvements totaling \$32,536,000 under installment purchase contracts. These contracts are for terms of five years, with the exception of the Energy Saving Improvement Program which carries a term of 15 years. The following is a schedule of the future minimum contract payments at June 30, 2023:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest Due</u>	<u>Total</u>
FY 2024	\$2,309,709	\$430,343	\$2,740,053
FY 2025	2,380,909	385,165	2,766,075
FY 2026	1,983,411	338,248	2,321,659
FY 2027	1,729,117	294,372	2,023,489
FY2028-FY2032	5,860,976	964,824	6,825,799
FY2033-FY2035	3,982,707	192,467	4,175,174
	<u>\$18,246,830</u>	<u>\$2,605,419</u>	<u>\$27,678,048</u>

Leases Payable:

For the year ended 6/30/2023, the financial statements include the following leases:

On 07/01/2021, The District entered into a 51 month lease as Lessee for the use of AltaLink C8170H2 copiers. An initial lease liability was recorded in the amount of \$62,330.87. As of 06/30/2023, the value of the lease liability is \$31,592.38. The District is required to make annual fixed payments of \$16,875.06. The lease has an interest rate of 4.52%. The District has the option to purchase the Equipment for \$16,707.98.

On 07/01/2021, The District entered into a 53 month lease as Lessee for the use of Altalink C8170H2 copiers. An initial lease liability was recorded in the amount of \$12,275.85. As of 06/30/2023, the value of the lease liability is \$6,279.98. The District is required to make annual fixed payments of \$3,375.01. The lease has an interest rate of 4.9500%. The District has the option to purchase the Equipment for \$3,341.60.

On 03/06/2023, The District entered into a 60 month lease as Lessee for the use of PrimeLink C9070 copiers. An initial lease liability was recorded in the amount of \$30,572.35. As of 06/30/2023, the value of the lease liability is \$28,595.21. The District is required to make monthly fixed payments of \$543.82. The lease has an interest rate of 2.6820%. The Lessor had a termination period of 1 month as of the lease commencement.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 6: LONG-TERM LIABILITIES (CONTINUED)

Leases Payable (Continued)

On 02/28/2023, The District entered into a 60 month lease as Lessee for the use of Xerox Work Centre 5755 copiers. An initial lease liability was recorded in the amount of \$16,400.45. As of 06/30/2023, the value of the lease liability is \$15,080.41. The District is required to make monthly fixed payments of \$291.64. The lease has an interest rate of 2.6820%. The Lessor had a termination period of 1 month as of the lease commencement.

On 07/01/2021, The District entered into a 59 month lease as Lessee for the use of Premises - 2445 Kuser Road. An initial lease liability was recorded in the amount of \$461,450.69. As of 06/30/2023, the value of the lease liability is \$279,955.71. The District is required to make monthly fixed payments of \$7,721.71. The lease has an interest rate of 0.5773%.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2023, were as follows:

<u>Fiscal Year</u>	<u>Governmental Activities</u>		
	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2024	\$148,231	\$7,140	\$155,371
2025	150,948	4,623	155,571
2026	127,297	2,024	129,321
2027	25,268	572	25,840
2028	8,958	69	9,028
	\$460,703	\$14,428	\$475,131

Subscription-Based Information Technology Agreements Payable
("SBITAs")

For the year ended 6/30/2023, the financial statements include the following SBITAs:

On 07/01/2022, Hamilton Township School District, NJ entered into a 36 month subscription for the use of EMS Linq Subscription. An initial subscription liability was recorded in the amount of \$155,948.37. As of 06/30/2023, the value of the subscription liability is \$102,838.37. Hamilton Township School District, NJ is required to make annual fixed payments of \$53,110.00. The subscription has an interest rate of 2.1843%.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 6: LONG-TERM LIABILITIES (CONTINUED)

Subscription-Based Information Technology Agreements Payable
("SBITAs") (Continued)

On 07/01/2022, Hamilton Township School District, NJ entered into a 36 month subscription for the use of Systems 3K License & Employee Portal Check Stub Upload. An initial subscription liability was recorded in the amount of \$294,274.84. As of 06/30/2023, the value of the subscription liability is \$198,594.90. Hamilton Township School District, NJ is required to make semi-annual fixed payments of \$49,178.40. The subscription has an interest rate of 2.1843%.

On 07/01/2022, Hamilton Township School District, NJ entered into a 36 month subscription for the use of Systems 3K Annual Hosting and Backup. An initial subscription liability was recorded in the amount of \$50,576.96. As of 06/30/2023, the value of the subscription liability is \$34,173.96. Hamilton Township School District, NJ is required to make annual fixed payments of \$16,403.00. The subscription has an interest rate of 2.1843%.

On 07/01/2022, Hamilton Township School District, NJ entered into a 24 month subscription for the use of Cisco EA Bundle. An initial subscription liability was recorded in the amount of \$49,264.48. As of 06/30/2023, the value of the subscription liability is \$24,422.51. Hamilton Township School District, NJ is required to make annual fixed payments of \$24,916.74. The subscription has an interest rate of 2.0237%.

The future minimum subscription obligations and the net present value of these minimum payments as of June 30, 2023, were as follows:

<u>Fiscal Year</u>	<u>Governmental Activities</u>		
	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2024	\$188,737	\$7,298	\$196,036
2025	171,292	3,190	174,482
	<u>\$360,030</u>	<u>\$10,488</u>	<u>\$370,518</u>

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 7: 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, 2023

NOTE 7: 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. As of April 1, 2018 employee contributions rates were increased to 7.50%

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 7: PENSION PLANS (CONTINUED)

Contribution Requirements (Continued)

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

Three Year Trend Information for PERS

<u>Year Ended June 30,</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2023	\$3,675,347	100%	\$3,675,347
2022	\$3,374,443	100%	\$3,374,443
2021	\$3,106,530	100%	\$3,106,530

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

<u>Year Ended June 30,</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2023	\$32,025,964	100%	-0-
2022	\$31,753,517	100%	-0-
2021	\$21,892,995	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, 2023, 2022 and 2021 \$6,833,772, \$6,653,551 and \$6,372,236 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, 2023

NOTE 8: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68

Public Employees Retirement System (PERS)

At June 30, 2023, the State reported a net pension liability of \$43,984,087.00 for the District's proportionate share of the total net pension liability. The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the District's proportion was 0.2914517874 percent, which was an increase of 0.0033127515 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized a pension benefit of \$3,389,399.00 in the government-wide financial statements. This pension benefit was based on the pension plan's June 30, 2022 measurement date.

At June 30, 2023, 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	\$ 317,457	\$ 279,952
Changes of assumptions	136,277	6,586,159
Net difference between projected and actual earnings on pension plan investments	1,820,462	
Changes in proportion and differences between District contributions and proportionate share of contributions	1,744,395	760,528
District contributions subsequent to the measurement date	<u>3,904,181</u>	<u> </u>
	<u>\$ 7,922,772</u>	<u>\$ 7,626,639</u>

The \$3,904,181 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, 2023, the plan measurement date is June 30, 2022) will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 8: ACCOUNTING AND REPORTING FOR PENSIONS – GASB 68 (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Other local amounts reported by the State as the District’s proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the State’s actuarially calculated pension expense as follows:

<u>Year Ended</u> <u>June 30,</u>	<u>Amount</u>
2023	(\$3,576,138)
2024	(1,725,399)
2025	(740,633)
2026	2,241,837
2027	192,283
	<u>(\$3,608,048)</u>

Actuarial Assumptions

The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which rolled forward to June 30, 2022. These actuarial valuations used the following assumptions:

Inflation	
Price	2.75%
Wage	3.25%
 Salary Increases	
Through 2026	2.75-6.55%
	Based on
	Years of Service
 Investment Rate of Return	 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.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 8: ACCOUNTING AND REPORTING FOR PENSIONS – GASB 68 (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

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-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) 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 assets class included in PERS's target assets allocation as of June 30, 2022 asset are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasury's	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 8: ACCOUNTING AND REPORTING FOR PENSIONS – GASB 68 (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 and the nonemployer contributing entity will be based on 100% 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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

The following presents the District's proportionate share of the net pension liability of the participating employers as of June 30, 2022 respectively, calculated using the discount rate as disclosed above as well as what the District's proportionate share of the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2022		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
District's proportionate share of the pension liability	\$56,506,668.00	\$43,984,087.00	\$33,326,867.00

Pension plan fiduciary net position

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

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 8: ACCOUNTING AND REPORTING FOR PENSIONS – GASB 68 (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF)

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

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2023 was as follows:

Net Pension Liability:	
Districts proportionate share	-0-
State's proportionate share associated with the District	397,969,634.00
	\$397,969,634.00

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 which was rolled forward to June 30, 2022. 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, 2022, the proportion of the TPAF net pension liability associated with the District was .7713424555% which was an increase of .0181980465 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2023, the District recognized on-behalf pension expense and revenue of \$10,710,475.00 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, 2022 measurement date.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 8: ACCOUNTING AND REPORTING FOR PENSIONS – GASB 68 (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases	1.55%-5.65%
	Based on Years of Service
Investment Rate of Return	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-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) 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.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 8: ACCOUNTING AND REPORTING FOR PENSION - GASB 68 (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return (Continued)

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, 2022 are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.19%
Real Assets	3.00%	7.60%
Real Estate	8.00%	11.19%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 8: ACCOUNTING AND REPORTING FOR PENSION - GASB 68 (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

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>.

NOTE 9: 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.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 9: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Plan Description and Benefits Provided (Continued)

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	213,148
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	151,669
Inactive Plan Members or Beneficiaries Not Yet Receiving Benefits	<u>- 0 -</u>
Total Plan Members	<u>364,817</u>

Total Non-Employer OPEB Liability

The portion of the total Non-Employer OPEB Liability that was associated with the District at June 30, 2023 was as follows:

Total OPEB Liability:	
District's Proportionate Share	\$-0-
State's Proportionate Share associated with the District	<u>441,227,526</u>
	<u>\$441,227,526</u>

The total Non-Employer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 9: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Total Non-Employer OPEB Liability (Continued)

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

For the year ended June 30, 2023, the District recognized on-behalf post-employment expense and revenue of \$10,140,937.00 in the government-wide financial statements for contributions provided by the State. This expense and revenue was based on the plans June 30, 2022 measurement date.

At June 30, 2023, the District's proportion was .8711911951 percent, which was an increase of .0030403467 from its proportion measured as of June 30, 2022.

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.

Actuarial Assumptions and Other Inputs

The total Non-Employer OPEB liability that was associated with the District as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. 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, 2022</u>		
	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Inflation – 2.5%			
Salary Increases	2.75-4.25%*	2.75-6.55%*	3.25-16.25%*

*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-2021. 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-2021.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 9: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Actuarial Assumptions and Other Input (Continued)

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-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2010 "Safety" (PFRS), "General" (PERS), and "Teachers" (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Actuarial assumptions used in the July 1, 2021 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 to June 30, 2021.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.54%. 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, 2023

NOTE 9: 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, 2021 to June 30, 2022:

Balance at 6/30/21		\$520,956,931
Changes for the year:		
Service cost	\$22,422,702	
Interest	11,693,016	
Changes of Benefit Terms		
Differences between expected and actual experience	15,728,833	
Changes in assumptions or other inputs	(118,363,243)	
Membership Contributions	371,565	
Benefit payments - Net	<u>(11,582,278)</u>	
Net changes		<u>(79,729,405)</u>
Balance at 6/30/22		<u><u>\$441,227,526</u></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, 2022, 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, 2022		
	1.00% <u>Decrease (2.54%)</u>	At Discount <u>Rate (3.54%)</u>	1.00% <u>Increase (4.54%)</u>
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability associated with the District	\$518,616,544	\$441,227,526	\$379,204,097

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 9: 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, 2022, 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, 2022		
	<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	\$364,701,519	\$441,227,526	\$541,749,083

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

At June 30, 2022, 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	\$ 78,776,615	\$ 134,711,865
Changes of assumptions	76,365,315	150,169,746
Changes in proportion	<u>2,431,280</u>	<u>12,982,754</u>
	<u>\$ 157,573,210</u>	<u>\$ 297,864,365</u>

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 9: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

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

Measurement Period Ended	<u>Amount</u>
<u>June 30,</u>	
2023	(\$24,039,498)
2024	(\$24,039,498)
2025	(\$24,039,498)
2026	(\$21,062,622)
2027	(\$12,947,488)
Total Thereafter	<u>(\$34,162,552)</u>
	<u><u>(\$140,291,155)</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>.

NOTE 10: 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.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 11: 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 2022-2023 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 12: 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.

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, 2023 the District, based upon the plan administrator's estimate, has established a reserve for reported claims in the amount of \$159,593.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 12: RISK MANAGEMENT

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. Charges are applied to the Unemployment Compensation Claims Payable first, and any remaining charges are applied to the Unemployment Compensation budget appropriation. 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 for the current and previous two years:

<u>Year Ended June 30,</u>	<u>Interest</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>	<u>Analysis of Balance 06/30/23</u>	
					<u>State Unemployment Insurance Payable</u>	<u>Restricted Fund Balance</u>
2023	\$53,434	\$436,449	\$392,497	\$2,885,567	373,600	2,511,967
2022	4,479	604,154	436,635	2,788,180	329,648	2,458,532
2021	6,106	535,971	373,842	2,616,182	162,129	2,454,053

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 13: 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, 2023, a liability existed for compensated absences for governmental fund-types in the district- wide statement of net position of \$3,599,690.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2023 no liability existed for compensated absences in the proprietary funds.

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, 2023

NOTE 14: FUND BALANCE

General Fund The table below reflects the District's Fund Balance at June 30, 2023 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>GAAP</u>
	<u>Basis</u>	<u>Adjustment</u>	<u>Basis</u>
Restricted:			
Maintenance Reserve	\$ 762,654	\$	762,654
Capital Reserve	15,639,893		15,639,893
State Unemployment Insurance	2,511,967		2,511,967
Assigned:			
Designated for Subsequent			
Year's Expenditures	5,000,000		5,000,000
Encumbrances	3,236,816	(3,236,816)	
SEMI/FFCRA - designated for			
subsequent year expenditure	21,196		21,196
Unassigned	5,761,034	(5,632,430)	128,604
	\$ 32,933,560	\$ (8,869,246)	\$ 24,064,314

Debt Service Fund Debt Service Fund Balance at June 30, 2023 was \$788,726. Of that balance, \$452,858 is assigned for Subsequent years expenditure. The remaining \$335,868 is restricted for future debt service expenditures.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 15: 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 2023		\$265,174,667
Less:		
Reimb. TPAF Social Security Contributions	\$6,833,772	
Reimb. TPAF Pension Contributions	41,012,326	
Leases	121,646	
	47,967,743	217,206,923
Adjusted General Fund Expenditures		217,206,923
Excess Surplus Percentage		2.00%
		4,344,138
Increased by:		
Extraordinary Aid (unbudgeted)	1,247,836	
Non-Public Transportation Aid (unbudgeted)	169,060	
	1,416,896	1,416,896
Maximum Unreserved/Undesignated General Fund Balance		5,761,034
Actual Unassigned General Fund Balance		5,761,034
Excess Surplus		\$ -

Based on the preceding calculation, as of June 30, 2023, the District has no Excess Surplus

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 16: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2023:

<u>Fund</u>	<u>Interfund Balance</u>	
	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 4,395,967	\$ 121,413
Special Revenue Fund	66,079	2,194,386
Capital Projects Fund		1,763,889
Debt Service Fund	335,078	
Enterprise Fund	93,491	810,927
	<u>\$ 4,890,615</u>	<u>\$ 4,890,615</u>

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

NOTE 17: 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, 2023

NOTE 17: CAPITAL RESERVE ACCOUNT (CONTINUED)

The activity of the capital reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Balance, July 1, 2022 (Budgetary Basis)	\$	13,591,118
Interest Earnings		460,288
Deposits:		
By Board Resolution	\$	2,114,420
Unexpended Appropriations		328,293
		2,442,713
		16,494,119
Withdrawals:		
Budgeted Withdrawal	\$	815,734
By Board Resolution		38,492
		854,226
Balance, June 30, 2023 (Budgetary Basis)	\$	15,639,893

NOTE 18: 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, 2023

NOTE 18: 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, 2023, the balance of the Maintenance Reserve Account was within the statutory limitations. The activity of the maintenance reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Balance, July 1, 2022 (Budgetary Basis)	\$	750,579
Interest Earnings		<u>18,993</u>
Deposits:		
By Board Resolution	\$ <u>218,082</u>	<u>218,082</u>
		987,654
Withdrawals:		
Budgeted Withdrawal	\$ <u>225,000</u>	<u>225,000</u>
Balance, June 30, 2023 (Budgetary Basis)	\$	<u><u>762,654</u></u>

NOTE 19: INVENTORY

Inventory in the Food Service Fund at June 30, 2023 consisted of the following:

Food and Supplies	<u>\$34,235</u>
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The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Act Amendment of 1996) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 20: 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 21: TAX ABATEMENTS

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

The District has identified several agreements that have been entered into by Hamilton Township that require disclosure under this statement. The gross dollar amount, on an accrual basis, by which the District's property tax revenues were potentially reduced during the reporting period as a result of tax abatement agreements totaled \$2,064,372. 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 FY2023.

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 FY2023, the District received \$518,921 under the terms of the agreements.

Hamilton Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 22: SUBSEQUENT EVENTS

The Board of Education has evaluated subsequent events occurring after the financial statement date through December 20, 2023 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.

NOTE 23: PRIOR PERIOD ADJUSTMENTS

As of July 1, 2022 the District implemented GASB Statement No. 87 Leases and GASB 96 Subscription-Based Information Technology Agreements. The District restated the balance of the accounts indicated below to appropriately reflect the June 30, 2022 balances as follows:

District-Wide Financial Statements:

	Governmental Activities	
	Balance 06/30/2022	Balance 06/30/2022 (As Restated)
Assets:		
Intangible Assets		\$620,110
Right to Use Assets		477,742
Liabilities:		
Noncurrent liabilities:		1,069,299
Net Position	\$13,564,311	\$13,592,865

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, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 120,438,532	\$	\$ 120,438,532	\$ 120,438,532	(25,410)
Tuition from Individuals	123,960		123,960	98,550	3,315
Tuition from Other LEAs Within State	143,296		143,296	146,611	(11,210)
Transportation Fees From Individuals	50,744		50,744	39,534	(40,439)
Transportation Fees From Other LEAs	50,000		50,000	9,561	73,732
Unrestricted Miscellaneous Revenues	1,856,000		1,856,000	1,929,732	9,200
Interest Earned on Maintenance Reserve	8,300		8,300	17,500	359,086
Interest Earned on Capital Reserve Funds	65,000		65,000	424,086	53,434
Other Restricted Miscellaneous Revenues				53,434	421,709
Total Local Sources	122,735,832		122,735,832	123,157,541	
Intermediate Sources:					
PILOT Payments to School District	455,000		455,000	518,921	63,921
Total Intermediate Sources	455,000		455,000	518,921	63,921
State Sources:					
Categorical Transportation Aid	1,446,373		1,446,373	1,446,373	
Extraordinary Aid	1,000,000		1,000,000	2,247,836	1,247,836
Categorical Special Education Aid	8,198,284		8,198,284	8,198,284	
Equalization Aid	84,303,420		84,303,420	84,303,420	
Categorical Security Aid	630,559		630,559	630,559	
Other State Aids				169,060	169,060
On-behalf TPAF Contributions-non-budgeted				32,025,964	32,025,964
On-behalf TPAF N.C.G.I.-non-budgeted				444,324	444,324
Post Retirement Medical-non budgeted				8,529,866	8,529,866
Long Term Disability Insurance				12,172	12,172
Reimbursed TPAF Soc. Sec.Contribution-non-budgeted				6,833,772	6,833,772
Total State Sources	95,578,636		95,578,636	144,841,630	49,262,994
Federal Sources:					
Medicaid Reimbursement	280,414		280,414	370,731	90,317
Medicaid Reimbursement-FFRC				21,196	21,196
Total Federal Sources	280,414		280,414	391,926	111,512
Total Revenues	219,049,882		219,049,882	288,910,018	49,860,136
EXPENDITURES:					
CURRENT EXPENSE:					
Kindergarten	2,991,748	(255,138)	2,736,610	2,736,610	
Grades 1-5	17,874,744	579,360	18,454,104	18,454,104	
Grades 6-8	12,289,505	(397,449)	11,902,056	11,893,316	8,741
Grades 9-12	19,130,382	343,685	19,474,067	19,472,030	2,038
Regular programs - home instruction:					
Salaries of teachers	225,000	182,123	407,123	407,123	1,124
Purchased professional educational services	158,000	(66,671)	91,329	90,206	949
Regular programs - undistributed instruction:					
Other salaries for instruction	87,540	(77,679)	9,861	8,912	367,371
Purchased professional - educational services	1,261,749	(249,865)	1,011,884	644,513	14,081
Purchased technical services	53,025	678,616	731,641	717,560	92,599
Other purchased services (400 - 500 series)	2,619,185	(71,688)	2,547,497	2,454,898	238,196
General supplies	1,476,350	(123,889)	1,352,462	1,114,265	113,205
Textbooks	940,063	57,815	997,878	884,673	13,377
Other objects	43,264	50	43,314	29,937	851,661
Total regular programs	59,160,555	596,272	59,756,827	58,908,145	

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, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Instruction - Special Education:					
Learning and/or Language Disabilities:					
Salaries of Teachers	3,685,811	(467,990)	3,217,821	3,127,202	90,618
Other salaries for instruction	1,446,164	34,841	1,481,005	1,356,351	122,654
General Supplies	26,960	3,179	30,139	25,515	4,624
Total Learning and/or Language Disabilities	5,158,935	(429,970)	4,728,965	4,511,068	217,896
Behavioral Disabilities:					
Salaries of Teachers	1,244,973	124,360	1,369,333	1,342,744	26,588
Other Salaries for Instruction	823,628	(23,668)	799,960	796,160	3,801
Purchased Professional-Educational Services	3,400	(1,271)	2,129	2,129	
General Supplies	12,300	(975)	11,325	9,117	2,208
Other Objects		661	661		
Total Behavioral Disabilities	2,084,301	99,106	2,183,407	2,150,810	32,597
Multiple Disabilities:					
Salaries of Teachers	1,430,942	88,409	1,519,351	1,493,686	25,666
Other Salaries for Instruction	1,089,301	(182,979)	906,322	873,669	32,653
Purchased Prof. Educ Services	20,000	2,808	22,808	1,232	1,576
General Supplies	2,540,243	9,585	25,385	25,480	3,905
Total Multiple Disabilities	5,080,486	(62,376)	4,998,110	4,894,067	104,043
Resource Room / Resource Center:					
Salaries of Teachers	7,576,867	172,617	7,749,484	7,678,094	71,391
Other salaries for instruction	1,199,692	(209,711)	989,981	881,400	108,581
Purchased Professional-Educational Services	65,000	(11,517)	53,483	3,483	50,000
Purchased Technical Services	8,000	(4,184)	3,816	3,816	
General Supplies	69,410	(29,770)	39,640	29,138	10,502
Total Resource Room / Resource Center	8,918,969	(82,564)	8,836,405	8,595,931	240,474
Autism:					
Salaries of Teachers	1,325,649	23,582	1,349,231	1,334,570	14,661
Other Salaries for Instruction	1,063,451	68,737	1,152,188	1,136,669	15,520
General Supplies	22,684	4,755	27,439	23,036	4,403
Total Autism	2,411,784	97,074	2,528,858	2,496,275	32,583
Preschool Disabilities - Part - Time:					
Salaries of Teachers	342,695	34,525	377,220	377,042	178
Other Salaries for Instruction	407,013	(106,547)	300,466	289,420	11,047
General Supplies	5,000	(677)	4,323	4,423	
Total Preschool Disabilities - Part - Time	754,708	(72,599)	682,109	670,885	11,224
Preschool Disabilities - Full - Time:					
Salaries of Teachers	378,395	25,322	403,717	322,616	81,100
Other Salaries for Instruction	332,349	8,098	340,447	293,209	47,238
Total Preschool Disabilities - Full - Time	710,744	33,420	744,164	615,826	128,338
Total Special Education	22,599,684	(437,910)	22,161,774	21,434,861	726,912

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, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Basic Skills / Remedial:					
Salaries of Teachers	3,028,533	(48,018)	2,980,515	2,979,500	1,015
General Supplies	4,800		4,800	4,800	0
Total Basic Skills / Remedial	3,033,333	(48,018)	2,985,315	2,979,500	5,815
Bilingual Education Instruction:					
Salaries of Teachers	1,366,642	131,771	1,498,413	1,498,413	0
General Supplies	5,000	645	5,645	5,035	610
Textbooks	3,500	(645)	2,855	2,855	0
Total Bilingual Education Instruction	1,375,142	131,771	1,506,913	1,503,448	3,465
School Sponsored Co-Curricular Activities:					
Salaries	717,698	(10,013)	707,685	697,865	9,820
Purchased Services (300-500 series)	20,309	(6,620)	13,689	314	13,375
Supplies and Materials	99,291	2,503	101,794	42,085	59,699
Other Objects	33,901	16,664	50,565	40,969	9,596
Total School Sponsored Co-Curricular Activities	871,199	2,534	873,733	781,243	92,490
School Sponsored Athletics:					
Salaries	1,175,433	88,340	1,263,773	1,263,773	0
Purchased Services (300-500 Series)	18,550	5,297	23,847	19,503	4,344
Supplies and Materials	277,205	(13,775)	263,430	178,545	84,885
Other Objects	250,622	14,063	264,685	215,434	49,251
Total School Sponsored Athletics	1,721,810	93,924	1,815,735	1,677,255	138,480
Other Instructional Programs:					
Summer School Instruction:					
Salaries	42,100	(1,205)	40,895	39,273	1,623
Total Summer School Instruction	42,100	(1,205)	40,895	39,273	1,623
Total Summer School	42,100	(1,205)	40,895	39,273	1,623
Instructional ALT ED Prog Instruction:					
Salaries of Teachers	120,000	58,888	178,888	178,888	0
Total Instructional ALT ED Prog Instruction	120,000	58,888	178,888	178,888	0
Instructional ALT ED Prog Support:					
Salaries	70,500	1,008	71,508	71,508	0
Total Instructional ALT ED Prog Support	70,500	1,008	71,508	71,508	0
Total Instructional ALT ED Program	190,500	59,896	250,396	250,396	0
Other Instructional Programs Instruction:					
Salaries	4,000	(4,000)			
Total Other Instructional Programs Instruction	4,000	(4,000)			
Community Services Programs/Operation:					
Salaries	6,000		6,000	5,730	270
Other Objects	8,750		8,750	8,749	1
Total Community Services Programs/Operation	14,750		14,750	14,479	271
Total Other Instructional Programs	7,252,835	234,902	7,487,737	7,245,593	242,144
Total - Instruction	89,013,074	396,264	89,409,338	87,588,600	1,820,737

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, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's within the State - Regular	98,154	47,149	145,303	145,302	\$ 1
Tuition to Other LEA's within the State - Special	455,000	35,987	490,987	490,986	0
Tuition to County Vocational School District - Regular	1,031,510	(33,950)	997,560	989,480	8,080
Tuition to County Vocational School District - Sp Ed	437,580	17,874	455,454	450,432	5,022
Tuition to CSSD & Regional Day Schools	2,765,000	(1,252,103)	1,512,897	1,476,773	36,124
Tuition to Private Schools for the Handicapped w/in State	4,880,714	(23,680)	4,857,034	4,698,580	158,454
Tuition - State Facilities	187,254		187,254	187,254	
Tuition - Other	586,862	(269,385)	317,478	272,908	44,570
Total Undistributed Expenditures - Instruction	10,442,074	(1,478,107)	8,963,967	8,711,715	252,252
Attendance and Social Work Services:					
Salaries	397,414	(5,014)	392,400	384,179	8,221
Purchased Professional and Technical Services	257,784	(174,204)	83,580	20,936	62,644
Other Purchased Services (400-500 series)	6,120		6,120	3,375	2,745
Supplies and Materials	1,500		1,500	759	741
Total Attendance and Social Work Services	662,818	(179,218)	483,600	409,248	74,352
Health Services:					
Salaries	2,263,880	(19,554)	2,244,326	2,208,086	36,241
Purchased Professional and Technical Services	171,816	1,110	172,926	164,857	8,069
Other Purchased Services	1,250	(1,250)			
Supplies and Materials	30,640	(4,180)	26,460	23,826	2,634
Total Health Services	2,467,586	(23,884)	2,443,702	2,396,769	46,933
Other Support Services - Speech, OT, PT & Related Services:					
Salaries	2,437,472	(165,977)	2,271,495	2,124,522	146,973
Purchased Professional - Educational Services	1,125,470	536,039	1,661,509	1,594,251	67,258
Supplies and Materials	21,927	9,329	31,256	29,329	1,927
Total Other Support Services - Speech, OT, PT & Related Services	3,584,869	379,390	3,964,259	3,748,101	216,158
Other Support Services - Students - Extra Services					
Salaries	816,734	111,770	928,504	864,486	64,018
Purchased Professional - Educational Services	1,616,500	(352,328)	1,264,172	1,146,693	117,478
Total Other Support Services - Students - Extra Services	2,433,234	(240,558)	2,192,676	2,011,179	181,497

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, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Guidance:					
Salaries of Other Professional Staff	\$ 4,276,949	\$ (95,504)	\$ 4,181,445	\$ 3,968,539	\$ 212,905
Salaries of Secretarial and Clerical Assistants	566,892	(18,881)	538,011	531,336	6,675
Other Salaries		677	677	677	
Unused Vacation Payment to Terminated/Retired Staff		5,693	5,693	5,693	
Purchased Professional - Educational Svcs	73,733	2,300	76,033	64,462	11,571
Other Purchased Services		2,116	2,116	1,599	517
Supplies and Materials	14,356	(1,542)	12,814	8,545	4,269
Other Objects	6,620	90	6,710	5,160	1,550
Total Guidance	<u>4,928,550</u>	<u>(105,052)</u>	<u>4,823,498</u>	<u>4,586,011</u>	<u>237,487</u>
Child Study Teams:					
Salaries of Other Professional Staff	5,206,089	(3,427)	5,202,663	5,180,531	22,131
Salaries of Secretarial and Clerical Assistants	560,261	(16,494)	543,767	537,904	5,863
Salaries of ABA In Home Therapy		3,754	3,754	3,754	
Unused Vac. Payment to Terminated/Retired Staff		27,833	27,833	27,833	
Purchased Professional Educational Svcs	886,173	(81,753)	804,420	785,570	18,850
Other Purchased Professional and Technical Svcs.	6,750	(5,246)	1,504	1,504	
Other Purchased Services (400-500 series)	32,832	865	33,697	31,236	2,461
Supplies and Materials	27,000	4,250	31,250	31,250	
Other Objects	300	(300)			
Total Child Study Teams	<u>6,719,405</u>	<u>(70,516)</u>	<u>6,648,887</u>	<u>6,599,582</u>	<u>49,305</u>
Improvement of Instruction Services					
Other Support Services - Instructional Staff:					
Summer Curriculum Development					
Salaries of Supervisors of Instruction	1,240,799	(12,337)	1,228,462	1,137,429	91,033
Salaries of Other Professional Staff	250,868	3,019	253,887	253,888	
Salaries of Secretarial and Clerical Assts.	198,740	5,955	204,695	204,694	1
Unused Vacation Payment to Terminated/Retired Staff		3,363	3,363	3,363	
Other Purchased Services (400-500)	13,490		13,490	7,884	5,606
Supplies and materials	189,900	47,800	237,700	229,622	8,079
Total Improvement of Instruction Services / Other Support Services - Instructional Staff	<u>1,893,797</u>	<u>47,800</u>	<u>1,941,597</u>	<u>1,836,880</u>	<u>104,717</u>
Educational Media Services / School Library:					
Salaries	1,139,020	(28,345)	1,110,675	1,101,601	9,074
Purchased Professional and Technical Services	85,437	(5,079)	80,358	44,802	35,557
Supplies and materials	289,834	(25,782)	264,052	210,195	53,856
Total Educational Media Services / School Library	<u>1,514,291</u>	<u>(59,206)</u>	<u>1,455,085</u>	<u>1,356,598</u>	<u>98,487</u>
Instructional Staff Training Services:					
Salaries of Other Professional Staff	5,000	0	5,000	2,690	2,311
Other Purchased Professional - Educational Svcs.	254,150	(12,000)	242,150	234,346	7,804
Other Purchased Services (400- 500)	33,690	350	34,040	20,215	13,825
Supplies and materials	7,500		7,500	1,998	5,502
Total Instructional Staff Training Services	<u>300,340</u>	<u>(11,650)</u>	<u>288,690</u>	<u>259,248</u>	<u>29,442</u>

HAMILTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
	\$	\$	\$	\$	
Support Services General Administration:					
Salaries	349,366	(49,359)	300,007	297,425	2,582
Legal Services	303,000		303,000	220,517	82,483
Audit Fees	67,600	(1,300)	66,300	66,300	
Architectural/Engineering Services	643,219	11,322	654,542	540,777	113,764
Other Purchased Professional Services	198,959	42,359	241,318	155,768	85,550
Communications / Telephone	288,980	(27,034)	261,946	204,991	56,955
Board Travel Expense	2,500		2,500	938	1,562
Miscellaneous Expenditures	1,136,931		1,136,931	1,074,067	62,863
General Supplies	19,800	(1,514)	18,286	13,767	4,519
BOE In- House Training/ Meeting Supplies	2,500	(1,500)	1,000		1,000
Judgments against the District	1,236,719	47,103	1,283,822	1,251,849	31,973
Miscellaneous Expenditures	10,900	93,215	104,115	100,174	3,941
BOE Membership Dues and Fees	29,000	(237)	28,763	28,763	
Total Support Services General Administration	4,289,474	113,055	4,402,529	3,955,335	447,194
Support Services School Administration:					
Salaries of Principals / Asst. Principals	6,391,845	(29,600)	6,362,245	6,329,766	32,479
Salaries of Secretarial and Clerical Assistants	2,659,643	(11,342)	2,648,301	2,563,826	84,475
Other Salaries	17,200	(7,547)	9,653	9,653	0
Unused Vacation Payment to Terminated/Retired Staff	40,000	94,680	134,680	134,680	
Purchased Professional and Technical Services	9,495	2,528	12,023	7,125	4,898
Other Purchased Services(400-500 series)	79,265	2,557	81,822	68,592	13,229
Supplies and Materials	112,329	1,350	113,679	91,631	22,048
Other Objects	48,697	1,471	50,168	30,258	19,911
Total Support Services School Administration	9,358,474	54,096	9,412,570	9,235,529	177,040
Central Service:					
Salaries	1,828,230	(37,953)	1,790,277	1,638,882	151,396
Unused Vacation Payment to Terminated/Retired Staff	2,000	8,383	8,383	8,383	
Purchased Professional Services	18,300	225	18,525	1,154	2,000
Other Purchase Professional Service	126,590	15,938	142,528	104,728	37,800
Misc. Purch Services (400-500)	15,900	1,134	17,034	12,385	4,649
Supplies and Materials	88,199	4,703	92,902	70,701	2,201
Miscellaneous Expenditures	2,059,219	(7,569)	2,051,650	1,836,233	215,417
Total Central Service	4,138,458	(31,821)	4,106,637	3,672,513	434,124
Administrative Information Technology:					
Salaries	1,595,237		1,595,237	1,514,807	80,430
Purchased Technical Services	407,924	193,392	601,316	597,816	3,500
Other Purchased Services	89,000	(21,395)	67,605	54,140	13,465
Supplies and Materials	50,807	(1,380)	49,427	49,282	145
Other objects		85	85	85	
Total Administrative Information Technology	2,142,968	170,702	2,313,670	2,216,130	97,540
Required Maintenance for School Facilities:					
Salaries	2,627,726	(102,725)	2,525,001	2,492,973	32,028
Unused Vacation Payment to Terminated/Retired Staff	1,986,591	(759,719)	1,226,872	10,394	340,275
Cleaning, Repair and Maintenance Services	1,200		1,200	875	325
Lead Testing of Drinking Water	436,578	(13,691)	422,887	368,241	54,646
General Supplies	11,100	1,379	12,479	10,815	1,664
Other Objects	5,063,195	(864,362)	4,198,833	3,769,894	428,939
Total Required Maintenance for School Facilities	11,315,390	(1,739,512)	9,576,378	9,657,492	(81,114)

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, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Custodial Services:					
Salaries	\$ 6,834,902	\$ (215,870)	\$ 6,619,032	\$ 6,345,582	\$ 273,450
Unused Vacation Payment to Terminated/Retired Staff	49,990	39,726	39,726	39,726	0
Purchased Professional and Technical Services	823,407	1,625	51,616	51,615	32,366
Cleaning, Repair and Maintenance Services	118,000	(97,248)	726,160	693,794	4,810
Rental of Land and Building	1,075,820		118,000	113,190	0
Lease Purchase Pymts- Energy Savings Impr Prog	390,512	(55,272)	1,075,820	1,075,820	0
Other Purchased Property Services	260,869		335,240	285,874	49,366
Insurance	7,500	(500)	260,869	259,868	1,002
Miscellaneous Purchased Services	406,214	(18,480)	7,000	1,200	5,800
General Supplies	873,438	277,862	387,734	365,285	22,449
Energy (Natural Gas)	1,482,654	(282,749)	1,151,300	1,047,938	103,362
Energy (Heat and Electricity)	42,250	37,268	1,120,753	1,120,753	0
Energy (Gasoline)	11,300		79,518	79,518	79,152
Other Objects			11,300	10,547	753
Total Custodial Services	12,376,857	(313,637)	12,063,220	11,490,709	572,510
Care and Upkeep of Grounds:					
Salaries	607,004	50,236	657,240	588,152	69,088
Unused Vacation Payment to Terminated/Retired Staff		8,065	8,065	8,065	0
Cleaning, Repair And Maintenance	56,332	18,000	74,332	62,861	11,471
General Supplies	100,000	(28,000)	72,000	61,148	10,852
Total Care and Upkeep of Grounds	763,336	48,301	811,638	720,227	91,411
Security:					
Salaries	518,960	(141,009)	377,952	369,430	8,522
Unused Vacation Payment to Terminated/Retired Staff	183,740	2,431	2,431	2,431	0
Purchased Professional and Technical Services	43,549	327,850	511,590	487,500	24,090
General Supplies	6,000	3,000	46,549	25,883	20,666
Other Objects			6,000	209	5,791
Total Security	752,249	192,273	944,523	885,453	59,070
Student Transportation Services:					
Salaries for Pupil Transportation (Between Home and School) - Regular	275,059	(37,600)	237,459	232,729	4,730
Salaries for Pupil Transportation (Between Home and School) - Special	406,090	5,840	411,930	402,897	9,033
Unused Vacation Payment to Terminated/Retired Staff	13,800	3,645	3,645	3,645	0
Transportation- Other Purchased Prof & Tech	13,915	5,586	19,396	12,378	7,008
Cleaning, Repair and Maintenance Services	86,400	24,040	37,955	31,490	6,465
Rental Payments	470,000	2,100	88,500	88,500	0
Contracted Services - Aid in Lieu Payments-NonPub Sch	3,525,000	1,409,868	470,000	447,496	22,504
Contract. Serv. - Aid in Lieu Pymts-Renaissance Sch			4,934,868	4,932,999	1,868
Contracted Services (Other than Between Home and School) - Vendors	723,298	91,599	814,897	717,544	97,353
Contr Serv(Bet. Home & Sch)-Joint Agrmnts		2,000	2,000	2,000	0
Contract Services (Sp. Ed. Sids.) - Vendors	7,925,875	2,013,378	9,939,253	9,647,531	291,722
Contracted Svcs -(Spec.Ed Stud.) - ESCs & CTSA's	1,100,000	(39,626)	1,061,374	693,746	367,628
Miscellaneous Purchased Services - Transportation	1,800	(300)	1,500	200	1,300
General Supplies	2,300		2,300	2,273	27
Transportation Supplies	38,700	45,951	84,651	76,456	8,195
Other Objects	2,265	810	3,075	2,976	99
Total Student Transportation Services	14,584,502	3,528,292	18,112,793	17,294,860	817,933

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, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Unallocated Benefits - Employee Benefits:					
Group Insurance	\$ 145,000	\$ 1,800	\$ 146,800	\$ 141,580	\$ 5,220
Social Security Contributions	2,159,320	343,612	2,502,932	2,437,271	65,661
T.P.A.F. Contributions - ERIP	280	750	1,000	962	38
Other Retirement Contributions - PERS	3,559,165	138,331	3,697,496	3,697,180	316
Workmen's Compensation	875,884	(139,040)	736,844	736,844	
Health Benefits	30,754,628	(1,386,574)	29,368,055	28,503,740	864,315
Tuition Reimbursements	285,000		285,000	232,112	52,888
Unused sick payment	1,120,000	(100,000)	1,020,000	942,376	77,624
Total Unallocated Benefits - Employee Benefits	38,899,247	(1,141,120)	37,758,127	36,692,065	1,066,062
On-Behalf TPAF Contributions (Non-Budgeted):					
On-behalf TPAF Contributions-non-budgeted				32,025,964	(32,025,964)
NCGI-non-budgeted				444,324	(444,324)
Post Retirement Medical-non budgeted				8,529,866	(8,529,866)
Reimbursed TPAF Social Security Contribution-non-budgeted				6,833,772	(6,833,772)
Long Term Disability Insurance				12,172	(12,172)
Total TPAF Pension/Social Security				47,846,098	(47,846,098)
Total Undistributed Expenditures	125,238,487	39,026	125,275,513	167,857,866	(42,582,352)
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	214,257,861	435,291	214,693,151	255,446,466	(40,753,315)
CAPITAL OUTLAY:					
Equipment:					
Grades 1-5		2,113	2,113		2,113
Multiple Disabilities	14,500	19,250	33,750	23,709	10,041
Undist. Expend.-Support Serv.-Students - Reg.		2,065	2,065		
Undist. Expend.-Support Serv. - Inst. Staff		2,511	2,511	2,511	
Undistributed-Req. Maint. For Schools	6,271	21,226	27,497	21,226	
Undist. Expend. - Care and Upkeep of Grounds		29,296	29,296	24,506	4,790
Total Equipment	20,771	88,960	109,731	12,500	97,231
Facilities Acquisition and Construction Services:					
Architectural/engineering services		200,400	200,400	177,720	22,680
Construction services	7,243,320	(161,908)	7,081,412	4,310,682	2,770,731
Assessment for Debt Service on SDA Funding	146,170		146,170	146,170	
Total Facilities Acquisition and Construction Services	7,389,490	38,492	7,427,982	4,634,571	2,793,411
Interest Deposit to Capital Reserve	65,000		65,000		65,000
Assets acquired under leases (non-budgeted)					
Undistributed expenditures				121,646	(121,646)
Total assets acquired under leases (non-budgeted)				121,646	(121,646)
TOTAL CAPITAL OUTLAY	7,475,261	127,452	7,602,714	4,842,734	2,759,979
Transfer of funds to charter schools	4,709,718	175,749	4,885,467	4,885,467	
TOTAL EXPENDITURES	226,442,840	738,492	227,181,332	265,174,667	(37,993,336)

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, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Excess (deficiency) of revenues over (under) expenditures	\$ (7,392,958)	\$ (738,492)	\$ (8,131,450)	\$ 3,735,351	\$ 11,866,800
Other financing sources (uses)					
Transfers from Other Funds				338,876	338,876
Proceeds from Leases (non-budgeted)				121,646	121,646
Total other financing sources(uses)				460,522	460,522
Excess of revenues and other financing sources over expenditures and other expenditures and other financing sources	(7,392,958)	(738,492)	(8,131,450)	4,195,873	12,327,322
Fund balances, July 1	28,737,687		28,737,687	28,737,687	
Fund balances, June 30	21,344,729	(738,492)	20,606,237	32,933,560	12,327,322

Recapitulation:					
Non-Spendable - Inventory				3,236,816	
Assigned - year-end encumbrances				15,639,893	
Restricted:				762,654	
Capital reserve				2,511,967	
Maintenance reserve				5,761,034	
State Unemployment Insurance				5,000,000	
Unassigned fund balance				21,196	
Assigned - designated for subsequent years expenditures				32,933,560	
Assigned fund balance SEMI/FCRA - designated for subsequent year expenditure				(8,869,246)	
Reconciliation to governmental funds statements (GAAP):				24,064,314	
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, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
State sources	\$ 1,652,023	\$ 313,013	\$ 1,965,036	\$ 1,653,772	(311,264)
Federal sources	6,746,484	19,403,826	26,150,310	17,777,472	(8,372,838)
Other sources	<u>160,860</u>	<u>1,684,405</u>	<u>1,845,265</u>	<u>981,857</u>	<u>(863,608)</u>
Total revenues	<u>8,559,367</u>	<u>21,401,244</u>	<u>29,960,611</u>	<u>20,412,902</u>	<u>(9,547,710)</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers	971,239	1,800,621	2,771,860	1,461,449	1,310,411
Other salaries for instruction	250,114	10,346	260,460	162,469	97,991
Purchased professional services	6,436	54,936	61,372	37,583	23,789
Purchased professional - educational services	999,478	2,022,692	3,022,170	1,598,065	1,424,105
Purchased technical services		7,100	7,100	7,100	
Contracted Services (Between Home & School) - Vendors		14,000	14,000	13,908	92
Contract Services (Sp. Ed. Stds.) - Vendors	127,575	127,575	255,150	255,150	
Telephone/Communications		13,415	13,415	13,415	
Tuition	3,328,617	711,588	4,040,205	3,950,461	89,744
Supplies and materials	656,497	223,838	880,335	601,078	279,256
Textbooks	68,000	23,497	91,497	73,589	17,908
Other Objects	<u>4,293</u>	<u>2,312</u>	<u>6,605</u>	<u>5,857</u>	<u>748</u>
Total instruction	<u>6,412,249</u>	<u>5,011,920</u>	<u>11,424,169</u>	<u>8,180,124</u>	<u>3,244,045</u>
Support services:					
Salaries of program directors					
Salaries of Other professional staff					
Other Salaries	1,003,333	911,529	1,914,862	901,930	1,012,932
Personal services - employee benefits	229,111	894,003	1,123,114	841,206	281,908
Purchased professional services	79,902	1,935,530	2,015,432	1,469,467	545,965
Purchased professional - educational services	124,600	457,600	582,200	411,978	170,222
Purchased professional - technical services		15,558	15,558		15,558
Other Purchased Services	750	98,046	98,796	40,894	57,902
Contracted services(other than btw home & school - Vendors		21,548	21,548	2,531	19,017
Travel	142,407	103,876	246,283	85,631	160,652
Supplies and materials	283,070	243,841	526,911	332,555	194,356
Miscellaneous expenditures		1,680,327	1,680,327	903,426	776,901
Total support services	<u>1,863,173</u>	<u>6,361,859</u>	<u>8,225,033</u>	<u>4,989,619</u>	<u>3,235,414</u>
Facilities acquisition and construction services:					
Buildings	283,945	9,092,596	9,376,541	7,095,195	2,281,346
Instructional equipment		138,617	138,617	131,055	7,562
Non-Instructional equipment		796,252	796,252	9,341	786,912
Total facilities acquisition and construction serv.	<u>283,945</u>	<u>10,027,465</u>	<u>10,311,410</u>	<u>7,235,590</u>	<u>3,075,819</u>
Total expenditures	<u>8,559,367</u>	<u>21,401,244</u>	<u>29,960,611</u>	<u>20,405,333</u>	<u>9,555,278</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,568</u>	<u>(7,568)</u>
Fund Balance, July 1				<u>771,331</u>	
Fund Balance, June 30			\$	<u>778,899</u>	
Analysis of Balance					
Student Activities Funds				596,024	
Scholarship Funds			\$	<u>182,875</u>	
			\$	<u>778,899</u>	

HAMILTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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	\$268,910,018	\$20,412,902
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		3,129,395
Less current year encumbrances		(5,055,706)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year	(8,869,246)	
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	7,663,921	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$267,704,693	\$18,486,591
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	\$265,174,667	\$20,405,333
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		3,129,395
Less current year encumbrances		(5,055,706)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$265,174,667	\$18,479,022

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, 2022	Measurement Date Ending June 30, 2021	Measurement Date Ending June 30, 2020	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)	0.2914517874%	0.288190659%	0.2639735126%	0.2770646260%	0.2914616700%	0.2903429124%	0.3033493165%	0.2901148926%	0.2798236728%	0.2730909259%
District's proportionate share of the net pension liability (asset)	\$43,994,087	\$34,134,389	\$46,308,654	\$49,912,067	\$57,387,350	\$67,687,189	\$89,843,367	\$65,124,980	\$52,390,645	\$52,191,191
District's covered-employee payroll	21,886,185	21,131,337	21,019,464	20,031,559	19,590,657	20,287,601	19,844,925	18,447,735	19,754,726	19,396,974
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	200.97%	161.53%	220.31%	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	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.92%	52.08%	48.72%

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

LAST TEN YEARS

	Fiscal Year Ending June 30, 2023	Fiscal Year Ending June 30, 2022	Fiscal Year Ending June 30, 2021	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	\$ 3,904,181	\$ 3,675,347	\$ 3,106,527	\$ 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	3,904,181	3,675,347	3,106,527	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	22,462,410	21,886,185	21,131,337	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	17.38%	16.79%	14.70%	12.82%	14.47%	14.87%	13.26%	13.58%	13.52%	11.68%

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, 2022	0.7713424555%	Measurement Date Ending June 30, 2021	0.7531444090%	Measurement Date Ending June 30, 2020	0.7755592375%	Measurement Date Ending June 30, 2019	0.7809615082%	Measurement Date Ending June 30, 2018	0.7576567172%	Measurement Date Ending June 30, 2017	0.7920642357%	Measurement Date Ending June 30, 2016	0.7949697212%	Measurement Date Ending June 30, 2015	0.7972858278%	Measurement Date Ending June 30, 2014	0.7890660282%	Measurement Date Ending June 30, 2013	0.7844176179%
District's proportion of the net pension liability (asset)	90,532,002		88,721,658		84,852,660	81,657,147	82,274,742	80,182,382	78,043,603	79,890,797	801,311	78,364,476	77,482,940	538,16%	630.76%	538.16%	511.65%	33.76%		
State's proportionate share of the net pension liability (asset) associated with the District	\$397,969,634		\$362,075,595		\$510,696,426	\$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	90,532,002	0%	88,721,658	0%	84,852,660	81,657,147	82,274,742	80,182,382	78,043,603	79,890,797	801,311	78,364,476	77,482,940	538.16%	630.76%	538.16%	511.65%	33.76%		
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%	0%	0%	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	439.59%		408.10%		601.86%	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	32.29%		35.52%		24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%								

HAMILTON TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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>
2022	7.00%	7.00%	07/01/18-06/30/21
2021	7.00%	7.00%	07/01/14-06/30/18
2020	7.00%	7.00%	07/01/14-06/30/18
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>
2022	7.00%	7.00%	07/01/18-06/30/21
2021	7.00%	7.00%	07/01/15-06/30/18
2020	5.40%	7.00%	07/01/15-06/30/18
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,					
	2022	2021	2020	2019	2018	2017
Total Non-Employer OPEB Liability - State's Proportionate Share of Total OPEB Liability Associated with the School District						
Balance at 6/30	\$520,956,931	\$594,039,193	\$364,885,924	\$412,156,727	\$482,816,104	\$522,308,236
Changes for the year:						
Service cost	22,422,702	25,744,768	13,935,449	13,548,164	15,662,557	18,915,951
Interest	11,693,016	13,514,172	13,084,763	16,266,463	17,656,754	15,272,477
Changes of benefit terms		(554,495)				
Differences between expected and actual experience	15,728,833	(102,000,780)	103,650,785	(71,657,025)	(46,041,618)	(62,909,302)
Changes in assumptions or other inputs	(118,363,243)	513,964	108,510,547	5,440,479	(47,297,047)	
Membership Contributions	371,565	345,491	313,458	332,026	380,901	411,788
Benefit payments - Net	(11,582,278)	(10,645,382)	(10,341,733)	(11,200,910)	(11,020,924)	(11,183,046)
Net changes	(79,729,405)	(73,082,262)	229,153,269	(47,270,803)	(70,659,377)	(39,492,132)
Balance at 6/30	\$441,227,526	\$520,956,931	\$594,039,193	\$364,885,924	\$412,156,727	\$482,816,104
Covered Employee Payroll	112,418,187	109,852,995	105,872,124	101,688,706	101,865,399	101,549,847
District's Proportionate Share of the Total Non-Employer OPEB Liability as a Percentage of the District's Covered Employee Payroll	-0-	-0-	-0-	-0-	-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	392.49%	474.23%	561.09%	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, 2023

Change in benefit terms:

None

Change in assumptions:

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

Measurement Date Ending <u>June 30,</u>	Discount <u>Rate</u>
2022	3.54%
2021	2.16%
2020	2.21%
2019	3.50%
2018	3.87%

OTHER SUPPLEMENTARY INFORMATION

**SPECIAL REVENUE FUND
DETAIL STATEMENTS**

HAMILTON TOWNSHIP SCHOOLS DISTRICT
OPERATIONAL BUDGET
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	TITLE IA	TITLE ISA	TITLE IIA	TITLE III-E	TITLE III-MIGRANT	TITLE IV	IDEA PART B	IDEA PART B - ARP	IDEA PRESCHOOL	IDEA PRESCHOOL-ARP	CARLO PERKINS	CRRSA ACT ESSELE II
REVENUES:												
State sources	2,277,448	163,311	191,275	118,290	24,180	97,277	4,088,133	189,031	184,910	42,400	41,639	1,612,851
Federal sources												
Local sources												
Total revenues	2,277,448	163,311	191,275	118,290	24,180	97,277	4,088,133	189,031	184,910	42,400	41,639	1,612,851
EXPENDITURES:												
Instruction:												
Salaries of teachers	823,466	49,380		31,360		3,192					5,420	307,164
Other salaries for instruction	78,022			792		3,935					30,796	86,447
Salaries of other professional staff	488,020	33,229		4,117							4,208	228,125
Other Salaries	641,094	34,245	123,074	22,441	24,180		998,703	119,070	56,155	4,185	1,000	191,962
Personal services - employee benefits	86,433											
Purchased professional services												
Purchased technical services												
Other Purchased Services												
(b/w home & school) - Vendors	6,712	12,373	64,510	2,098								
(other than b/w home & school) - Vendors	16,069	10,467	3,692	1,395								
Travel									2,768			
Supplies and materials												
Miscellaneous												
Total support services	1,222,828	90,314	191,275	30,188	24,180		996,703	119,070	58,924	4,185	5,208	889,795
Facilities acquisition and construction serv:												
Buildings												
Instructional equipment							13,978		87,468			
Non - instructional equipment							3,341		3,341			
Total facilities acquisition and construction serv.							13,978		90,809			
Total expenditures	2,277,448	163,311	191,275	118,290	24,180	97,277	4,088,133	189,031	184,910	42,400	41,639	1,612,851
Excess (Deficiency) of Revenues												
Over (Under) Expenditures												
Fund Balance, July 1												
Fund Balance, June 30												

HAMILTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND - SCHOOL SERVICES
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	CRPS ACT LEARNING ACCELERATION	CRPS ACT MENTAL HEALTH SUPPORT	ASCSRS GRANT	ARP ESSER LEARNING ACCELERATION	ARP ESSER EVIDENCE BASED SUMMER LEARNING	ARP ESSER EVIDENCE BASED RECOVERY SCHOOL DAY LEARNING	ARP ESSER MENTAL HEALTH SUPPORT STAFF	ARP ESSER HOMELESS CHILDREN	COMPENSATORY EDUCATION	NON-PUBLIC CH 192 ENGLISH AS SECOND LANGUAGE	TRANSPORTATION
REVENUES:											
State sources	\$ 52,321	\$ 38,617	\$ 592,384	\$ 7,436,483	\$ 15,005	\$ 42,450	\$ 291,037	\$ 40,894	\$ 387,561	\$ 9,993	\$ 47,591
Federal sources											
Local sources											
Total revenues	\$ 52,321	\$ 38,617	\$ 592,384	\$ 7,436,483	\$ 15,005	\$ 42,450	\$ 291,037	\$ 40,894	\$ 387,561	\$ 9,993	\$ 47,591
EXPENDITURES:											
Instruction:											
Salaries of teachers	\$ 51,743										
Other salaries (for instruction)				132,250	15,005	42,450					
Purchased professional - technical services										9,993	47,591
Purchased professional - educational services				108,733			283,657		387,561		
Contracted Services (Between Home & School) - Vendors			255,150								
Contract Services (Sp. Ed. Sids.) - Vendors			337,234								
Communication/telephone				598,351							
Supplies and materials				7,149							
Textbooks											
Other Objects											
Total Instruction	\$ 51,743		\$ 592,384	\$ 625,233	\$ 15,005	\$ 42,450	\$ 283,657		\$ 387,561	\$ 9,993	\$ 47,591
Support services:											
Salaries of program directors											
Salaries of Other professional staff				125,307							
Other Salaries	578	30,467					7,390				
Personal services - employee benefits		8,150									
Other Purchased Services											
Other Purchased Services - educational services											
(btw home & school) - Vendors								40,894			
(other than btw home & school - Vendors											
Travel											
Supplies and materials											
Miscellaneous											
Total support services	\$ 578	\$ 38,617		\$ 125,307			\$ 7,390	\$ 40,894			
Facilities acquisition and construction serv:											
Buildings											
Instructional equipment				6,811,250							
Non - instructional equipment											
Total facilities acquisition and construction serv.				\$ 6,811,250							
Total expenditures	\$ 52,321	\$ 38,617	\$ 592,384	\$ 7,436,483	\$ 15,005	\$ 42,450	\$ 291,037	\$ 40,894	\$ 387,561	\$ 9,993	\$ 47,591
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fund Balance, July 1											
Fund Balance, June 30											

HAMILTON TOWNSHIP SCHOOL DISTRICT
SCHOOL SERVICES
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	SUPPLEMENTAL INSTRUCTION	NONPUB. CH. 183 CLASSIFICATION	CORRECTIVE SPEECH	NONPUB. TEXTBOOKS	NONPUB. NURSING	NONPUB. TECHNOLOGY	NONPUB. SECURITY/AID	EMERGENCY PROGRAM	STUDENT ACTIVITIES	SCHOLARSHIPS	OTHER LOCAL	TOTAL
REVENUES:												
State sources	\$ 144,387	\$ 185,149	\$ 97,919	\$ 73,589	\$ 142,271	\$ 53,771	\$ 247,596	\$ 283,945	\$ 906,889	\$ 2,106	\$ 70,663	\$ 1,663,772
Federal sources												\$ 17,777,472
Local sources												\$ 981,657
Total revenues	\$ 144,387	\$ 185,149	\$ 97,919	\$ 73,589	\$ 142,271	\$ 53,771	\$ 247,596	\$ 283,945	\$ 906,889	\$ 2,106	\$ 70,663	\$ 20,412,902
EXPENDITURES:												
Instruction:												
Salaries of teachers												\$ 1,461,449
Other salaries for instruction												\$ 187,469
Personal services - educational services												\$ 37,883
Purchased professional - educational services												\$ 1,580,065
Purchased technical services	\$ 144,387	\$ 185,149	\$ 97,919								\$ 7,100	\$ 7,100
Contract Services (Between Home & School) - Vendors												\$ 13,908
Contract Services (Sp. Ed. Sites) - Vendors												\$ 295,190
Communication/telephone												\$ 13,415
Supplies and materials												\$ 3,800
Textbooks				\$ 73,589								\$ 73,589
Other Objects											\$ 23,263	\$ 23,263
Total instruction	\$ 144,387	\$ 185,149	\$ 97,919	\$ 73,589	\$ 142,271	\$ 53,771	\$ 247,596	\$ 283,945	\$ 906,889	\$ 2,106	\$ 70,663	\$ 1,981,724
Support services:												
Salaries of program directors												\$ 901,900
Salaries of other professional staff												\$ 841,205
Other Salaries												\$ 1,000
Personal services - employee benefits												\$ 411,979
Purchased professional - educational services												\$ 40,884
Other Purchased Services (b/w home & school) - Vendors												\$ 2,531
(b/w home & school) - Vendors												\$ 85,631
Travel												\$ 30,207
Supplies and materials												\$ 3,800
Miscellaneous												\$ 903,626
Total support services									\$ 891,426	\$ 12,000	\$ 30,207	\$ 4,989,619
Facilities acquisition and construction serv:												
Buildings - instructional equipment												\$ 7,095,105
Non - instructional equipment												\$ 131,055
Total facilities acquisition and construction serv.												\$ 9,341
Total expenditures	\$ 144,387	\$ 185,149	\$ 97,919	\$ 73,589	\$ 142,271	\$ 53,771	\$ 247,596	\$ 283,945	\$ 891,426	\$ 12,000	\$ 70,663	\$ 20,405,333
Excess (Deficiency) of Revenues Over (Under) Expenditures												\$ 7,568
Fund Balance, July 1												\$ 192,770
Fund Balance, June 30												\$ 596,024
												\$ 182,875

**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 FISCAL YEAR ENDED JUNE 30, 2023

Revenues:		
Interest	\$	<u>58,822</u>
Total revenues		<u>58,822</u>
Expenditures and Other Financing Uses:		
Equipment		1,820,447
Construction services		<u>567,353</u>
Total expenditures		<u>2,387,800</u>
Excess (deficiency) of revenues over (under) expenditures		(2,328,978)
Other financing sources (uses):		
Transfers out		<u>(674,744)</u>
Total other financing sources (uses)		(674,744)
Net change in fund balance		(3,003,722)
Fund balance - beginning		<u>3,867,047</u>
Fund balance - ending	\$	<u><u>863,325</u></u>
Fund Balance - budgetary basis	\$	863,325
Current Year Encumbrances		<u>1,006,121</u>
Fund Balance - GAAP basis (B-1)	\$	<u><u>1,869,446</u></u>
Expenditures - budgetary basis	\$	2,387,800
Add: prior year encumbrances		<u>1,472,609</u>
		3,860,409
Less:		
Current year encumbrances		<u>1,006,121</u>
Expenditures - GAAP basis (B-2)	\$	<u><u>2,854,288</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 FISCAL YEAR ENDED JUNE 30, 2023

	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	(328,293)	1,066,977	1,066,977
Total reserve	2,698,410	(328,293)	2,370,117	2,370,117
Expenditures and Other Financing Uses:				
Purchased professional and technical services	101,592		101,592	101,592
Construction services	2,268,525		2,268,525	2,268,525
Total expenditures and other financing uses	2,370,117		2,370,117	2,370,117
Excess (deficiency) of revenues over (under) expenditures	\$ 328,293	\$ (328,293)	\$	\$

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	(887,734)
Revised Authorized Cost	\$2,370,117
Percentage of Original Authorized Cost	100.00%
Percentage completion	100.00%
Original target completion date	2014-2015
Revised target completion date	2016-2017

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
2018 REFERENDUM
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Bond proceeds	\$55,393,000.00		\$55,393,000.00	\$55,393,000.00
Total reserve	55,393,000.00		55,393,000.00	55,393,000.00
Expenditures and Other Financing Uses:				
Architectural Services	\$ 3,683,565	\$	3,683,565	\$ 3,991,197
Purchased professional and technical services	1,165,715		1,165,715	1,165,715
Construction Services	49,602,114	567,353	50,169,467	50,226,088
Miscellaneous Expenditures	1,095		1,095	10,000
Total expenditures	54,452,489.00	567,353.00	55,019,842.00	55,393,000.00
Excess (deficiency) of revenues over (under) expenditures	\$ 940,511.00	\$ (567,353)	\$ 373,158	-

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 INSTALLMENT PURCHASES - FY2022
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Expenditures and Other Financing Uses:				
Purchased professional and technical services	\$ 7,604	\$	\$ 7,604	7,604
Equipment	<u>1,449,376</u>	<u>43,876</u>	<u>1,493,252</u>	<u>1,493,252</u>
Total expenditures and other financing uses	<u>1,456,980</u>	<u>43,876</u>	<u>1,500,856</u>	<u>1,500,856</u>
Other financing sources				
Installment purchase contract proceeds	<u>1,510,000</u>	<u>(9,144)</u>	<u>1,500,856</u>	<u>1,500,856</u>
Other financing sources	<u>1,510,000</u>	<u>(9,144)</u>	<u>1,500,856</u>	<u>1,500,856</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 53,020</u>	<u>\$ (53,020)</u>	<u>\$</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	\$1,510,000
Additional Authorized Cost	(9,144)
Revised Authorized Cost	\$1,500,856
Percentage of Original Authorized Cost	100.00%
Percentage completion	100.00%
Original target completion date	FY2022
Revised target completion date	FY2023

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
VARIOUS CAPITAL EQUIPMENT INSTALLMENT PURCHASES - FY2023
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Expenditures and Other Financing Uses:				
Equipment	533,262	1,776,571	2,309,833	2,800,000
Total expenditures and other financing uses	533,262	1,776,571	2,309,833	2,800,000
Other financing sources				
Installment purchase contract proceeds	2,800,000		2,800,000	2,800,000
Other financing sources	2,800,000		2,800,000	2,800,000
Excess (deficiency) of revenues over (under) expenditures	\$ 2,266,738	\$ (1,776,571)	\$ 490,167	

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	\$2,800,000
Additional Authorized Cost	-0-
Revised Authorized Cost	\$2,800,000
Percentage of Original Authorized Cost	100.00%
Percentage completion	82.49%
Original target completion date	FY2022
Revised target completion date	FY2023

HAMILTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES - BUDGETARY BASIS
AS OF JUNE 30, 2023

<u>ISSUE/PROJECT TITLE</u>	<u>ORIGINAL DATE</u>	<u>APPROPRIATIONS</u>	<u>EXPENDITURES TO DATE</u>		<u>(MEMO ONLY) UNEXPENDED PROJECT BALANCE</u>
			<u>PRIOR YEAR</u>	<u>CURRENT YEAR</u>	
Richard C. Crockett Middle School Roof Replacement	N/A	2,370,117	2,370,117		373,158
2018 Referendum	9/26/2017	55,393,000	54,452,489	567,353	
Various Installment Purchase Contracts - FY2022	5/26/2021	1,500,856	1,456,980	43,876	
Various Installment Purchase Contracts - FY2023	5/12/2022	2,800,000	533,262	1,776,571	490,167
Totals		<u>62,063,973</u>	<u>58,812,848</u>	<u>2,387,800</u>	<u>863,325</u>

PROPRIETARY FUND DETAIL STATEMENTS

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

FOOD SERVICES FUND:

This fund provides for the operation of Food services within the 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
AS OF JUNE 30, 2023

		<u>BUSINESS-TYPE ACTIVITIES</u> <u>ENTERPRISE FUND</u> <u>FOOD SERVICE</u>
ASSETS:		
Current assets:		
Cash and cash equivalents	\$	1,962,221
Accounts receivable:		
State		8,401
Federal		195,778
Other		185,108
Interfund Receivable		93,491
Inventories		34,235
Total current assets		<u>2,479,234</u>
Noncurrent assets:		
Furniture, machinery & equipment		1,811,487
Less accumulated depreciation		<u>(904,875)</u>
Total noncurrent assets		<u>906,612</u>
Total assets		<u>3,385,847</u>
LIABILITIES:		
Current liabilities:		
Accounts payable		16,125
Unearned revenue		<u>59,034</u>
Total liabilities		<u>75,159</u>
NET POSITION:		
Net investment in capital assets		906,612
Unrestricted		<u>2,404,075</u>
Total net position	\$	<u><u>3,310,687</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, 2023

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND
	FOOD SERVICE
OPERATING REVENUES:	
Charges for services:	
Daily sales - reimbursable programs	\$ 826,172
Daily sales - non-reimbursable programs	176,031
	1,002,203
Total operating revenues	\$ 1,002,203
OPERATING EXPENSES:	
Salaries	382,191
Employee benefits	97,410
Management and consultant fees	195,359
Other Purchased Services	1,697
Supplies and materials	131,289
Depreciation	60,758
Miscellaneous	48,874
Cost of sales - reimbursable	3,326,010
Cost of sales - non-reimbursable	124,536
	4,368,124
Total operating expenses	4,368,124
Operating income (loss)	(3,365,921)
Nonoperating Revenues (Expenses):	
State sources	
State school lunch program	90,316
State school breakfast program	33,132
Federal sources:	
National school lunch program	2,363,626
National school breakfast program	478,143
Fresh Fruit and Vegetable	54,025
Special Milk	70
Food Distribution Program	418,334
Interest & Investment Revenue	48,189
Miscellaneous-prior year payables canceled	392,895
Disposal of Capital Assets (net)	(10,565)
	3,868,164
Total nonoperating revenues (expenses)	\$ 3,868,164
Change in net position	502,243
Total net position - beginning	2,808,444
Total net position - ending	\$ 3,310,687

HAMILTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND FOOD SERVICE
Cash flows from operating activities:	
Receipts from customers, net	\$ 766,480
Cash Payments to Vendors for Goods & Services	(3,941,724)
Cash Payments for Employees' Salaries & Benefits	(479,601)
	(3,654,845)
Net cash provided by (used for) operating activities	
Cash flows from noncapital financing activities:	
Cash Received from State & Federal Sources	3,211,018
Operating subsidies and transfers to other funds	2,212
	3,213,230
Net cash provided by noncapital financing activities	
Cash flows from capital and related financing activities:	
Acquisition of Capital Assets	(351,370)
Net cash provided by (used for) capital and related financing activities	(351,370)
	(351,370)
Cash Flows From Investing Activities:	
Interest on Deposits	48,189
	48,189
Net Cash Provided/(Used) by Investing Activities	
Net increase (decrease) in cash and cash equivalents	(744,797)
Balances - Beginning of Year	2,707,018
Balances - End of Year	\$ 1,962,221
Reconciliation of operating income (loss) to net cash provided (used) by operating activities	
Operating income (loss)	\$ (3,365,921)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation and Amortization	60,758
Federal commodities	418,334
(Increase) decrease in inventories	95,906
(Increase) decrease in other accounts receivable	(244,142)
Increase (decrease) in accounts payable for operating purposes	(633,313)
Increase (decrease) in unearned revenue	13,533
	(288,924)
Total Adjustments	
Net cash provided by (used for) operating activities	\$ (3,654,845)

HAMILTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
JUNE 30, 2023

	<u>GOVERNMENTAL ACTIVITIES</u> <u>INTERNAL SERVICE FUND</u> <u>WORKERS'</u> <u>COMPENSATION FUND</u>
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ 970,521
Total current assets	970,521
Total assets	970,521
LIABILITIES:	
Interfund payable	810,928
Claims payable	159,593
Total liabilities	\$ 970,521
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, 2023

		<u>GOVERNMENTAL ACTIVITIES</u> <u>INTERNAL SERVICE FUND</u> <u>WORKERS'</u> <u>COMPENSATION FUND</u>
Other financing sources (uses):		
Prior Year Claims	\$	3,552
Transfers out		(3,552)
		-
Total other financing sources (uses)		-
Net change in net position		-
Total net position - beginning		-
Total net position - ending		-

HAMILTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

		<u>GOVERNMENTAL ACTIVITIES</u> <u>INTERNAL SERVICE FUND</u> <u>WORKERS'</u> <u>COMPENSATION FUND</u>
Cash flows from operating activities:		
Cash Payments for Employee Benefits - Net	\$	3,055
Net cash provided by (used for) operating activities		3,055
Net increase (decrease) in cash and cash equivalents		3,055
Balances - Beginning of Year		967,466
Balances - End of Year	\$	970,521
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	\$	3,055
Total Adjustments		3,055
Net cash provided by (used for) operating activities	\$	3,055

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, Leases Installment Purchase Contracts and Subscription-Based Information Technology Arrangements

HAMILTON TOWNSHIP SCHOOL DISTRICT
 LONG-TERM DEBT
 SCHEDULE OF SERIAL BONDS
 JUNE 30, 2023

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL PAYMENTS		RATE OF INTEREST	BALANCE JUNE 30, 2022	RETIRED	BALANCE JUNE 30, 2023
			DATE	AMOUNT				
School District Refunding Bonds Series 2012	12/4/2012	\$ 28,275,000	08/15/23	3,115,000	2.50%			
			08/15/24	3,200,000	2.63%	9,355,000	3,040,000	6,315,000
School Bonds, 2017	12/28/2017	55,393,000	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						\$ 52,245,000	1,800,000	50,445,000
						\$ 61,600,000	\$ 4,840,000	\$ 56,760,000

HAMILTON TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

<u>PURPOSE</u>	<u>TERM OF LEASE (MONTHS)</u>	<u>AMOUNT OF ORIGINAL LEASE</u>	<u>INTEREST RATE PAYABLE</u>	<u>BALANCE JUNE 30, 2022 (AS RESTATED)</u>	<u>ISSUED</u>	<u>RETIRED</u>	<u>BALANCE JUNE 30, 2023</u>
Altalink C8170H2 - 1	60	\$ 12,276	4.52%	\$ 9,200	\$	2,920	\$ 6,280
Altalink C8170H2 - 2	60	63,331	4.95%	46,371		14,779	31,592
Altalink C8170H2 - 3	60	60,906	4.52%	47,625		11,129	36,496
Altalink C8170H2 - 4	60	74,673	2.36%		74,673	11,970	62,703
PrimeLink C9070 Copier	60	30,572	2.68%		30,572	1,977	28,595
Xerox Work Centre 5755	60	16,400	2.68%		16,400	1,320	15,080
Premises - 2445 Kuser Road	60	461,451	0.57%	370,993		91,037	279,956
				\$ 474,188	\$ 121,646	\$ 135,131	\$ 460,703

HAMILTON TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>BUDGET</u>	<u>BUDGET</u> <u>TRANSFERS</u>	<u>FINAL</u> <u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES:					
Local sources:					
Local tax levy	5,063,014 \$	\$	5,063,014 \$	5,063,014 \$	-
State sources:					
Debt service aid type II	1,174,108		1,174,108	1,174,108	-
Total revenues	6,237,122		6,237,122	6,237,122	-
EXPENDITURES:					
Regular debt service:					
Interest Payments Bonds	1,850,160		1,850,160	1,850,160	-
Redemption of Bond Principal	4,840,000		4,840,000	4,840,000	-
Total regular debt service-expenditures	6,690,160		6,690,160	6,690,160	-
Excess (deficiency) of revenues over (under) expenditures	(453,038)		(453,038)	(453,038)	-
Other financing sources:					
Transfers In				335,868	335,868
Total other financing sources:				335,868	335,868
Net change in fund balances	(453,038)		(453,038)	(117,170)	335,868
Fund balance, July 1	905,896		905,896	905,896	
Fund balance, June 30	452,858 \$	\$	452,858 \$	788,726 \$	335,868

HAMILTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF OBLIGATIONS UNDER INSTALLMENT PURCHASE CONTRACTS
AS OF JUNE 30, 2023

<u>SERIES</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>INTEREST RATE</u>	<u>AMOUNT OUTSTANDING JUNE 30, 2022</u>	<u>RETIRED</u>	<u>AMOUNT OUTSTANDING JUNE 30, 2023</u>
2015 ESIP	2/3/2015	18,962,000	2.710%	13,532,301 \$	713,899 \$	12,818,402
Technology and Equipment - FY2019	7/12/2018	1,800,000	2.880%	380,156	380,156	
Technology and Equipment - FY2020	7/18/2019	2,200,000	2.022%	1,560,473	216,253	1,344,220
Technology, Furniture and Equipment - FY2021	7/31/2020	2,300,000	1.006%	1,385,121	457,091	928,030
Technology and Equipment - FY2022	5/26/2021	1,510,000	1.110%	1,208,712	297,193	911,519
Technology, Furniture and Equipment - FY2023	5/12/2022	2,800,000	2.460%	2,800,000	555,342	2,244,658
				<u>20,866,763 \$</u>	<u>2,619,933 \$</u>	<u>18,246,830</u>
			Total	\$	\$	\$

HAMILTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF OBLIGATIONS UNDER SUBSCRIPTION-BASED INFORMATION TECHNOLOGY AGREEMENTS
 AS OF JUNE 30, 2023

SERIES	DATE OF ISSUE	AMOUNT OF ISSUE	INTEREST RATE	AMOUNT		RETIRED	AMOUNT OUTSTANDING JUNE 30, 2023
				OUTSTANDING JUNE 30, 2022 (AS RESTATED)	ISSUED		
Cisco EA Bundle	07/01/2022	49,264	2.023%	\$ 49,264	\$	24,842	24,423
Kronos SaaS Services	07/01/2022	45,046	2.023%	45,046		45,046	
EMS Linq Subscription	07/01/2022	155,948	2.184%	155,948		53,110	102,838
PowerPack Locker Management Subscription	03/01/2023	4,040	2.894%	4,040	4,040	4,040	
Systems 3K:							
License & Employee Portal Check Stub Upload	07/01/2022	294,275	2.184%	294,275		95,680	198,595
Annual Hosting and Backup	07/01/2022	50,577	2.184%	50,577		16,403	34,174
Total				\$ 595,110	\$ 4,040	239,121	360,030

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 (ACFR) for the relevant year.

HAMILTON OF TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
UNAUDITED

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities										
Net investment in capital assets	\$59,360,205	\$49,926,727	\$41,991,352	\$27,133,967	\$33,955,889	\$31,447,415	\$26,309,244	\$22,531,140	\$20,196,914	\$1,377,077
Restricted	20,029,281	18,024,418	16,719,095	7,995,235	8,661,032	8,387,173	11,085,767	10,696,362	11,723,880	18,569,971
Unrestricted (deficit)	(46,348,946)	(54,386,835)	(61,722,899)	(59,245,450)	(65,637,942)	(62,061,242)	(59,384,965)	(48,035,273)	(46,956,222)	3,465,789
Total governmental activities net position	33,040,540	13,564,310	(3,012,452)	(24,116,248)	(23,021,021)	(22,226,654)	(21,989,954)	(14,807,771)	(15,035,428)	23,412,837
Business-type activities										
Net investment in capital assets	906,612	626,566	400,018	451,919	301,726	316,162	351,401	300,002	258,074	213,659
Unrestricted	2,404,075	2,181,878	1,273,242	1,159,390	972,073	1,130,048	982,351	1,029,015	878,641	641,299
Total business-type activities net position	3,310,687	2,808,444	1,673,260	1,611,309	1,273,799	1,446,210	1,333,752	1,329,017	1,136,715	854,958
District-wide										
Net investment in capital assets	60,266,817	50,553,293	42,391,370	27,585,886	34,257,615	31,763,577	26,660,645	22,831,142	20,454,988	1,590,736
Restricted	20,029,281	18,024,418	16,719,095	7,995,235	8,661,032	8,387,173	11,085,767	10,696,362	11,723,880	18,569,971
Unrestricted (deficit)	(43,944,872)	(52,204,957)	(60,449,657)	(58,086,060)	(64,665,869)	(60,931,194)	(58,402,614)	(47,006,258)	(46,077,581)	4,107,088
Total district net position	\$36,351,227	\$16,372,754	(\$1,339,192)	(\$22,504,939)	(\$21,747,222)	(\$20,780,444)	(\$20,556,202)	(\$13,478,754)	(\$13,898,713)	\$24,267,795

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
UNAUDITED

	2023	2022	2021	2020	2019	2018	2017	2016 (a)	2015	2014
EXPENSES										
Governmental activities										
Instruction:										
Regular	88,964,203	91,119,792	100,712,642	91,220,855	94,899,215	105,764,753	103,361,987	92,709,459	58,632,133	60,854,903
Special	53,824,064	52,874,961	57,276,540	49,983,080	48,816,944	45,435,850	45,486,646	41,453,048	14,551,457	14,321,087
Other Instruction	10,813,518	11,347,107	12,057,105	11,191,219	10,623,478	11,678,503	10,874,967	9,480,370	4,843,440	4,692,904
Support services:										
Tuition										
Student and instruction related services	38,113,574	38,998,283	40,940,638	35,727,122	38,113,679	41,430,668	39,662,020	34,535,285	13,067,142	11,952,190
School administrative services	16,967,024	16,735,356	17,481,740	14,476,399	15,492,005	16,415,653	16,062,104	13,880,742	7,207,052	20,294,216
General and business administrative services	5,123,395	4,624,286	6,578,077	7,035,330	7,590,349	8,681,973	7,509,331	6,440,639	5,066,329	6,681,153
Plant operations and maintenance	14,937,471	14,656,784	19,227,929	17,644,151	19,750,550	21,912,193	24,085,418	21,548,995	15,475,436	15,984,777
Pupil transportation	17,190,953	13,692,521	10,142,259	10,295,866	13,564,981	11,609,635	11,198,763	9,800,436	9,362,502	9,093,391
Unallocated Employee Benefits								4,507	68,434,896	49,815,775
Special Schools								153,449	122,412	115,947
Interest on Long-Term Debt	1,945,769	2,197,060	2,242,322	2,418,381	3,543,291	1,893,942	1,243,324	1,200,529	1,501,509	1,449,546
Unallocated Compensated Absences	5,010,839	4,354,392	4,352,225	4,140,357	3,453,312	4,460,254	3,521,532	3,547,882	(452,388)	(355,399)
Unallocated depreciation	252,890,810	250,400,542	271,011,477	244,132,760	255,847,805	269,283,424	263,006,093	234,855,342	677,208	2,536,407
Total governmental activities expenses	4,368,124	5,119,281	2,620,409	3,246,681	3,640,981	3,233,503	3,236,226	3,057,843	3,180,243	3,200,594
Business-type activities:	4,368,124	5,119,281	2,620,409	3,246,681	3,640,981	3,233,503	3,236,226	3,057,843	3,180,243	3,200,594
Food Service	257,258,934	255,519,822	273,631,886	247,379,441	259,486,786	272,516,927	266,242,319	237,913,165	222,230,490	206,043,492
Total business-type activities expense										
Total district expenses										
PROGRAM REVENUES										
Governmental activities:										
Grants and contributions	42,830,248	54,087,970	77,292,153	49,734,052	59,630,374	76,330,202	68,389,102	52,512,774	42,526,203	7,821,185
Charges for Services	908,889	616,658	214,927						226,332	225,604
Interest on Long-Term Debt									42,752,535	8,046,789
Total governmental activities program revenues	43,739,136	54,704,628	77,507,080	49,734,052	59,630,374	76,330,202	68,389,102	52,512,774	42,752,535	8,046,789

HAMILTON TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
UNAUDITED

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
PROGRAM REVENUES										
Business-type activities:										
Charges for services	\$1,002,203	\$75,437	\$11,764	\$807,580	\$1,068,626	\$954,345	\$864,848	\$901,625	\$966,675	\$1,010,070
Food Service	3,485,835	6,152,300	2,669,773	2,678,518	2,375,741	2,361,049	2,370,372	2,339,220	2,495,325	2,174,956
Operating grants and contributions	4,488,038	6,227,737	2,681,537	3,466,098	3,444,367	3,335,394	3,235,220	3,240,845	3,462,000	3,185,026
Total business-type activities program revenues	48,227,174	60,932,364	80,188,617	53,220,150	63,074,741	81,665,596	71,624,322	55,753,619	46,214,535	11,231,815
Total district program revenues										
NET (EXPENSE)REVENUE										
Governmental activities	(209,151,674)	(195,695,914)	(193,504,397)	(194,398,708)	(196,217,432)	(190,953,222)	(194,616,991)	(182,342,568)	(176,297,712)	(194,796,109)
Business-type activities	119,914	1,108,456	61,128	239,417	(196,614)	101,891	(1,006)	183,002	281,757	(15,568)
Total district-wide net expense	(209,031,760)	(194,587,458)	(193,443,269)	(194,159,291)	(196,414,045)	(190,851,331)	(194,617,997)	(182,159,566)	(176,015,955)	(194,811,677)
GENERAL REVENUES AND OTHER CHANGES										
IN NET POSITION										
Governmental activities:										
Property taxes levied for general purposes, net	120,438,532	118,541,862	116,801,519	113,961,826	110,834,993	108,661,758	106,214,572	102,609,694	100,597,740	98,625,236
Taxes levied for debt service	5,063,014	6,479,871	6,911,904	6,702,070	6,758,825	4,813,836	4,951,045	4,933,368	3,807,850	1,960,445
Unrestricted Grants and Contributions	94,735,760	82,580,786	76,344,925	75,262,389	74,579,618	74,495,125	74,372,884	74,016,975	77,264,566	89,645,931
Restricted Grants and Contributions	5,976,285	2,228,921	667,781	667,297	504,998	226,360	119,253	209,103		
Tuition Received	2,385,757	2,441,237	2,479,098	4,911,011	2,744,631	2,814,923	1,647,104	2,451,537	1,710,596	1,675,500
Miscellaneous Income						(45,207)	(11,488)			
Special Item(s):						(250,371)				
Prior Year Accounts Receivable Cancelled										
Transfer - Charter School/Disposal of Assets										
Total governmental activities	228,599,349	212,272,677	203,205,227	201,504,593	195,423,065	190,716,524	187,293,370	184,220,677	190,040,708	182,830,358
Business-type activities:										
Investment Earnings	382,330	26,728		98,093	24,203	10,567	5,741	8,248		
Miscellaneous Income	382,330	26,728		98,093	24,203	10,567	5,741	8,248		
Total business-type activities	228,981,679	212,299,405	203,205,227	201,602,686	195,447,268	190,727,091	187,299,111	184,228,925	190,040,708	182,830,358
Total district-wide										
CHANGE IN NET POSITION										
Governmental activities	19,447,675	16,576,763	9,700,830	7,105,885	(794,367)	(236,698)	(7,323,621)	1,878,109	13,742,996	(11,965,751)
Business-type activities	502,243	1,135,184	61,128	337,510	(172,411)	112,458	4,735	191,250	281,757	(15,568)
Total district	\$19,949,919	\$17,711,948	\$9,761,958	\$7,443,395	(\$966,776)	(\$124,240)	(\$7,318,886)	\$2,069,359	\$14,024,753	(\$11,981,319)

Source: ACFR Schedule A-2

HAMILTON TOWNSHIP SCHOOL DISTRICT
 FUND BALANCES - GOVERNMENTAL FUNDS
 UNAUDITED

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Nonspendable				\$250,489.67	\$196,549.00	\$228,815.00	\$260,752.77	\$264,171.00	\$348,053.00	\$391,296.00
Restricted	18,914,514	16,800,229	15,525,803	11,142,975	8,370,228	9,051,248	8,634,303	9,891,211	11,765,420	13,098,902
Assigned	5,021,196	5,000,000	5,019,206	4,548,555		6,105,211	6,000,000	10,202,470	5,151,055	4,496,311
Unassigned	128,604	(726,464)	420,371	15,942,019	4,156,882	15,385,274	14,895,066	20,357,852	3,057,395	621,815
Total general fund	<u>24,064,314</u>	<u>21,073,765</u>	<u>20,965,381</u>	<u>15,942,019</u>	<u>12,723,659</u>	<u>15,385,274</u>	<u>14,895,066</u>	<u>20,357,852</u>	<u>20,321,923</u>	<u>18,608,324</u>
All Other Governmental Funds										
Restricted	1,978,092	5,091,236	4,267,923	6,940,053	22,364,472	36,566,136	4,833,425	3,115,696	19,451,577	5,278,189
Committed	1,006,121	1,472,609	4,328,622	14,900,308	16,063,885	18,235,245	1,839,484	6,349,697	13,408	679,635
Assigned	452,858	453,038	450,429	94,255						
Unassigned										
Total all other governmental funds	<u>\$3,437,071</u>	<u>\$7,016,883</u>	<u>\$9,046,975</u>	<u>\$21,934,616</u>	<u>\$38,428,357</u>	<u>\$54,801,381</u>	<u>\$6,672,909</u>	<u>\$9,465,393</u>	<u>\$19,464,985</u>	<u>\$6,178,629</u>

Source: ACFR Schedule B-1

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Tax levy	\$125,501,546	\$125,021,733	\$123,713,423	\$120,663,896	\$117,593,818	\$113,475,694	\$111,165,617	\$107,543,062	\$104,405,590	\$100,585,681
Tuition charges	\$245,161	198,021	121,334	181,873	140,204	104,615	92,201	84,020	148,365	81,018
Interest earnings on cap. and maint. reserve	\$441,566	26,826	27,006	112,217	130,375	70,823	61,186	41,537	23,474	
Transportation Fees from Individuals	\$39,534	44,314	5,176	37,065	127,402					
Transportation Fees From Other LEAs	\$9,561	3,643	24,928	12,207						
PILOT Payments to School District	518,921	512,099	455,362	438,674						
Miscellaneous - Unrestricted	2,639,637	2,899,175	2,546,755	4,195,884	2,395,837	2,717,739	1,630,297	2,355,480	1,822,007	1,680,874
Miscellaneous - Restricted	53,434	4,479	6,106							
State sources	142,122,613	133,229,807	115,473,084	108,764,470	107,049,121	101,263,463	98,666,802	95,304,382	90,889,352	90,889,352
Federal sources	20,915,233	9,965,026	10,224,426	6,871,261	5,910,989	6,160,606	6,046,480	6,359,294	6,046,849	6,797,994
Total revenue	292,487,227	272,005,124	252,587,599	241,277,547	233,347,746	223,792,940	217,682,594	211,612,791	207,750,667	200,034,919
Expenditures										
Instruction										
Regular instruction	58,908,145	57,709,251	55,006,269	54,810,460	55,149,558	54,508,021	54,178,780	53,707,870	59,282,133	60,854,903
Special education instruction	29,651,895	26,502,157	27,148,200	25,275,415	23,473,962	22,766,320	22,253,095	21,939,443	14,351,457	14,321,087
Other Special Instruction	4,482,948	3,863,288	3,933,502	3,762,772	3,585,300	3,468,033	3,085,035	3,023,156	2,415,155	2,267,227
Other instruction	2,458,498	2,782,284	2,292,322	2,622,529	2,192,196	2,182,857	2,202,541	1,945,145	1,912,608	1,878,879
Adult/Continuing Education	304,147	302,681	227,475	241,295	289,857	348,414	380,975	509,309	515,677	546,798
Support Services:										
Tuition	13,597,182	14,344,074	13,492,788	12,367,581	11,772,567	10,017,715	10,989,280	10,399,527	13,067,142	11,952,190
Student and instruction related services	28,342,246	27,544,195	25,280,402	23,610,717	23,622,063	22,660,529	21,977,840	20,987,167	20,294,216	20,294,216
General administrative services	3,955,335	3,859,736	3,370,277	3,540,250	3,532,185	3,490,111	2,336,424	2,307,287	5,066,329	5,406,001
School administrative services	9,235,529	8,677,361	8,213,684	7,805,496	7,990,575	7,671,941	7,639,289	7,399,526	7,207,052	6,661,153
Central Services/Adm Technology	4,052,363	3,756,789	3,583,616	3,429,885	3,438,734	3,354,387	3,328,564	3,161,485		
Plant operations and maintenance	16,866,283	16,443,610	16,039,729	15,028,026	15,504,825	15,766,624	16,170,335	16,722,482	15,517,465	15,073,490
Pupil transportation	17,294,860	13,720,569	9,921,891	10,074,834	13,256,794	11,245,505	10,820,190	9,670,549	9,362,502	9,093,391
Unallocated benefits	84,538,163	79,291,227	72,069,689	64,991,418	63,789,006	58,907,800	60,277,657	51,640,114	50,080,151	48,792,088
Special schools								106,894	122,412	115,947
Capital Outlay	12,820,382	9,862,409	18,840,346	21,540,828	18,740,468	9,009,963	9,763,188	15,286,160	9,272,756	2,269,305
Cost of issuance								102,378		
Debt service:										
Principal	4,840,000	5,820,000	5,725,000	5,473,000	4,285,000	4,025,000	4,000,000	3,950,000	3,150,000	3,005,000
Interest and other charges	1,850,160	2,047,220	2,227,345	2,400,765	3,377,153	886,658	951,045	899,054	1,091,579	1,194,654
Total expenditures	283,198,136	276,726,830	267,372,534	256,975,271	253,980,042	230,316,879	230,354,266	223,757,545	213,175,537	203,746,329
Excess (Deficiency) of revenues over (Under) expenditures	(710,909)	(4,721,707)	(14,774,935)	(15,697,724)	(20,612,296)	(6,523,938)	(12,661,672)	(12,144,754)	(5,424,870)	(3,711,410)
Other Financing sources (uses)										
Installment purchase contracts (non-budgeted)		2,800,000	3,810,000	2,200,000	1,800,000		4,484,000	2,500,000	22,027,000	
Leases										
Proceeds from Refunding								10,220,778		
Payment to escrow Agent								(10,118,400)		
Bond Proceeds										
Accounts Receivable Cancelled							(47,609)			
Total other financing sources (uses)	121,646	2,800,000	3,708,801	2,200,000	1,800,000	55,142,629	4,436,391	2,602,378	21,104,460	(707,087)
Net change in fund balances	(\$589,263)	(\$1,921,707)	(\$11,066,134)	(\$13,497,724)	(\$18,812,296)	\$48,618,691	(\$8,255,281)	(\$9,542,376)	\$15,679,590	(\$4,418,497)
Debt service as a percentage of noncapital expenditures	2.44%	3.04%	3.31%	3.46%	3.36%	2.27%	2.30%	2.38%	2.13%	2.13%

Source: ACFR Schedule B 2

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Interest on Investments & Deposits \$	341,065	31,618	62,620	288,558	262,667	200,923	206,586	237,018	262,404	302,161
Athletic Receipts	58,813	22,644		50,245	41,319	51,973	48,079	45,468	46,388	44,636
Facility Rental Fees	170,346	161,619	21,757	152,375	201,814	183,103	193,320	193,458	158,803	172,720
Transportation Fees						148,190	58,436	792	24,074	53,977
Other Miscellaneous Revenues	1,027,359	1,464,839	1,614,307	1,197,685	856,857	70,087	334,705	588,855	329,384	393,855
Refund of Prior Year Expenditures	385,584	433,039	358,607	456,052	149,599	198,041	238,401	820,425	384,655	604,659
Tuition - Individuals & State							74,546	145,544	148,365	
Payments in Lieu of Taxes		157,234	19,746	188,747	416,577	399,588	381,470	320,000	320,000	
ESIP Incentives			5,083	128,812	214,522	528,500				
E-Rate										
	\$ 1,983,167	\$ 2,082,120	\$ 2,462,474	\$ 2,219,479	\$ 2,034,895	\$ 1,535,543	\$ 2,351,560	\$ 1,674,073	\$ 1,572,008	\$ 3,673,996

Source: District Records

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

Year Ended December 31	Vacant Land	Residential	Farm Reg.	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
2022	\$63,374,000	\$6,301,746,200	\$17,687,900	\$1,748,500	\$1,664,774,550	\$298,503,000	\$369,507,200	\$8,737,351,350	\$26,466,000	\$8,763,817,350	\$833,056,000	\$9,649,373,161	\$1,430	90.82%
2021	74,373,800	6,279,382,400	17,689,900	1,651,400	1,648,638,650	266,919,400	368,563,400	8,657,418,950	27,571,359	8,684,990,309	828,669,100	9,297,753,983	1,432	93.41%
2020	74,983,200	6,274,331,860	17,997,000	1,629,400	1,653,933,530	272,596,000	362,996,300	8,698,399,290	27,032,655	8,685,431,945	821,979,000	9,215,632,854	1,407	94.24%
2019	77,232,300	6,264,636,280	18,492,200	1,705,700	1,645,555,430	240,420,100	353,902,300	8,601,944,310	27,035,685	8,628,979,995	840,396,900	9,120,000,072	1,381	94.62%
2018	78,463,500	6,233,102,980	18,308,900	2,364,600	1,607,280,480	204,889,500	345,477,300	8,489,887,260	27,164,069	8,517,051,329	840,523,600	8,812,303,648	1,357	96.65%
2017	79,265,400	6,225,112,730	18,323,400	1,593,100	1,590,421,780	221,089,500	346,912,400	8,482,718,310	27,366,795	8,510,085,105	838,942,800	8,727,476,700	1,320	97.51%
2016	73,380,600	6,210,309,480	18,225,800	1,608,628,730	1,608,628,730	162,490,300	352,100,700	8,426,761,310 (c)	27,704,237	8,454,465,547	839,470,200	8,653,838,044	1,291	97.70%
2015	50,937,959	3,874,408,400	13,271,850	1,543,765	935,126,700	93,188,700	181,058,100	5,149,535,474	16,005,511	5,165,540,985	477,993,411	8,499,589,488	2,052	59.28%
2014	48,363,059	3,866,022,600	13,307,150	1,710,726	955,339,980	98,057,000	167,141,200	5,149,941,715	16,360,925	5,166,302,640	477,640,881	8,476,394,360	1,980	60.95%
2013	48,771,459	3,859,025,150	13,327,250	1,999,226	988,686,350	98,337,900	199,106,700	5,139,264,035	18,516,361	5,157,770,396	475,285,461	8,312,838,274	1,950	62.05%

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
 (c): Revaluation

HAMILTON TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
UNAUDITED

Fiscal Year Ended <u>June 30,</u>	Township of Hamilton Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	<u>Local School</u>	General Obligation <u>Debt Service (b)</u>	<u>Total Direct</u>	<u>Township of Hamilton</u>	<u>Mercer County</u>	
2023	\$1.373	\$0.058	\$1.431	\$1.225	\$0.647	\$3.303
2022	1.356	0.074	1.430	1.191	0.630	3.251
2021	1.352	0.080	1.432	1.190	0.641	3.263
2020	1.329	0.078	1.407	0.857	0.639	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

* - Revaluation

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

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

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

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

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

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
JDN REAL ESTATE	\$91,125,250.00	1	1.04%	\$52,282,883.00	1	1.01%
QUAKERBRIDGE PARTNERS LLC	45,018,000.00	2	0.51%	27,905,100.00	3	0.54%
INSPIRED SENIOR LIVING OF HAM.	42,281,000.00	3	0.48%			
RAR2-401 CABOT DRIVE	38,004,500.00	5	0.43%	14,500,000.00	9	0.28%
HAMILTON STATION APTS	37,831,200.00	4	0.43%			
RECKSON MATRIX	36,257,300.00	6	0.41%			
MREIC TRENTON NJ LLC	32,600,000.00	7	0.37%			
LEVIN PROPERTIES LP	31,416,900.00	8	0.36%	16,074,000.00	7	0.31%
HAMILTON MONTAGE LLC	31,991,000.00	9	0.36%			
BELL ATLANTIC	29,883,600.00	10	0.34%	22,030,260.00	4	0.43%
PSE&G				35,108,100.00	2	0.68%
MITZEN FARMS				16,467,500.00	5	0.32%
HORIZON BUS PARK				16,362,100.00	6	0.32%
DANCH FARMS				14,534,000.00	8	0.28%
EPT HAMILTON				13,000,000.00	10	0.25%
Total	\$416,408,750.00		4.749%	\$228,263,943.00		4.426%

Source: Municipal Tax Assessor

HAMILTON TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
UNAUDITED

<u>Fiscal Year</u> <u>Ended</u> <u>June 30,</u>	<u>Taxes Levied</u> <u>for the</u> <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (a)</u>		<u>Collections in</u> <u>Subsequent Years</u>
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	
2023	\$125,501,546.00	\$125,501,546.00	100.00%	0.00
2022	125,021,733.00	125,021,733.00	100.00%	0.00
2021	123,713,423.00	123,713,423.00	100.00%	0.00
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

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 June 30,	Governmental Activities						Total District	Percentage of Personal Income (a)	Per Capita (a)
	General Obligation Bonds (b)	Installment Purchases	SBITAS	Leases					
2023	\$56,760,000	\$18,246,830	\$360,030	\$460,703		\$75,006,830	N/A	N/A	
2022	61,600,000	20,866,763				82,466,763	N/A	\$900.85	
2021	67,420,000	20,774,241				88,194,241	1.236%	962.77	
2020	73,145,000	19,736,865				92,881,865	1.443%	1,017.03	
2019	78,618,000	20,309,872				98,927,872	1.583%	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	

Source: District ACFR 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 <u>Outstanding</u>	Percentage of Actual Taxable Value (a) of <u>Property</u>	<u>Per Capita (b)</u>
	General Obligation <u>Bonds</u>	<u>Deductions</u>			
2023	\$56,760,000	N/A	56,760,000	N/A	N/A
2022	61,600,000	N/A	61,600,000	0.703%	673
2021	67,420,000	N/A	67,420,000	0.776%	736
2020	73,145,000	N/A	73,145,000	0.842%	843
2019	78,618,000	N/A	78,618,000	0.911%	903
2018	82,883,000	N/A	82,883,000	0.973%	947
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	0.782%	453
2014	42,705,000	N/A	42,705,000	0.827%	478

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

N/A - Not available

HAMILTON TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2022
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	\$94,923,072.61	100.00%	\$94,923,072.61
County of Mercer - Township's Share	644,370,242.00	19.71%	<u>127,037,478.27</u>
Subtotal, overlapping debt			<u>221,960,550.88</u>
Hamilton School District Direct Debt			<u>56,760,000.00</u>
Total direct and overlapping debt			<u><u>\$278,720,550.88</u></u>

Source: Township of Hamilton, Statement of Indebtedness as of December 31, 2022
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 2022

Equalized Valuation Basis

Calendar Year	2021	2020	2019	2018	2017	2016	2015	2014	2013
2022		\$9,235,625,909.00							
2021		9,503,204,116.00							
2020		9,235,625,909.00							
		<u>\$27,974,455,934.00</u>							
Average Equalized Valuation of Taxable Property		\$9,324,818,645.00							
Debt Limit (4% of average equalization value)		372,992,745.80							
Net Bonded School Debt		56,760,000.00							
Legal Debt Margin		<u>\$316,232,745.80</u>							

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Debt Limit	\$372,992,745.80	\$371,090,592.16	\$363,062,790.04	\$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
Total Net Debt Applicable To Limit	56,760,000.00	63,690,000.00	71,330,000.00	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
Legal Debt Margin	<u>\$316,232,745.80</u>	<u>\$307,400,592.16</u>	<u>\$291,732,790.04</u>	<u>\$281,603,987.16</u>	<u>\$271,631,579.44</u>	<u>\$260,209,446.39</u>	<u>\$191,341,944.68</u>	<u>\$326,784,906.00</u>	<u>\$324,454,906.00</u>	<u>\$337,249,527.00</u>

Total Net Debt Applicable to the Limit as a % of Debt Limit	15.22%	17.16%	19.65%	21.00%	22.45%	24.51%	16.30%	11.00%	11.63%	11.76%
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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>
2022	91,543	N/A	N/A	3.10%
2021	91,605	7,137,037,155	77,911	5.20%
2020	86,722	6,436,333,396	74,218	8.20%
2019	87,065	6,250,396,350	71,790	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%

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 2020 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	2023			2014		
	# of Employees	Rank (Optional)	Percentage of Total Employment	# of Employees	Rank (Optional)	Percentage of Total Employment
Trane Company	1,120	1	2.10%			
Robert Wood Johnson Hamilton	1,100	2	2.06%			
UPS	900	3	1.69%			
Fed-Ex	850	4	1.59%			
Verizon	575	5	1.08%			
Genesis	545	6	1.02%			
ShopRite	500	7	0.94%			
Walmart	500	8	0.94%			
AAA Mid Atlantic	350	9	0.66%			
Home Depot	200	10	0.37%			
Conguleum						
Capital Health						
Acme Markets						
	<u>6,640</u>		<u>12.44%</u>	<u>0</u>		<u>0.00%</u>

Source: Township of Hamilton Economic Development Office

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

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Instruction:										
Regular	749	741	759	764	770	767	735	784	794	803
Special education	382	346	372	360	355	341	187	226	182	181
Other Special Education	75	75	76	78	75	75	74	74	74	63
Support Services:										
Student and instruction related services	118	111	116	119	112	106	94	89	89	90
General administrative services	2	2	2	2	3	3	3	3	3	3
School administrative services	95	102	108	113	113	113	109	92	118	99
Other administrative services	27	37	39	39	40	43	49	62	50	60
Central services	21	22	24	24	24	24	23	23	24	24
Administration information technology	21	17	18	17	17	17	17	20	18	18
Plant operations and maintenance	179	170	171	167	170	170	157	166	166	168
Pupil transportation	12	12	12	12	12	10	10	10	10	11
Other support services	28	21	18	18	18	18	206	173	237	245
Food Service	2	2	2	2	1	1	1	1	1	1
Total	1,711	1,658	1,717	1,715	1,710	1,688	1,665	1,723	1,766	1,766

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				
2023	11,657	\$273,687,595.34	\$23,478.39	3.06%	1,206	1:12	1:12	1:12	11,804	10,961	2.25%	92.86%
2022	11,365	258,897,201.44	22,780.22	7.07%	1,162	1:12	1:12	1:12	11,544	10,741	-0.05%	93.04%
2021	11,308	240,579,843.02	21,275.19	10.48%	1,119	1:12	1:12	1:12	11,550	11,159	1.10%	96.61%
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	203,519,963.06	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%

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).

HAMILTON TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
UNAUDITED

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>District Buildings</u>										
Elementary School(s):										
Alexander (1962)	31,997	31,977	31,977	31,977	31,977	31,977	31,977	31,977	31,977	31,977
Square Feet	245	360	360	351	351	351	351	351	351	351
Capacity (students)	318	313	318	317	333	344	346	337	352	332
Enrollment										
Greenwood (1917)	28,398	28,398	26,948	26,948	26,948	26,948	26,948	26,948	26,948	26,948
Square Feet	220	240	240	227	227	227	227	227	227	227
Capacity (students)	258	269	258	233	243	247	242	240	234	247
Enrollment										
Kisthardt (1951)	25,242	25,242	25,242	25,242	25,242	25,242	25,242	25,242	25,242	25,242
Square Feet	189	252	252	245	245	245	245	245	245	245
Capacity (students)	233	222	223	213	234	233	236	223	230	242
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	251	251	254	254	254	254	254	254	254
Capacity (students)	248	267	248	260	260	262	243	233	237	266
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	351	351	404	404	404	404	404	404	404
Capacity (students)	381	433	433	402	387	387	388	385	397	458
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	262	262	242	242	242	242	242	242	242
Capacity (students)	282	276	282	242	249	262	258	246	315	337
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	360	360	392	392	392	392	392	392	392
Capacity (students)	388	311	388	371	385	403	404	388	388	358
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	262	262	277	277	277	277	277	277	277
Capacity (students)	277	267	277	270	273	278	278	262	251	280
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	384	384	385	385	385	385	385	385	385
Capacity (students)	389	371	389	312	331	346	348	316	332	357
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	390	390	386	386	386	386	386	386	386
Capacity (students)	356	345	356	311	312	304	311	287	276	285
Enrollment										

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
UNAUDITED

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	382	382	381	381	381	381	381	381	381
Enrollment	365	351	365	373	383	409	415	383	401	398
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	270	270	250	250	250	250	250	250	250
Enrollment	281	269	281	273	288	275	274	264	260	263
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	371	371	353	353	353	353	353	353	353
Enrollment	342	315	342	316	317	321	328	313	276	260
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	361	361	347	347	347	347	347	347	347
Enrollment	317	297	317	312	317	340	343	311	338	316
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	447	447	387	387	387	387	387	387	387
Enrollment	419	448	419	437	436	410	410	422	415	470
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	291	291	304	304	304	304	304	304	304
Enrollment	280	278	280	284	282	293	301	285	299	318
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	262	262	261	261	261	261	261	261	261
Enrollment	241	234	241	262	263	291	289	275	262	238
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	696	696	944	944	944	944	944	944	944
Enrollment	831	819	831	794	795	785	783	822	831	859
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	716	716	988	988	988	988	988	988	988
Enrollment	918	916	918	881	891	895	895	943	943	965
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	737	737	979	979	979	979	979	979	979
Enrollment	1,029	1,025	1,029	908	893	955	952	940	914	938

TOWNSHIP OF HAMILTON SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
UNAUDITED

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
High School(s):										
Hamilton East (1967)	195,185	195,185	195,185	195,185	195,185	195,185	195,185	195,185	195,185	195,185
Square Feet	1,265	1,453	1,453	1,313	1,313	1,313	1,313	1,313	1,313	1,313
Capacity (students)	1,345	1,303	1,345	1,251	1,204	1,359	1,308	1,392	1,336	1,310
Enrollment										
Hamilton North (1953)	162,586	162,586	162,586	162,586	162,586	162,586	162,586	162,586	162,586	162,586
Square Feet	1063	1303	1303	1172	1172	1172	1172	1,172	1,172	1,172
Capacity (students)	1,316	1,352	1,316	1,240	1,038	1,054	1,009	1,002	890	932
Enrollment										
Hamilton West (1929)	182,348	182,348	182,348	182,348	182,348	182,348	182,348	182,348	182,348	182,348
Square Feet	1113	1292	1292	1256	1256	1256	1256	1,256	1,256	1,256
Capacity (students)	1,270	1,219	1,219	1,233	1,159	1,246	1,206	1,260	1,188	1,196
Enrollment										
Other Buildings:										
Administration Building (1898)	25,515	25,515	25,515	25,515	25,515	25,515	25,515	25,515	25,515	25,515
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment										
Hamilton Educational Program (HEP)	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400
Square Feet	23	23	23	23	23	23	23	23	23	23
Capacity (students)	52	61	52	37	35	35	38	24	24	32
Enrollment										

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

HAMILTON TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF REQUIRED MAINTENANCE
 UNAUDITED

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

School Facilities * Project #(s)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Hamilton HS East - Steiert	\$487,445	\$479,089	\$459,842	\$413,492	\$443,778	\$417,017	\$417,384	\$501,056	\$389,297	\$391,885
Hamilton HS North - Nottingham	406,034	399,074	383,041	344,432	369,660	347,369	347,674	417,372	324,279	326,434
Hamilton HS West	455,386	447,580	429,599	386,297	414,591	389,591	389,933	468,103	363,694	366,112
Grice Middle	285,017	280,132	268,878	241,776	259,484	243,837	244,051	292,976	227,629	229,142
Reynolds Middle	283,484	278,625	267,431	240,475	258,088	242,525	242,738	291,400	226,404	227,909
Crockett Middle	287,550	282,621	271,267	243,924	261,790	246,003	246,220	295,579	229,651	231,178
Alexander Elementary	79,908	78,538	75,383	67,784	72,749	68,362	68,422	82,139	63,818	64,242
Wilson Elementary	98,228	96,544	92,666	83,326	89,429	84,036	84,110	100,971	78,450	78,971
Greenwood Elementary	67,299	66,145	63,488	57,088	61,270	57,575	57,626	69,178	53,748	54,105
Kisthardt Elementary	63,038	61,957	59,468	53,474	57,391	53,930	53,978	64,798	50,345	50,680
Klockner Elementary	110,767	108,869	104,495	93,962	100,844	94,763	94,847	113,860	88,464	89,052
Kuser Elementary	129,395	127,177	122,068	109,764	117,803	110,700	110,797	133,008	103,341	104,028
Lalor Elementary	90,923	89,365	85,775	77,129	82,778	77,786	77,855	93,462	72,616	73,089
Langree Elementary	98,685	96,994	93,097	83,713	89,845	84,427	84,501	101,441	78,815	79,339
McCalliard Elementary	73,532	72,271	69,368	62,376	66,945	62,908	62,963	75,585	58,726	59,117
Mercerville Elementary	112,625	110,695	106,248	95,538	102,536	96,353	96,438	115,770	86,948	90,546
Morgan Elementary	85,994	84,520	81,124	72,947	78,290	73,569	73,634	88,395	68,679	69,135
Robinson Elementary	100,076	98,361	94,409	84,893	91,111	85,617	85,692	102,871	79,925	80,457
Sayen Elementary	69,301	68,113	65,377	58,787	63,093	59,288	59,341	71,237	55,348	55,715
Sunnybrae Elementary	79,361	78,000	74,987	67,321	72,251	67,894	67,954	81,577	63,381	63,803
University Heights Elementary	98,228	96,544	92,666	83,326	89,429	84,036	84,110	100,971	78,450	78,971
Yardville Elementary	88,331	86,817	83,329	74,930	80,418	75,569	75,635	90,798	70,546	71,015
Yardville Heights Elementary	83,324	81,896	78,606	70,663	75,860	71,285	71,348	85,651	66,547	66,989
Willey School	35,962	35,345	33,925	30,506	32,740	30,766	30,793	36,966	28,721	28,914
Total School Facilities	\$3,769,894	\$3,705,272	\$3,556,418	\$3,197,945	\$3,432,173	\$3,225,206	\$3,228,043	\$3,875,166	\$3,010,822	\$3,030,838

* - 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	\$349,000,000	\$5,000
Comprehensive general liability	3,000,000	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 (3)		
Board Secretary	750,000	n/a
Board Treasurer	750,000	n/a
Legal Liability/Errors and Omissions (6)	5,000,000	25,000
Environmental liability (5)	2,000,000	25,000
Crime (43)	500,000	5,000
Cyber Security (4)	1,000,000	100,000

(1) Utica

(2) AIG

(3) Selective

(4) Coalition

(5) Markel

(6) NJSIG

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SINGLE AUDIT SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

Honorable President and Members
of the Board of Education
Hamilton 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 and each major fund of the Hamilton School District (the "District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 20, 2023.

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) as a basis for designing 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 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 financial statements. 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. 2389

December 20, 2023



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL AND STATE FINANCIAL ASSISTANCE PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY THE UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

Honorable President and Members
of the Board of Education
Hamilton School District
County of Mercer
Hamilton, New Jersey 08527

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Township of Hamilton School District, County of Mercer, State of New Jersey (the "District") compliance with the types of compliance requirements identified as subject to audit in the Federal *OMB Compliance Supplement* and the *New Jersey OMB State Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2023. 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.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal and State Program

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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and the *New Jersey OMB State Grant Compliance Supplement*. Our responsibilities under those standards, the Uniform Guidance and the New Jersey OMB State Grant Compliance Supplement are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

SUPLEE, CLOONEY & COMPANY

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and the New Jersey OMB State Grant Compliance Supplement will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal or state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and New Jersey OMB State Grant Compliance Supplement, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the New Jersey OMB State Grant Compliance Supplement, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

SUPLEE, CLOONEY & COMPANY

Report on 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 the New Jersey OMB State Grant Compliance Supplement. Accordingly, this report is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 2389

December 20, 2023

HAMILTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

STATE GRANT OR PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD FROM	GRANT PERIOD TO	AWARD AMOUNT	BALANCE JUNE 30, 2022		DUE TO GRANTOR	PRIOR PERIOD ADJUSTMENTS	ADJUSTED BALANCE AT 06/30/23	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS OF PRIOR YEARS BALANCES	BALANCE JUNE 30, 2023		BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES	
					UNRECORDED REVENUE	UNRECORDED RECEIVABLE							UNRECORDED REVENUE	UNRECORDED RECEIVABLE			
General Funds:																	
Equalization Aid	22-495-034-5120-078	07/01/2021	06/30/2022	\$65,194,892						\$6,707,505						\$65,194,892	
Category 1 Special Education Aid	22-495-034-5120-089	07/01/2021	06/30/2022	8,196,264						(876,096)						8,196,264	
Category 2 Special Education Aid	22-495-034-5120-084	07/01/2021	06/30/2022	630,559						(58,692)						630,559	
Category 3 Special Education Aid	23-495-034-5120-078	07/01/2022	06/30/2023	84,300,420						7,865,973						84,300,420	
Category 4 Special Education Aid	23-495-034-5120-089	07/01/2022	06/30/2023	8,196,264						(8,196,264)						8,196,264	
Category 5 Special Education Aid	23-495-034-5120-084	07/01/2022	06/30/2023	630,559						(630,559)						630,559	
Total State Aid - Public Cluster				830,358					1,204,317	(831,332,263)					8,713,610	167,145,098	
Category 1 Transportation Aid	22-495-034-5120-014	07/01/2021	06/30/2022	1,446,373												1,446,373	
Category 2 Transportation Aid	22-495-034-5120-014	07/01/2022	06/30/2023	1,446,373												1,446,373	
Category 3 Transportation Aid	22-495-034-5120-044	07/01/2021	06/30/2022	2,127,394												2,127,394	
Category 4 Transportation Aid	23-495-034-5120-044	07/01/2022	06/30/2023	2,247,836												2,247,836	
Category 5 Transportation Aid	23-495-034-5120-044	07/01/2022	06/30/2023	152,633												152,633	
Category 6 Transportation Aid	23-100-034-5120-068	07/01/2022	06/30/2023	169,060												169,060	
Category 7 Transportation Aid	23-100-034-5120-068	07/01/2022	06/30/2023	30,000,000												30,000,000	
Category 8 Transportation Aid	23-495-034-5094-002	07/01/2022	06/30/2023	444,324												444,324	
Category 9 Transportation Aid	23-495-034-5094-001	07/01/2022	06/30/2023	444,324												444,324	
Category 10 Transportation Aid	23-495-034-5094-001	07/01/2022	06/30/2023	8,529,866												8,529,866	
Category 11 Transportation Aid	23-495-034-5094-004	07/01/2022	06/30/2023	12,172												12,172	
Category 12 Transportation Aid	23-495-034-5094-002	07/01/2022	06/30/2023	6,496,507												6,496,507	
Category 13 Transportation Aid	22-495-034-5095-002	07/01/2021	06/30/2022	6,054,610												6,054,610	
Total General Funds				143,485,350					1,205,325	(144,841,630)					11,823,407	228,646,375	
Special Revenue Fund:																	
Non-Public Textbooks	22-100-034-5120-064	07/01/2021	06/30/2022	84,148												84,148	
Non-Public Textbooks	23-100-034-5120-064	07/01/2022	06/30/2023	89,496												173,644	
Non-Public Textbooks	21-100-034-5120-067	07/01/2021	06/30/2022	558,253												558,253	
Non-Public Comp Ed	23-100-034-5120-067	07/01/2022	06/30/2023	471,225												942,450	
Non-Public Comp Ed	23-100-034-5120-067	07/01/2022	06/30/2023	20,098												47,125	
Non-Public ESL	23-100-034-5120-067	07/01/2022	06/30/2023	15,034												30,068	
Non-Public Home Instruction	22-100-034-5120-067	07/01/2021	06/30/2022	479												958	
Non-Public Home Instruction	23-100-034-5120-068	07/01/2022	06/30/2023	76,816												153,632	
Non-Public Home Instruction	22-100-034-5120-068	07/01/2021	06/30/2022	58,689												117,378	
Non-Public Home Instruction	23-100-034-5120-068	07/01/2022	06/30/2023	169,991												387,969	
Non-Public Supplemental Instruction	22-100-034-5120-066	07/01/2021	06/30/2022	208,318												416,636	
Non-Public Supplemental Instruction	23-100-034-5120-066	07/01/2022	06/30/2023	183,716												600,352	
Non-Public Examination & Classification	23-100-034-5120-066	07/01/2022	06/30/2023	183,716												367,432	
Non-Public Examination & Classification	22-100-034-5120-066	07/01/2021	06/30/2022	112,999												296,431	
Non-Public Examination & Classification	23-100-034-5120-068	07/01/2022	06/30/2023	163,999												360,430	
Non-Public Corrective Speech	22-100-034-5120-068	07/01/2021	06/30/2022	5,388												10,776	
Non-Public Corrective Speech	23-100-034-5120-068	07/01/2022	06/30/2023	58,884												64,262	
Non-Public Nursing	22-100-034-5120-070	07/01/2021	06/30/2022	152,860												305,720	
Non-Public Nursing	23-100-034-5120-070	07/01/2022	06/30/2023	152,860												305,720	
Non-Public Technology Aid	23-100-034-5120-064	07/01/2022	06/30/2023	3,515												7,030	
Non-Public Technology Aid	23-100-034-5120-064	07/01/2022	06/30/2023	56,952												113,904	
Non-Public Technology Aid	23-100-034-5120-509	07/01/2021	06/30/2022	247,450												494,900	
Non-Public Technology Aid	23-100-034-5120-509	07/01/2022	06/30/2023	278,825												773,725	
Non-Public Technology Aid	23-100-034-5120-519	07/01/2022	06/30/2023	283,945												567,890	
Water Bond Grant	N/A			16,812												16,812	
Total Special Revenue Fund				1,174,108					1,174,108							1,174,108	
Debt Service Fund:																	
Debt Service Aid, Type II	23-100-034-5120-125	07/01/2022	06/30/2023	1,174,108												1,174,108	
Total Debt Service Fund				1,174,108					1,174,108							1,174,108	
Enterprise Fund:																	
National School Lunch Program (State Share)	22-100-034-5120-122	07/01/2021	06/30/2022	118,959												118,959	
National School Lunch Program (State Share)	23-100-034-5120-122	07/01/2022	06/30/2023	90,316												209,275	
State School Breakfast Program	23-100-034-5120-122	07/01/2022	06/30/2023	33,132												66,264	
Total Enterprise Fund				242,407												242,407	
Total State Financial Assistance				\$					924,748							\$	
On-behalf TPAF Pension	23-495-034-5094-002	07/01/2022	06/30/2023														
On-behalf TPAF non-contributory Insurance	23-495-034-5094-004	07/01/2022	06/30/2023														
On-behalf TPAF post retirement medical	23-495-034-5094-001	07/01/2022	06/30/2023														
On-behalf TPAF Long-Term Disability Insurance	23-495-034-5094-004	07/01/2022	06/30/2023														
Total State Financial Assistance Subject to Single Audit				\$					924,748							\$	

The accompanying notes to schedules of financial assistance are an integral part of this schedule.

Hamilton Township School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2023

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, 2023

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$1,205,325 for the general fund and \$1,595,737 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	\$391,926	\$143,636,305	\$144,028,231
Special Revenue Fund	20,523,307	(2,687,800)	17,835,507
Capital Projects Fund			
Debt Service Fund		1,174,108	1,174,108
Food Service Fund	3,314,198	123,448	3,437,646
	<u>24,229,431</u>	<u>142,246,061</u>	<u>166,475,492</u>
GAAP Adjustments			
General Fund		1,205,325	1,205,325
Special Revenue Fund	(2,745,835)	4,341,572	1,595,737
Total Awards & Financial Assistance	<u>\$21,483,596</u>	<u>\$147,792,958</u>	<u>\$169,276,554</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: OTHER

Revenues and expenditures reported in the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF pension contributions, non-contributory life insurance, long-term disability and post retirement contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2023. 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, 2023.

Hamilton Township School District
Mercer County, New Jersey

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

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): | |

<u>Program</u>	<u>AL</u>
CRRSA - ESSER II	84.425D
CRRSA - Learn Acceleration	84.425D
CRRSA Mental Health Support & Services	84.425D
ARP – ESSER	84.425U
ARP - ESSER- Mental Health	84.425U
ARP – ESSER – Homeless Children	84.425W
Title II, Part A	84.367A
I.D.E.A. Part B	84.027A
ARP – I.D.E.A. Part B	84.027X
I.D.E.A. Preschool	84.173A
ARP - I.D.E.A. Preschool	84.173X

Hamilton Township School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

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

Federal Program(s) (Continued)

- (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

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	495-034-5120-078
Categorical Special Education Aid	495-034-5120-089
Categorical Security Aid	495-034-5120-084
Debt Service Aid Type II	100-034-5120-125

- (5) Program Threshold Determination:
Type A State Program Threshold > \$3,000,000.00
Type B State Program Threshold <= \$3,000,000.00
- (6) Auditee qualified as a low-risk auditee under OMB Circular 15-08? Yes

Hamilton Township School District
Mercer County, New Jersey

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

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

