

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
OF  
HOPEWELL TOWNSHIP BOARD OF EDUCATION  
BRIDGETON, NEW JERSEY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**Prepared by  
Hopewell Township Board of Education  
Finance Department**

**HOPEWELL TOWNSHIP BOARD OF EDUCATION  
OUTLINE OF CAFR**

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## **INTRODUCTORY SECTION**

# *Hopewell Township Board of Education*

*122 Sewall Road  
Bridgeton, NJ 08302*

*Stephanie Kuntz  
Business Administrator/Board Secretary*

*Ph (856) 451-0210 Fax (856) 451-5847  
skuntz@hopewellcrest.org*

September 7, 2012

Honorable President and  
Members of the Board of Education  
Hopewell Township District  
Cumberland County, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Hopewell Township District for the fiscal year ended June 30, 2012, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Hopewell Township Board of Education. 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 and account groups of the district. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the US Office of Management and Budget Circular A-133, "Audits of State, Local Governments and Non-Profit Organizations", and the state Treasury Circular Letter 04-04 OMB, "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, are included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES:** Hopewell Township School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Hopewell 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 K through 8. These include regular and special education for handicapped youngsters. The District completed the 2011-2012 fiscal year with an enrollment of 517.6 students, which is a decrease from the previous year's enrollment. The following details the changes in the student enrollment of the district over the last years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2011-12	517.6	(3.0)
2010-11	533.4	(.09)
2009-10	538.4	(.06)
2008-09	541.8	(4.0)
2007-08	565.5	5.0
2006-07	537.7	.37
2005-06	535.7	(5.3)
2004-05	541.0	(3.1)

2. **ECONOMIC CONDITION AND OUTLOOK:** Hopewell Township, Cumberland County, has the potential for controlled economic development and expansion. Improvements to New Jersey Route 49 and the expansion of the public sewer system should invite small business investments. Single-family residential housing starts have been increasing and are well in excess of the average cost of current housing. The school system continues to attract families who seek excellent educational experiences for their children.
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 control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

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 voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2012.

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

accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", note 1.

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 and debt service fund revenues for the fiscal year ended June 30, 2012 and the amount and percentage of increases in relation to prior year revenues.

Revenue	Amount	Percent of Total	Increase (Decrease) From 2011	Percent Increase (Decrease)
Local Sources	3,815,256.	44.77%	(251,451)	(6.18)%
State Sources	4,268,781.	50.10%	109,262	2.63%
Federal Sources	437,062.	5.13%	(7,932)	(1.78)%
<b>Total</b>	<b>8,521,099.</b>	<b>100.00%</b>	<b>(150,121)</b>	<b>(1.73)%</b>

The following schedule presents a summary of general fund, special revenue fund and debt service expenditures for the fiscal year ended June 30, 2012 and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase (Decrease) From 2011	Percent Increase (Decrease)
Current Expense:				
Instruction	\$3,245,994.	40.05%	191,365	6.26%
Undistributed Expenditures:	\$3,789,563.	46.77%	(370,346)	(8.90)%
Capital Outlay	\$ 41,760.	.52%	8,440	25.33%
Debt Service:	\$ 1,026,789.	12.66%	(76,693)	(6.95)%
<b>Total</b>	<b>\$8,104,106.</b>	<b>100.00%</b>	<b>(247,234)</b>	<b>(2.96)%</b>

7. **DEBT ADMINISTRATION:** At June 30, 2012, the District's outstanding debt issues included \$3,177,000 of general obligation bonds for additions and renovations to the Crest School.
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 and 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 accounting firm of Triantos & Delp, CPA, LLC, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

On June 30, 2009 pursuant to P.L. 2007, c.63 and A-4141, signed into law by Governor Corzine on June 30, 2009 the non-operating Shiloh Borough School District was eliminated. Under a plan submitted by the New Jersey Department of Education Assistant Commissioner for Field Services the Shiloh Borough School District was merged into the Hopewell Township School District.

11. ACKNOWLEDGEMENTS:

We would like to express our appreciation to the members of the Hopewell 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 financial and accounting staff.

Respectfully submitted,

  
Terry Van Zoeren  
Superintendent/Principal

  
Stephanie Kuntz  
Business Administrator/Board Secretary

**HOPEWELL TOWNSHIP BOARD OF EDUCATION  
BRIDGETON, NEW JERSEY**

**ROSTER OF OFFICIALS  
JUNE 30, 2012**

**Members of the Board of Education** **Term Expires**

Kenneth Freitag, President	2013
Hope Zeck	2013
Michael Gaimari	2014
Ronald Campbell, Jr.	2014
Kristi Schoppe	2014
Edward Kennedy	2012
James Homan	2012
Melanie Husted-Halter	2012
Todd Bowen	2012

**Other Officials**

Terry Van Zoeren, Superintendent/Principal  
Stephanie Kuntz, Business Administrator/Board Secretary  
Mary Jane Lake, Treasurer  
Jane Capasso, Solicitor

**HOPEWELL TOWNSHIP BOARD OF EDUCATION  
CONSULTANT AND ADVISORS**

**Architect**

Faridy Veisz Fraytak, P.C.  
1515 Lower Ferry Road  
P.O. Box 7371  
Trenton, New Jersey 08628-7371

**Audit Firm**

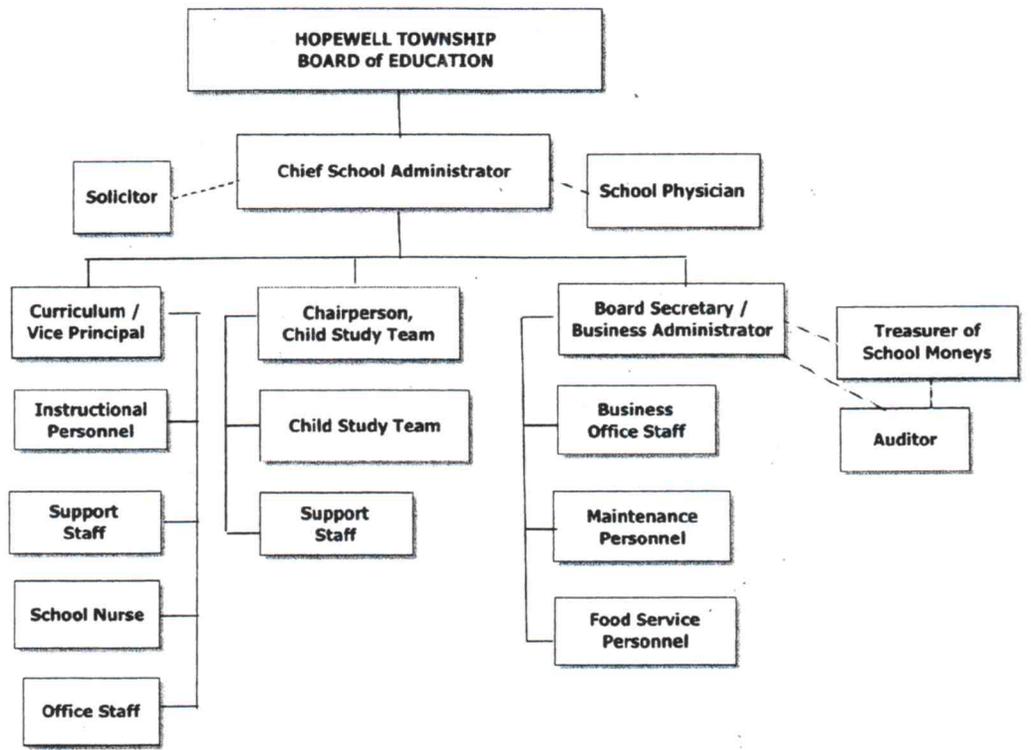
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645 South Main Road  
Vineland, NJ 08360

**Attorney**

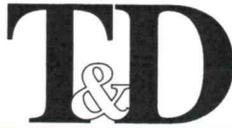
Jane Capasso  
110 North 6<sup>th</sup> Street  
Vineland, NJ 08360

**Official Depository**

Colonial Bank  
Broad Street  
Bridgeton, NJ 08302



**FINANCIAL SECTION**



## Triantos & Delp

CERTIFIED PUBLIC ACCOUNTANTS, LLC

*Thinking ahead to  
achieve success.*

### INDEPENDENT AUDITOR'S REPORT

The Honorable President and  
Members of the Board of Education  
Hopewell Township School District  
County of Cumberland, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Hopewell Township School District in the County of Cumberland, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Hopewell Township Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund, and the aggregate remaining fund information of the Hopewell Township Board of Education in the County of Cumberland, State of New Jersey, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 7, 2012, on our consideration of the Hopewell Township Board of Education'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information on pages 31 through 41 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

#### MEMBERS:

- American Institute of Certified Public Accountants
- New Jersey Society of Certified Public Accountants

Wayne H. Triantos, CPA  
Samuel A. Delp, Jr., CPA



**Triantos & Delp**

CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT

(Continued)

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hopewell Township Board of Education's basic financial statements. The accompanying introductory section, and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,

Samuel A. Delp, Jr.  
Public School Accountant, #745  
Triantos & Delp  
Certified Public Accountants, LLC

September 7, 2012

**REQUIRED SUPPLEMENTARY INFORMATION—PART I**

# *Hopewell Township Board of Education*

*122 Sewall Road  
Bridgeton, NJ 08302*

*Stephanie Kuntz  
Business Administrator/Board Secretary*

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skuntz@hopewellcrest.org*

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

This section of Hopewell Township Board of Education's (HTBOE) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2012. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

### **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 like 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 of the district operates *like businesses*.
- *Fiduciary funds* statements provide information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others.

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the financial statements with a comparison of the District's budget for the year.

Figure A-1  
Major Features of District-Wide and Fund Financial Statements

	<b>District-Wide Statements</b>	<b>Fund Financial Statements</b>		
		<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses: food services and adult education	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	-Statement of net assets -Statement of activities	-Balance sheet -Statement of revenues, expenditures, and changes in fund balances	-Statement of net assets -Statement of revenues, expenses, and changes in fund net assets -Statement of cash flows	-Statement of fiduciary net assets -Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified Accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities both financial and capital, short-term and long term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities both financial and capital and short-term and long-term	All assets and liabilities both short-term and long-term; the district's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

Figure A-1 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the type of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

### 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 assets - the difference between the District's assets and liabilities - are one way to measure the District's financial health or *position*.

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

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 cost for certain services it provides. The District's food services program is 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 (like completing approved capital projects) or to show that it is properly using certain revenues (like federal grants).

The District has four kinds of funds:

- *Governmental Fund* - 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, we provide additional information with the governmental funds statements that 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. In fact, the District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flow.
- *Internal service funds* (the other kind of proprietary fund) are utilized to report activities that provide supplies and services for the District's other programs and activities and for other Districts (student transportation).
- *Fiduciary funds* - The District is the trustee, or *fiduciary*, for assets that belong to others, such as the scholarship fund and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

**Net assets (in thousands)** – The District's *combined* net assets are \$7,567 on June 30, 2012 (see Table A-1). Approximately 2% of the total net assets are from business-type activities. The balance of the total net assets, which is 98%, are attributed to governmental activities.

**Changes in net assets-** The District's total revenues are \$8,934 for the fiscal period ending June 30, 2012 (see Table A-2). Property taxes and state formula aid accounted for 86% of the District's revenue. 8% is derived from state and federal aid for specific programs, and the remainder, 6% from fees charged for services and miscellaneous resources.

The District's expenses are predominantly related to educating and caring for students.(56%). The purely administrative activities of the District accounted for 6% of total costs. Salary increases due to contractual agreements for teachers and other educational staff are included in the instruction-related costs.

### **Governmental Activities**

Revenues for the District's governmental activities amounted to \$8,701. Total expenses amounted to \$7,721. The increase in net assets in governmental activities was \$980 for 2012.

### **Business-type Activities**

Revenues of the District's business-type activities amounted to \$233, and expenses were \$226. Food Service revenues exceeded expenses by \$7 resulting in an increase in net assets of \$7.

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

### **General Fund Budgetary Highlights**

Over the course of the year, the District revised the annual operating budget several times. These budget amendments were for the following purpose:

- Transfers between budgetary line accounts to prevent overruns.

The District's final budget anticipated utilizing \$8 in fund balance and \$2 of prior year encumbrances to fund the appropriation plan for this fiscal period. Actual result was an increase of \$576 in general fund balance.

Actual expenditures for capital outlay amounted to \$37 in the Operating Fund. The balance of expenditures for capital outlay in the amount of \$5 was from the Special Revenue Fund and \$366 from the Capital Project Fund.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

By the end of 2012, the District had invested over 14 million in a broad range of capital assets, including school buildings, athletic facilities, computer and audiovisual equipment, and administrative offices. (see Table A-3) (more detailed information about capital assets can be found in Note 4 to the financial statements.) Total depreciation expense for the year was \$292 while building improvements, construction in progress, and additions to equipment and furniture amounted to \$70.

### **Long-term Debt**

At year-end, the District had outstanding bonds in the amount of \$3,177. There was no other outstanding long-term debt. (More detailed information about long-term debt can be found in Note 5 to the financial statements.)

The state limits the amount of general obligation debt the District can issue to 3% of the equalized valuation of all taxable property within the District. The current limit is \$11,522 of which \$8,345 is available for the issuance of the debt.

### **Other Information**

On June 30, 2009 pursuant to P.L. 2007, c.63 and A-4141, signed into law by Governor Corzine on June 30, 2009 the non-operating Shiloh Borough School District was eliminated. Under a plan submitted by the New Jersey Department of Education Assistant Commissioner for Field Services the Shiloh Borough School District was merged into the Hopewell Township School District.

## **FACTORS BEARING ON THE DISTRICT'S FUTURE**

The relatively small available free balance that can be maintained has meant that unanticipated expenses—almost exclusively confined to the special education program—have made it necessary to reduce, forestall, or eliminate high-priority programs and planned expenditures. The Hopewell Board of Education is fiscally prudent and well acquainted with school finance, and the district thus has one of the lowest per-pupil costs in the state.

The district has continued to provide for adequate programs and resources for the students of Hopewell Township and Shiloh Borough. Because the quality of the classroom programs available to children remains the districts' highest priority, funds continue to be budgeted for the ongoing improvement of all curricula.

Unfortunately, high unanticipated special education costs continue to play a large role in shaping how Hopewell's limited discretionary funds are used each year. In the Current year, the need for several unanticipated leave of absences will essentially required the district to pay two salaries for one program.

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Stephanie Kuntz, Business Administrator, Hopewell Township Board of Education, 122 Sewall Road, Bridgeton, NJ 08302.

Table A-1  
Hopewell Township Board of Education's Net Assets  
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change 2011-2012
	2011	2012	2011	2012	2011	2012	
Current and Other Assets	\$ 795	\$ 1,276	\$ 131	\$ 99	\$ 926	\$ 1,375	48.5%
Noncurrent Assets	640	262	-	-	640	262	-59.1%
Capital Assets	10,000	9,621	48	55	10,048	9,676	-3.7%
<b>Total Assets</b>	<u>\$ 11,435</u>	<u>\$ 11,159</u>	<u>\$ 179</u>	<u>\$ 154</u>	<u>\$ 11,614</u>	<u>\$ 11,313</u>	<u>-2.6%</u>
Current Liabilities	\$ 1,185	\$ 568	\$ 60	\$ 35	\$ 1,245	\$ 603	-51.6%
Noncurrent Liabilities	3,316	3,148	-	-	3,316	3,148	-5.1%
<b>Total Liabilities</b>	<u>\$ 4,501</u>	<u>\$ 3,716</u>	<u>\$ 60</u>	<u>\$ 35</u>	<u>\$ 4,561</u>	<u>\$ 3,751</u>	<u>-17.8%</u>
<b>Net Assets</b>							
Invested in Capital Assets							
Net of Related Debt	\$ 5,953	\$ 6,444	\$ 48	\$ 55	\$ 6,001	\$ 6,499	8.3%
Restricted	1,090	1,194	-	-	1,090	1,194	9.5%
Unrestricted	(109)	(195)	68	64	(41)	(131)	219.5%
<b>Total Net Assets</b>	<u>\$ 6,934</u>	<u>\$ 7,443</u>	<u>\$ 116</u>	<u>\$ 119</u>	<u>\$ 7,050</u>	<u>\$ 7,562</u>	<u>7.3%</u>

Table A-2  
Hopewell Township Board of Education's  
Changes in Net Assets  
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change 2011-2012
	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	
<b>Revenues</b>							
Program Revenues							
Charges for Services	\$ 6	\$ 182	\$ 119	\$ 116	\$ 125	\$ 298	0.0%
Federal & State Categorical Grants	505	611	108	115	613	726	18.4%
General Revenues							
Property Taxes	3,638	3,546	-	-	3,638	3,546	-2.5%
State Formula Aid	4,100	4,095	-	-	4,100	4,095	-0.1%
Other	428	267	-	2	428	269	-37.1%
<b>Total Revenues</b>	<u>\$ 8,677</u>	<u>\$ 8,701</u>	<u>\$ 227</u>	<u>\$ 233</u>	<u>\$ 8,904</u>	<u>\$ 8,934</u>	<u>0.3%</u>
<b>Expenses</b>							
Instruction - Related	\$ 3,245	\$ 3,447	\$ -	-	\$ 3,245	\$ 3,447	6.2%
Student Support Services	1,039	803	222	225	1,261	1,028	-18.5%
Maintenance & Operations	649	579	-	-	649	579	-10.8%
Transportation	472	429	-	-	472	429	-9.1%
Administration	552	513	-	-	552	513	-7.1%
Other	1,717	1,950	-	1	1,717	1,951	13.6%
<b>Total Expenses</b>	<u>\$ 7,674</u>	<u>\$ 7,721</u>	<u>\$ 222</u>	<u>\$ 226</u>	<u>\$ 7,896</u>	<u>\$ 7,947</u>	<u>0.6%</u>
<b>Increase/ (decrease) in Net Assets</b>	<u>\$ 1,003</u>	<u>\$ 980</u>	<u>\$ 5</u>	<u>\$ 7</u>	<u>\$ 1,008</u>	<u>\$ 987</u>	<u>-2.1%</u>

Table A-3  
Hopewell Township Board of Education's Capital Assets  
(Net of Depreciation)  
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change
	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011-2012</u>
Land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Construction in Progress	15	382	-	-	15	382	0.0%
Site Improvement	49	45	-	-	49	45	100.0%
Buildings & Improvements	9,788	9,034	-	-	9,788	9,034	-7.7%
Machinery & Equipment	147	160	48	55	195	215	10.3%
<b>Total</b>	<u>\$ 9,999</u>	<u>\$ 9,621</u>	<u>\$ 48</u>	<u>\$ 55</u>	<u>\$ 10,047</u>	<u>\$ 9,676</u>	<u>-3.7%</u>

## **BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS**

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
STATEMENT OF NET ASSETS  
JUNE 30, 2012

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	\$ 1,118,160.	\$ 88,876.	\$ 1,207,036.
Receivables, net	157,969.	5,077.	163,046.
Inventory		4,823.	4,823.
Total Current Assets	<u>1,276,129.</u>	<u>98,776.</u>	<u>1,374,905.</u>
Noncurrent Assets:			
Bond issuance costs, net	25,955.		25,955.
Restricted Assets:			
Cash and cash equivalents	235,976.		235,976.
Capital reserve account - cash	101.		101.
Capital assets, net	<u>9,621,402.</u>	<u>54,799.</u>	<u>9,676,201.</u>
Total noncurrent assets	<u>9,883,434.</u>	<u>54,799.</u>	<u>9,938,233.</u>
Total assets	<u>11,159,563.</u>	<u>153,575.</u>	<u>11,313,138.</u>
<b>LIABILITIES:</b>			
Current liabilities:			
Accounts payable	63,436.	30,669.	94,105.
Other current liability		2,952.	2,952.
Payable to federal government	523.		523.
Deferred revenue	254,024.	1,514.	255,538.
Current portion of long-term liabilities	250,000.		250,000.
Total Current Liabilities	<u>567,983.</u>	<u>35,135.</u>	<u>603,118.</u>
Noncurrent liabilities:			
Bonds payable	2,927,000.		2,927,000.
Accrued compensated absences	179,992.		179,992.
Accrued interest	40,632.		40,632.
Total noncurrent liabilities	<u>3,147,624.</u>	<u>0.</u>	<u>3,147,624.</u>
Total Liabilities	<u>3,715,607.</u>	<u>35,135.</u>	<u>3,750,742.</u>
<b>NET ASSETS:</b>			
Investment in capital assets, net of related debt	6,444,402.	54,799.	6,499,201.
Restricted for:			
Capital projects	335,668.		335,668.
Other purposes	858,655.		858,655.
Unrestricted	(194,769.)	63,641.	(131,128.)
Total Net Assets	<u>\$ 7,443,956.</u>	<u>\$ 118,440.</u>	<u>\$ 7,562,396.</u>

See Accompanying Notes to the Basic Financial Statements

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2012

Functions/Programs	Program Revenues			Net (Expense) Revenues and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental activities:</b>							
Instruction:		\$	\$	\$	\$(2,498,408.)	\$	\$(2,498,408.)
Regular	\$ 2,498,408.				(792,994.)		(792,994.)
Special education	792,994.				(62,580.)		(62,580.)
Other special instruction	62,580.				(67,442.)		(67,442.)
Other instruction	67,442.						
Support services:							
Tuition	68,093.				(68,093.)		(68,093.)
Student & instruction related services	732,084.				(732,084.)		(732,084.)
School administrative services	168,375.				(168,375.)		(168,375.)
General and business admin services	179,419.				(179,419.)		(179,419.)
Central services	138,965.				(138,965.)		(138,965.)
Admin info tech	20,230.				(20,230.)		(20,230.)
Plant operations and maintenance	596,599.				(596,599.)		(596,599.)
Pupil transportation	429,168.				(429,168.)		(429,168.)
Employee benefits	1,595,067.	610,799.			(984,268.)		(984,268.)
Interest on long-term debt	175,227.				(175,227.)		(175,227.)
Internal service fund	170,096.	182,075.			11,979.		11,979.
Amortization of debt issuance cost	2,163.				(2,163.)		(2,163.)
State debt service assessment	8,120.				(8,120.)		(8,120.)
<b>Total governmental activities</b>	<b>7,705,030.</b>	<b>182,075.</b>	<b>610,799.</b>	<b>0.</b>	<b>(6,912,156.)</b>	<b>0.</b>	<b>(6,912,156.)</b>
<b>Business-type activities:</b>							
Food service	224,308.	116,172.	114,905.			6,769.	6,769.
Child Study Team	1,509.					(1,509.)	(1,509.)
<b>Total business-type activities</b>	<b>225,817.</b>	<b>116,172.</b>	<b>114,905.</b>	<b>0.</b>	<b>0.</b>	<b>5,260.</b>	<b>5,260.</b>
<b>Total primary government</b>	<b>\$ 7,930,847.</b>	<b>\$ 298,247.</b>	<b>\$ 725,704.</b>	<b>\$ 0.</b>	<b>\$(6,912,156.)</b>	<b>\$ 5,260.</b>	<b>\$(6,906,896.)</b>
<b>General revenues:</b>							
Taxes:							
Prop taxes levied for general purposes, net					\$ 3,052,927.	\$	\$ 3,052,927.
Taxes levied for debt service					493,211.		493,211.
Federal and state aid not restricted					3,390,436.		3,390,436.
Federal and state aid restricted					704,608.		704,608.
Tuition received					128,998.		128,998.
Investment earnings					17,891.	9.	17,900.
Miscellaneous income					122,229.		122,229.
Transfers					(2,140.)	2,140.	
<b>Total general revenues, special items, extraordinary items, and transfers</b>					<b>7,908,160.</b>	<b>2,149.</b>	<b>7,910,309.</b>
Change in net assets					996,004.	7,409.	1,003,413.
Adjustment to fixed assets					(486,325.)	(5,356.)	(491,681.)
Net assets - beginning					6,934,277.	116,387.	7,050,664.
Net assets - ending					\$ 7,443,956.	\$ 118,440.	\$ 7,562,396.

See Accompanying Notes to the Basic Financial Statements

## **FUND FINANCIAL STATEMENTS**

## **GOVERNMENTAL FUNDS**

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Permanent Fund	Total Governmental Funds
<b>Assets:</b>						
Cash and cash equivalents	\$ 1,104,876.	\$(100,899.)	\$ 336,975.	\$	\$	\$ 1,340,952.
Due from other funds	22,643.					22,643.
Receivables from other governments	23,161.	112,165.				135,326.
Capital reserve	1.					1.
<b>Total assets</b>	<b>\$ 1,150,681.</b>	<b>\$ 11,266.</b>	<b>\$ 336,975.</b>	<b>\$ 0.</b>	<b>\$ 0.</b>	<b>\$ 1,498,922.</b>
<b>Liabilities and Fund Balances:</b>						
<b>Liabilities:</b>						
Accounts payable	\$49,980.	\$10,743.	\$1,408.	\$	\$	\$62,131.
Payable to federal government		523.				523.
Deferred revenue	254,024.					254,024.
<b>Total liabilities</b>	<b>304,004.</b>	<b>11,266.</b>	<b>1,408.</b>	<b>0.</b>	<b>0.</b>	<b>316,678.</b>
<b>Fund Balances:</b>						
<b>Restricted for:</b>						
Excess surplus-current year	458,126.					458,126.
Excess surplus-designated for subsequent year's expenditures	143,942.					143,942.
Maintenance reserve	256,587.					256,587.
Capital reserve	101.					101.
Capital projects			335,567.			335,567.
<b>Assigned to:</b>						
Designated by BOE for subsequent year's expenditures	40,000.					40,000.
Other purposes	8,925.					8,925.
<b>Unassigned:</b>						
General fund	(61,004.)					(61,004.)
<b>Total fund balances</b>	<b>846,677.</b>	<b>0.</b>	<b>335,567.</b>	<b>0.</b>	<b>0.</b>	<b>1,182,244.</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,150,681.</b>	<b>\$ 11,266.</b>	<b>\$ 336,975.</b>	<b>\$ 0.</b>	<b>\$ 0.</b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$14,536,366. and the accumulated depreciation is \$4,914,964. (See Note)	\$ 9,621,402.
Long-term liabilities including bonds payable are not due and payable in the current period and therefore are not reported as liabilities in the funds. (See Note)	(3,356,992.)
Bond issuance costs, net	25,955.
Accrued interest	(40,632.)
Internal service fund balance	11,979.
<b>Net assets of governmental activities</b>	<b>\$ 7,443,956.</b>

See Accompanying Notes to the Basic Financial Statements

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Permanent Fund	Total Governmental Funds
<b>REVENUES:</b>						
Local sources:						
Local tax levy	\$ 3,052,927.	\$	\$	\$ 493,211.	\$	\$ 3,546,138.
Tuition charges	128,998.					128,998.
Interest earned	17,891.					17,891.
Miscellaneous	116,690.	5,539.				122,229.
Total local sources	3,316,506.	5,539.	0.	493,211.	0.	3,815,256.
State sources	3,877,155.			391,626.		4,268,781.
Federal sources	124,080.	312,982.				437,062.
Total revenues	7,317,741.	318,521.	0.	884,837.	0.	8,521,099.
<b>EXPENDITURES:</b>						
Current:						
Regular instruction	2,352,216.					2,352,216.
Special education instruction	569,842.	193,914.				763,756.
Other special instruction	62,580.					62,580.
Other instruction	67,442.					67,442.
Support services:						
Tuition	68,093.					68,093.
Student & instruction related services	583,140.	105,086.				688,226.
School administrative services	139,137.					139,137.
Other administrative services	150,181.					150,181.
Central services	138,965.					138,965.
Admin info tech	20,230.					20,230.
Plant operations and maintenance	581,979.					581,979.
Pupil transportation	429,168.					429,168.
Employee benefits	1,558,895.	14,689.				1,573,584.
Debt service:						
Principal				870,000.		870,000.
Interest and other charges				156,789.		156,789.
Capital outlay	36,928.	4,832.	366,570.			408,330.
Total expenditures	6,758,796.	318,521.	366,570.	1,026,789.	0.	8,470,676.
Excess (deficiency) of revenues over exp.	558,945.		(366,570.)	(141,952.)		50,423.
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in				141,952.		141,952.
Transfers out	(2,140.)		(141,952.)			(144,092.)
Total other financing sources (uses)	(2,140.)	0.	(141,952.)	141,952.	0.	(2,140.)
Net change in fund balances	556,805.		(508,522.)			48,283.
Fund balance - July 1	289,872.		844,089.			1,133,961.
Fund balance - June 30	\$ 846,677.	\$ 0.	\$ 335,567.	\$ 0.	\$ 0.	\$ 1,182,244.

See Accompanying Notes to the Basic Financial Statements

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2012

Total net changes in fund balances - governmental funds (from B-2)		\$ 48,283.
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
This is the amount by which capital outlays exceeded depreciation in the period.		
	Depreciation expense	\$ (292,384.)
	Capital outlays	<u>400,210.</u>
		107,826.
Adjustment to carrying value of fixed assets based on appraisal		
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		870,000.
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.		
Proceeds of long-term debt		0.
Capital lease proceeds		<u>0.</u>
		0.
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		(21,483.)
Amortization of bond issuance costs, net		(2,163.)
Increase in internal service fund balance		11,979.
Increase in accrued interest		<u>(18,438.)</u>
Change in net assets of governmental activities		<u><u>\$ 996,004.</u></u>

See Accompanying Notes to the Basic Financial Statements

## **PROPRIETARY FUNDS**

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2012

	Business-Type Activities- Enterprise Fund			Governmental Activities - Internal Service Fund
	Food Service	Child Study Team	Totals	
<b>ASSETS:</b>				
Current Assets:				
Cash and cash equivalents	\$ 88,876.	\$	\$ 88,876.	\$ 13,284.
Accounts receivable:				
State	136.		136.	
Federal	4,941.		4,941.	
Inventories	4,823.		4,823.	
Total current assets	98,776.	0.	98,776.	13,284.
Noncurrent assets:				
Furniture, machinery & equipment	116,069.	51,259.	167,328.	
Less accumulated depreciation	(61,270.)	(51,259.)	(112,529.)	
Total noncurrent assets	54,799.	0.	54,799.	0.
Total assets	\$ 153,575.	\$ 0.	\$ 153,575.	\$ 13,284.
<b>LIABILITIES:</b>				
Current liabilities:				
Deferred revenue	\$ 1,514.	\$	\$ 1,514.	\$
Accounts payable	30,669.		30,669.	1,305.
Prepaid lunches	2,952.		2,952.	
Total current liabilities	35,135.	0.	35,135.	1,305.
Total liabilities	35,135.	0.	35,135.	1,305.
<b>NET ASSETS:</b>				
Invested in capital assets net of related debt	54,799.		54,799.	
Unrestricted	63,641.		63,641.	11,979.
Total net assets	\$ 118,440.	\$ 0.	\$ 118,440.	\$ 11,979.

See Accompanying Notes to the Basic Financial Statements

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2012

	Business-Type Activities- Enterprise Fund			Governmental Activities - Internal Service Fund
	Food Service	Child Study Team	Totals	
Operating revenues:				
Charges for services:				
Daily sales-reimbursable programs	\$ 65,994.	\$	\$ 65,994.	\$
Daily sales-non-reimbursable programs	45,502.		45,502.	
Miscellaneous income	4,676.		4,676.	
Assessment to member districts				182,075.
Total operating revenues	116,172.	0.	116,172.	182,075.
Operating expenses:				
Cost of sales	87,474.		87,474.	
Salaries and benefits	69,425.		69,425.	163,172.
Travel				2,596.
Cleaning, repair & maintenance services	3,372.		3,372.	
Office supplies	740.		740.	
Miscellaneous	15,917.		15,917.	1,291.
General supplies	15,308.		15,308.	3,037.
Performance fees	27,675.		27,675.	
Depreciation	4,397.	1,509.	5,906.	
Total operating expenses	224,308.	1,509.	225,817.	170,096.
Operating income/(loss)	(108,136.)	(1,509.)	(109,645.)	11,979.
Nonoperating revenues (expenses):				
State sources:				
State school lunch program	2,761.		2,761.	
Federal sources:				
National school breakfast program	20,675.		20,675.	
National school lunch program	76,118.		76,118.	
Food distribution program	15,352.		15,352.	
Interest and investment revenue		9.	9.	
Total nonoperating revenues (expenses)	114,906.	9.	114,915.	0.
Income/(loss) before contributions & transfers	6,770.	(1,500.)	5,270.	11,979.
Operating transfers in/(out):		2,140.	2,140.	
Change in net assets	6,770.	640.	7,410.	11,979.
Total net assets - beginning	117,027.	(640.)	116,387.	
Prior year adjustment	(5,357.)		(5,357.)	
Total net assets - ending	\$ 118,440.	\$ 0.	\$ 118,440.	\$ 11,979.

See Accompanying Notes to the Basic Financial Statements

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012

	Business-Type Activities - Enterprise Fund			Governmental Activities - Internal Service Fund
	Food Service	Child Study Team	Total Enterprise	
<b>CASH FLOWS FROM OPERATING ACT.</b>				
Receipts from customers	\$ 116,362.	\$	\$ 116,362.	\$ 189,555.
Payments to employees and benefits				(164,716.)
Payments to suppliers	(209,193.)		(209,193.)	(6,924.)
Net cash provided by (used for) operating activities	(92,831.)	0.	(92,831.)	17,915.
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>				
State sources	2,839.		2,839.	
Federal sources	99,091.		99,091.	
Operating transfers in		2,140.	2,140.	
Net cash provided by (used for) non-capital financing act.	101,930.	2,140.	104,070.	0.
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Purchase of equipment	(18,191.)		(18,191.)	
Repayment of interfund loan		(24,299.)	(24,299.)	
Interest on investments		9.	9.	
Net cash provided by investing activities	(18,191.)	(24,290.)	(42,481.)	0.
Net increase (decrease) in cash and cash equivalents	(9,092.)	(22,150.)	(31,242.)	17,915.
Balances-beginning of year	97,968.	22,150.	120,118.	(4,631.)
Balances-end of year	\$ 88,876.	\$ 0.	\$ 88,876.	\$ 13,284.
<b>Reconciliation of operating income (loss)</b>				
to net cash provided (used) by operating activities:				
Operating income (loss)	\$(108,136.)	\$(1,509.)	\$(109,645.)	\$ 11,979.
Adjust to reconcile operating income				
(loss) to net cash provided by (used for) operating act.:				
Depreciation and net amortization	4,397.	1,509.	5,906.	
Federal commodities	15,352.		15,352.	
(Increase) decrease in inventories	(1,139.)		(1,139.)	
(Increase) decrease in accounts receivable				6,175.
Increase (decrease) in accounts payable	(3,544.)		(3,544.)	(1,544.)
Increase (decrease) in deferred revenue	50.		50.	
Increase (decrease) in prepaid fees				1,305.
Increase (decrease) in prepaid lunches	189.		189.	
Total adjustments	15,305.	1,509.	16,814.	5,936.
Net cash provided by (used for) operating activities	\$(92,831.)	\$ 0.	\$(92,831.)	\$ 17,915.

See Accompanying Notes to the Basic Financial Statements

## **FIDUCIARY FUNDS**

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2012

	<u>Unemployment Compensation Trust</u>	<u>Student Activity</u>	<u>Agency Fund</u>
ASSETS:			
Cash and cash equivalents	\$ 209,880.	\$ 20,422.	\$ 20,917.
Payroll deductions and withholdings			1,645.
Due from Unemployment			1,016.
Total assets	<u>\$ 209,880.</u>	<u>\$ 20,422.</u>	<u>\$ 23,578.</u>
LIABILITIES:			
Payroll deductions and withholdings	\$	\$	\$ 6,719.
Due to student groups		20,422.	
Due to Agency	1,016.		
Interfund payable	5,783.		16,859.
Total liabilities	<u>6,799.</u>	<u>\$ 20,422.</u>	<u>\$ 23,578.</u>
NET ASSETS:			
Held in trust for unemployment claims and other purposes	<u>\$ 203,081.</u>		

See Accompanying Notes to the Basic Financial Statements

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Unemployment Compensation Trust</u>
ADDITIONS:	
Contributions:	
Plan member	\$ 6,405.
Total contributions	<u>\$ 6,405.</u>
Investment earnings:	
Interest	<u>2,067.</u>
Net investment earnings	<u>2,067.</u>
Total additions	<u>8,472.</u>
DEDUCTIONS:	
Unemployment claims	<u>3,755.</u>
Total deductions	<u>3,755.</u>
Change in net assets	4,717.
NET ASSETS - BEGINNING OF THE YEAR	<u>198,364.</u>
NET ASSETS - END OF THE YEAR	<u><u>\$ 203,081.</u></u>

See Accompanying Notes to the Basic Financial Statements

## **NOTES TO FINANCIAL STATEMENTS**

**Hopewell Township Board of Education**  
**Notes to the Financial Statements**  
**June 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

The Hopewell Township School District is a Type II district located in the County of Cumberland, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three year terms. These terms are staggered so that three members' terms expire each year. The purpose of the district is to educate students in grades K-8. The Hopewell Township School District had an approximate enrollment at June 30, 2012 of 514 students.

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

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

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

B. Basic Financial Statements-District-Wide Statements:

The District's basic financial statements include both district-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the district-wide and fund financial statements categorize primary activities as either governmental or business type.

In the district-wide Statement of Net Assets, both governmental and business-type activities columns are presented on a consolidated basis by column, and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net assets are reported in three parts-invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

The district-wide Statement of Activities reports both the gross and net costs of each of the District's functions and business-type activities. The functions are also supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or business-type activity.

This district-wide focus is more on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

C. Basic Financial Statements-Fund Financial Statements:

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

**Hopewell Township Board of Education  
Notes to the Financial Statements  
June 30, 2012**

**NOTE 1.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**C. Basic Financial Statements-Fund Financial Statements:** (Continued)

The following fund types are used by the District:

**GOVERNMENTAL FUNDS**

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

General Fund: The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in the fund. 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 fixed 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 Current Expense by board resolution.

Special Revenue Fund: The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund: 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 bonds issued to finance major property acquisition, construction, and improvement programs.

**PROPRIETARY FUNDS**

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

Enterprise Funds: The enterprise funds are utilized to account for operations that are financed and operated in a manner similar to business enterprises – where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or where the District has decided that periodic determination of revenues earned, expenses

**Hopewell Township Board of Education  
Notes to the Financial Statements  
June 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basic Financial Statements-Fund Financial Statements (Continued):

incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise funds are comprised of the Food Service Fund and the Child Study Team Enterprise Fund.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund statements of net assets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Food Service Fund:	
Equipment	5-12 years
Child Study Team:	
Equipment	12 years

Internal Service Fund: A fund used to account for the financing of goods or services provided by one department or agency to other departments or agencies of an LEA, or to other LEAs, on a cost-reimbursement basis.

**FIDUCIARY FUNDS**

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net assets and changes in net assets and are reported using accounting principles similar to proprietary funds. The following is a description of the fiduciary funds of the District:

Unemployment Compensation Trust: The Unemployment Compensation Trust Fund consists of assets that the District has reserved for possible future unemployment claims.

Agency Funds: Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

D. Basis of Accounting:

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

**Measurement Focus**

On the district-wide Statement of Net Assets and the Statement of Activities, both governmental and business-like activities are presented using economic resources measurement focus as defined below.

In fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus as appropriate.

- All government funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balances as their measure of available spendable financial resources at the end of the period.

**Hopewell Township Board of Education**  
**Notes to the Financial Statements**  
**June 30, 2012**

NOTE 1.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting: (Continued)

- The proprietary fund utilized an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.
- Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

**Basis of Accounting**

In the district-wide Statement of Net Assets and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds and agency funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available”. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an “accounts receivable”.

All proprietary funds utilized the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used.

E. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year.

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

**Hopewell Township Board of Education  
Notes to the Financial Statements  
June 30, 2012**

NOTE 1.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgets/Budgetary Control: (Continued)

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

Explanation of differences between Budgetary Inflows and Outflows and GAAP Revenue and Expenditures.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary) "revenues"	\$7,337,064.	\$318,446.
State aid payment recognized for GAAP statements in the current year previously recognized for budgetary purposes.	302,635.	0.
State Aid Payment not recognized for GAAP purposes until the subsequent year.	(321,958.)	0.
Adjust for Encumbrances:		
Add Prior Year Encumbrances	N/A	75.
Less Current Year Encumbrances	N/A	0.
Total Revenues (GAAP Basis)	<u>\$7,317,741.</u>	<u>\$318,521.</u>
Uses/outflows of resources		
Actual amounts (budgetary) "total outflows"	\$6,758,796.	\$318,446.
Adjustments:		
Add Prior Year Encumbrances	N/A	75.
Less Current Year Encumbrances	N/A	0.
Total Expenditures (GAAP Basis)	<u>\$6,758,796.</u>	<u>\$318,521.</u>

E. Encumbrances:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure 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 reservations of 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 deferred 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.

**Hopewell Township Board of Education  
Notes to the Financial Statements  
June 30, 2012**

NOTE 1.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Cash, Cash Equivalents and Investments:

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

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

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

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

H. Tuition Receivable:

Tuition charges were established by the Board of Education based on estimated costs.

I. Tuition Payable:

Tuition charges for the fiscal year 2011-2012 is based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

J. Inventories:

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2012.

K. Short-Term Inter-fund Receivables/Payables:

Short-term interfund receivables/payables represents amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

L. Fixed Assets:

The accounting treatment over property, plant and equipment (fixed assets) depends on whether the assets are used in the governmental fund operations, or proprietary fund operations and whether they are reported in the district-wide or fund financial statements.

**District-wide Statements**

In the district-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable, as determined by an independent appraisal company. Donated fixed assets are valued at their estimated fair market value on the date received.

**Hopewell Township Board of Education  
Notes to the Financial Statements  
June 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Fixed Assets: (Continued)

**District-wide Statements** (Continued)

Depreciation of all exhaustible fixed assets is recorded as allocated expenses in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of assets is as follows:

Land Improvements	20 years
Building & Building Improvements	20-50 years
Machinery & Equipment	5-20 years

**Fund Financial Statements**

In the fund financial statements, fixed assets used in government fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same as in the district-wide statements.

M. Compensated Absences:

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

The liability for these compensated absences is recorded as long-term debt in the district-wide statements. In the fund financial statements, governmental funds report only the compensated absences that are expected to be liquidated with expendable available financial resources, while the proprietary fund reports the liability as it is incurred.

N. Deferred Revenue:

Deferred revenue in the special revenue fund represents cash that has been received but not yet earned.

O. Long-term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the district-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the district-wide statements. The long-term debt consists primarily of bonds payable and accrued compensated absences.

P. Net Assets

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

**Hopewell Township Board of Education**  
**Notes to the Financial Statements**  
**June 30, 2012**

NOTE 1.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Fund Balance Reserves

In accordance with Governmental Accounting Standards Board Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions, the District classified governmental fund balances as follows:

- Non-spendable - Includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual restraints.
- Restricted – Includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- Committed – Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year end.
- Assigned – Includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by Board of School Estimates, the Board of Education, Superintendent or Business Administrator.
- Unassigned – Includes fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

R. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2.CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, and short term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The Board classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

Deposits:

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

**Hopewell Township Board of Education**  
**Notes to the Financial Statements**  
**June 30, 2012**

NOTE 2.CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Deposits: (Continued)

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments:

New Jersey statutes permits the Board to purchase the following types of securities:

- a.) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b.) Bonds or any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- c.) Bonds or other obligations of the school district.

As of June 30, 2012 cash and cash equivalents and investments of the District consisted of the following:

	Cash and Cash Equivalents
Checking and Savings Accounts	<u>\$1,694,332.</u>
Total	<u>\$1,694,332.</u>

During the period ended June 30, 2012 the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2012 was \$1,694,332. and the bank balance was \$1,836,345. Of the bank balance, \$287,758. was covered by federal depository insurance and \$1,548,587. was covered by a collateral pool as required by New Jersey statutes.

NOTE 3.CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Hopewell Township Board of Education by the inclusion of \$1. in March, 2001 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6:23A-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.

**Hopewell Township Board of Education**  
**Notes to the Financial Statements**  
**June 30, 2012**

NOTE 3. CAPITAL RESERVE ACCOUNT (Continued)

The activity of the capital reserve for the July 1, 2011 to June 30, 2012 fiscal year is as follows:

Beginning balance, July 1, 2011	\$ 101.
Interest earnings	<u>0.</u>
Deposits:	
Approved at April, 2011 election	<u>0.</u>
Withdrawals: Approved at April, 2011 election	<u>0.</u>
Ending balance, June 30, 2012	<u>\$ 101.</u>

The June 30, 2012 LRF balance of local support costs of uncompleted capital projects at June 30, 2012 is \$520,529. There were no withdrawals from the capital reserve for use in a DOE approved facilities project, consistent with the district's Long Range Facilities Plan.

NOTE 4. MAINTENANCE RESERVE ACCOUNT

The maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCFA (*N.J.S.A. 18A:7G-9*) as amended by P.L. 2004, c. 73 (S1701). Districts may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes (*N.J.A.C. 6A:23-2.14*) or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriations, or both.

The activity of the maintenance reserve for the July 1, 2011 to June 30, 2012 year is as follows:

Beginning Balance July 1, 2011	\$100,000.
Deposits	
Approved at April, 2011 election	56,587.
Approved by Board Resolution June, 2012	100,000.
Withdrawals	<u>0.</u>
Ending balance June 30, 2012	<u>\$256,587.</u>

The June 30, 2012 maximum maintenance reserve amount is \$499,568.

**Hopewell Township Board of Education**  
**Notes to the Financial Statements**  
**June 30, 2012**

**NOTE 5. FIXED ASSETS**

Capital asset activity for the year ended June 30, 2012 was as follows:

	Beginning Balance	Additions	Retirements	Adjustments	Ending Balance
Governmental Activities:					
Capital Assets that are not Being Depreciated:					
Land	\$	\$	\$	\$	\$
Construction in Progress	15,426.	366,570.			381,996.
Total Capital Assets not being Depreciated	15,426.	366,570.			381,996.
Bldg & Bldg Improve	13,908,139.			(514,272.)	13,393,867.
Site Improvements	381,892.			3,750.	385,642.
Machinery & Equip.	297,326.	33,640.	(31,100.)	74,995.	374,861.
Totals at Historical Cost	14,587,357.	33,640.	(31,100.)	(435,527.)	14,154,370.
Less: Accum Deprec for:					
Bldg & Bldg Improve	(4,119,719.)	(255,472.)		15,487.	(4,359,704.)
Site Improvements	(332,460.)	(7,658.)		(116.)	(340,234.)
Machinery & Equip	(150,703.)	(29,254.)	31,100.	(66,169.)	(215,026.)
Total Accum Depreciation	(4,602,882.)	(292,384.)	31,100.	(50,798.)	(4,914,964.)
Total Capital Assets being Depreciated net of Accum Depreciation	9,984,475.	(258,744.)	0.	(486,325.)	9,239,406.
Government Activities Capital Assets, net	\$9,999,901.	\$107,826.	\$	\$(486,325.)	\$9,621,402.
Business-type Activities:					
Equipment	\$175,182.	\$18,191.	\$(20,200.)	\$(57,104.)	\$116,069.
Less Accum Dep for:					
Equipment	(127,310.)	(4,398.)	20,200.	50,238.	(61,270.)
Business-type Activities Capital Assets, net	\$47,872.	\$13,793.	\$0.	\$(6,866.)	\$54,799.

**\*Depreciation Expense was Charged to Governmental Functions as Follows:**

*Instruction:*

Regular	\$(146,192.)
Special Education	(29,238.)
Support Services:	
Student & Instruction Related Services	(43,858.)
School Administration	(29,238.)
General and Business Administrative Services	(29,238.)
Plant Operations and Maintenance	(14,620.)
Total Depreciation Expense	<u>\$(292,384.)</u>

**Hopewell Township Board of Education**  
**Notes to the Financial Statements**  
**June 30, 2012**

**NOTE 6. INVENTORY**

Inventory in the Food Service Fund at June 30, 2012 consisted of the following:

Food and Supplies	\$3,309.
Commodities	<u>1,514.</u>
	<u>\$4,823.</u>

For value of Federal donated commodities as reflected on Schedule A, The Schedule of Expenditures of Federal Awards is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

**NOTE 7. LONG-TERM DEBT**

The reporting entity's long-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities:

<u>Type of Debt</u>	<u>Balance</u> <u>June 30, 2011</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>June 30, 2012</u>	<u>Amounts Due</u> <u>Within 1 Year</u>
<b>Governmental Activities:</b>					
Bonds payable	\$4,047,000.	\$0.	\$(870,000.)	\$3,177,000.	\$250,000.
Compensated absences payable	158,509.	62,604.	(41,121.)	179,992.	0.
	<u>\$4,205,509.</u>	<u>\$62,604.</u>	<u>\$(911,121.)</u>	<u>\$3,356,992.</u>	<u>\$250,000.</u>
<b>Business-Type Activities:</b>					
Compensated absences payable	<u>\$0.</u>	<u>\$0.</u>	<u>\$0.</u>	<u>\$0.</u>	<u>\$0.</u>

**A. Bonds Payable:**

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

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

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$250,000.	\$119,799.	\$369,799.
2014	270,000.	111,599.	381,599.
2015	285,000.	102,750.	387,750.
2016	296,000.	92,418.	388,418.
2017	310,000.	80,693.	390,693.
2018-2022	1,045,000.	225,472.	1,270,472.
2023-2025	721,000.	81,478.	802,478.
	<u>\$3,177,000.</u>	<u>\$814,209.</u>	<u>\$3,991,209.</u>

**B. Bonds Authorized But Not Issued:**

As of June 30, 2012, the District had no authorized but not issued bonds.

**C. Capital Leases Payable:**

The District is currently not participating in any capital leases.

**Hopewell Township Board of Education  
Notes to the Financial Statements  
June 30, 2012**

**NOTE 8. OPERATING LEASES**

The District has entered into various agreements to lease office copiers under operating leases. The terms of the agreements call for monthly payments in the amount of \$797. for 60 months. Total operating lease payments made during the year ended June 30, 2012 were \$12,752. Future minimum lease payments required under operating leases are as follows:

Year Ending June 30,	<u>Amount</u>
2013	9,564.
2014	9,564.
2015	9,564.
2016	6,376.
Total	<u>\$35,068</u>

**NOTE 9. PENSION PLANS**

**Description of Plans** – All required employees of the District are covered by either the Public Employees’ Retirement System or the Teachers’ Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers’ Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625.

**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 systems’ 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 provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees’ Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State 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.

**Vesting and Benefit Provisions** – The vesting and benefit provisions for 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 eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years’ compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

**Hopewell Township Board of Education**  
**Notes to the Financial Statements**  
**June 30, 2012**

NOTE 9. PENSION PLANS (Continued)  
Vesting and Benefit Provisions (Continued)

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 credit to the members' accounts.

Significant Legislation – During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

Contribution Requirements – The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

<u>Three-Year Trend Information for PERS</u>			
Year	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
<u>Funding</u>	<u>Cost (APC)</u>	<u>Contributed</u>	<u>Obligation</u>
June 30, 2012	\$42,378.	100%	\$42,378.
June 30, 2011	42,238.	100%	42,238.
June 30, 2010	42,071.	100%	42,071.
<u>Three-Year Trend Information for TPAF</u>			
<u>(Paid on Behalf of the District)</u>			
Year	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
<u>Funding</u>	<u>Cost (APC)</u>	<u>Contributed</u>	<u>Obligation</u>
June 30, 2012	\$349,540.	100%	\$0.
June 30, 2011	251,741.	100%	0.
June 30, 2010	231,068.	100%	0.

During the fiscal year ended June 30, 2012, the State of New Jersey contributed \$349,540. to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$261,259. during the year ended June 30, 2012 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the general purpose financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

**Hopewell Township Board of Education**  
**Notes to the Financial Statements**  
**June 30, 2012**

NOTE 10. POST RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2011, there were 93,323 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS, TPAF, and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$144 million toward Chapter 126 benefits for 15,709 eligible retired members in fiscal year 2011.

NOTE 11. 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 who are employed for ten months are entitled to ten paid sick leave days per fiscal school year. District employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. Upon retirement and for those who have no less than ten (10) years of service in the District, the District shall pay the employees for unused sick leave in accordance with the District's agreements with the various employee unions. Vacation days not used during the year may only be carried forward with approval from the Superintendent.

The liability for vested compensated absences of the governmental activities is recorded as long-term debt in the district-wide statements. The current portion of the compensated absences balance is not considered material to the applicable funds total liabilities, and therefore is not shown separately from the long-term liability balance of compensated absences.

The liability for vested compensated absences of the proprietary fund is recorded within those funds as the benefits accrue to employees. As of June 30, 2012, a liability existed for compensated absences in the Enterprise Fund in the amount of \$0.

NOTE 12. DEFERRED COMPENSATION:

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

GWN Marketing, Inc.

**Hopewell Township Board of Education  
Notes to the Financial Statements  
June 30, 2012**

**NOTE 13.RISK MANAGEMENT:**

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

Property and Liability Insurance – The District maintains commercial insurance coverage for property, liability, and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Income</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011-2012	\$0.	\$6,405.	\$2,067.	\$3,755.	\$203,081.
2010-2011	0.	6,152.	2,229.	14,435.	198,364.
2009-2010	0.	5,696.	2,060.	6,112.	204,418.

**NOTE 14.CONTINGENT LIABILITIES**

The Board is involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the District.

**NOTE 15.INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remained on the balance sheet at June 30, 2012.

<u>Due From:</u>	<u>Due To:</u>		<u>Trust &amp; Agency</u>	<u>Total</u>
	<u>General</u>	<u>Enterprise</u>		
General	\$	\$	\$22,642.	\$22,642.
Enterprise				
Trust & Agency	22,642.			22,642.
Total	\$22,642.	\$0.	\$22,642.	\$45,284.

The balances resulted from the time lag between the dates that:

1. Interfund goods and services are provided or reimbursable expenditures occur;
2. Transactions are recorded in the accounting system, and
3. Payments between funds are made.

**NOTE 16.FUND BALANCE APPROPRIATED**

Restrictions of funds balances of governmental funds are established to either (1) satisfy legal covenants that require a portion of the fund balance to be segregated or (2) identify the portion of the fund balance that is not appropriate for future expenditures.

**Hopewell Township Board of Education**  
**Notes to the Financial Statements**  
**June 30, 2012**

NOTE 16.FUND BALANCE APPROPRIATED (Continued)

The District uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the District does not have a formal fund balance spending policy therefore the default spending order requires committed, assigned and then unassigned to be used to be spent first when expenditures are made.

The District follows the State of New Jersey's minimum fund balance policy for New Jersey Regular Public School Districts (N.J.S.A. 18A:7F-7). Pursuant to that policy, an undesignated fund balance of 2% of the general fund budget or \$250,000, whichever is greater may be maintained.

Specific classifications of fund balance are summarized below:

Non-Spendable Fund Balance – The District had no non-spendable fund balance at June 30, 2012.

Restricted Fund Balance

Capital Reserve Account – There was \$101,000 balance in the capital reserve account at June 30, 2012. These funds are restricted for future capital outlay expenditures for projects in the School District's long range facilities plan (LRFP).

For Maintenance Reserve Account – As of June 30, 2012, the balance in the maintenance reserve account was \$256,587. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c.73 (S1701).

Reserve for Excess Surplus – There was excess fund balance in the amount of \$602,068. at June 30, 2012. \$143,942. of this amount was appropriated in the 2012-2013 school budget.

Capital Projects Fund – As of June 30, 2012, the restricted fund balance amount was \$335,567. Budgets of district projects are approved and funded by voter referendum and the School Development Authority.

Committed Fund Balance – The District has no committed fund balance at June 30, 2012.

Assigned Fund Balance – At June 30, 2012, the Board of Education has assigned and the voters have approved, \$40,000. of general fund balance to expenditures in the 2012-2013 budget.

In addition, the District assigned fund balance in the general fund for other purposes of \$8,925. This represents encumbrances resulting from issuing purchase orders as a result of normal purchasing activities approved by District officials.

Unassigned Fund Balance – At June 30, 2012, the District has (61,004.) of unassigned fund balance in the general fund in the Capital Projects fund and \$1.00 in the debt service fund.

NOTE 17.DEFICIT FUND BALANCES

The District has a deficit fund balance of \$0. in the General Fund as of June 30, 2012 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year.

**Hopewell Township Board of Education**  
**Notes to the Financial Statements**  
**June 30, 2012**

NOTE 17.DEFICIT FUND BALANCES (Continued)

The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district can not recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to *N.J.S.A. 18A:22-44.2* any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$0. is less than the last state aid payment(s).

NOTE 18.CALCULATION OF EXCESS SURPLUS

In accordance with *N.J.S.A. 18A:7F-7*, as amended, the designation for Reserved 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 they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2012 is \$602,068.

NOTE 19.OTHER INFORMATION

On June 30, 2009 pursuant to P.L. 2007, c.63 and A-4141, signed into law by Governor Corzine on June 30, 2009 the non-operating Shiloh Borough School District was eliminated. Under a plan submitted by the New Jersey Department of Education Assistant Commissioner for Field Service the Shiloh Borough School District was merged into the Hopewell Township School District.

NOTE 20.SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred from June 30, 2012 through September 7, 2012, the date that the financial statements were issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

**REQUIRED SUPPLEMENTARY INFORMATION–PART II**

## **BUDGETARY COMPARISON SCHEDULES**

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>					
Local sources:					
Local tax levy	\$ 3,052,927.	\$	\$ 3,052,927.	\$ 3,052,927.	\$
Tuition	97,254.		97,254.	128,998.	31,744.
Interest earned				17,891.	17,891.
Miscellaneous	143,146.		143,146.	116,690.	(26,456.)
Total local sources	<u>3,293,327.</u>	<u>0.</u>	<u>3,293,327.</u>	<u>3,316,506.</u>	<u>23,179.</u>
State sources:					
Equalization Aid	2,521,575.		2,521,575.	2,521,575.	
Categorical Transportation Aid	143,388.		143,388.	143,388.	
Special Education Aid	248,270.		248,270.	248,270.	
Security Aid	67,794.		67,794.	67,794.	
Adjustment Aid	293,698.		293,698.	293,698.	
On behalf TPAF pension contribution (non-budgeted)				349,540.	349,540.
On behalf TPAF social security contribution (non-budgeted)				261,259.	261,259.
Extraordinary Aid				8,344.	8,344.
Additional Non-Public Transportation Aid				2,610.	2,610.
Total state sources	<u>3,274,725.</u>	<u>0.</u>	<u>3,274,725.</u>	<u>3,896,478.</u>	<u>621,753.</u>
Federal sources:					
Education Jobs Fund	115,628.	3,622.	119,250.	115,628.	(3,622.)
Medical Assistance Program	10,445.		10,445.	8,452.	(1,993.)
Total federal sources	<u>126,073.</u>	<u>3,622.</u>	<u>129,695.</u>	<u>124,080.</u>	<u>(5,615.)</u>
Total revenues	<u>6,694,125.</u>	<u>3,622.</u>	<u>6,697,747.</u>	<u>7,337,064.</u>	<u>639,317.</u>

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Expenditures:</b>					
Current expense:					
Regular programs-instruction:					
Preschool/Kindergarten-salaries of teachers	\$ 250,216.	\$ 8,384.	\$ 258,600.	\$ 258,600.	\$
Grades 1-5-salaries of teachers	1,234,420.	(24,190.)	1,210,230.	1,210,230.	
Grades 6-8-salaries of teachers	783,909.	(75,561.)	708,348.	636,882.	71,466.
Regular programs-home instruction:					
Salaries of teachers	4,000.		4,000.	3,030.	970.
Other purchased services	10.		10.		10.
Regular programs-undistributed instruction:					
Other salaries for instruction	74,855.	23,516.	98,371.	97,861.	510.
Purchased prof/educ services	5,000.	(4,250.)	750.	750.	
Other purchased services	8,000.	4,657.	12,657.	10,050.	2,607.
General supplies	120,895.	(4,918.)	115,977.	115,488.	489.
Textbooks	5,000.	2,402.	7,402.	7,374.	28.
Other objects	5,000.	6,951.	11,951.	11,951.	
Total regular programs - instruction	2,491,305.	(63,009.)	2,428,296.	2,352,216.	76,080.
<b>Special education-instruction:</b>					
Learning and/or language disabilities:					
Salaries of teachers	125,125.	3,532.	128,657.	128,657.	
Other salaries for instruction	72,528.	(55,465.)	17,063.	17,063.	
General supplies	2,000.	2,875.	4,875.	4,875.	
Textbooks	1,000.	(1,000.)			
Total learning and/or language disabilities	200,653.	(50,058.)	150,595.	150,595.	0.

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
Multiple Disabilities:					
Salaries of teachers	\$	\$ 58,955.	\$ 58,955.	\$ 58,107.	\$ 848.
Other salaries for instruction		48,963.	48,963.	48,963.	
General supplies		4,107.	4,107.	4,107.	
Total multiple disabilities	0.	112,025.	112,025.	111,177.	848.
Resource room/resource center:					
Salaries of teachers	329,887.	1,373.	331,260.	304,954.	26,306.
General supplies	2,900.	216.	3,116.	3,116.	
Textbooks	500.	(500.)			
Total resource room/resource center	333,287.	1,089.	334,376.	308,070.	26,306.
Total special education-instruction	533,940.	63,056.	596,996.	569,842.	27,154.
Basic skills/remedial-instruction:					
Salaries	60,457.		60,457.	49,401.	11,056.
Other salaries for instruction	18,268.	(700.)	17,568.		17,568.
General supplies	1,000.		1,000.	1,000.	
Textbooks	1,000.	(810.)	190.		190.
Total basic skills/remedial-instruction	80,725.	(1,510.)	79,215.	50,401.	28,814.
Bilingual education-instruction:					
Salaries of teachers	11,412.		11,412.	11,343.	69.
General supplies	1,200.		1,200.	836.	364.
Total bilingual education-instruction	12,612.	0.	12,612.	12,179.	433.
School sponsored co-curricular act-instruction:					
Salaries	26,576.	(1.)	26,575.	21,337.	5,238.
Total school spon co-curricular act-instruction	26,576.	(1.)	26,575.	21,337.	5,238.
Other instructional programs-instruction:					
Salaries	50,201.		50,201.	46,105.	4,096.
Total other instructional programs-instruction	50,201.	0.	50,201.	46,105.	4,096.
Total instruction	3,195,359.	(1,464.)	3,193,895.	3,052,080.	141,815.

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Undistributed expenditures:</b>					
Instruction:					
Tuition-other LEAs within state-special	\$ 64,276.	\$(2,863.)	\$ 61,413.	\$ 21,114.	\$ 40,299.
Tuition-co spec serv & reg day schools	143,623.	(28,931.)	114,692.	46,979.	67,713.
Total instruction	207,899.	(31,794.)	176,105.	68,093.	108,012.
Attendance and social work services:					
Salaries	3,792.		3,792.	2,164.	1,628.
Total attendance and social work services	3,792.	0.	3,792.	2,164.	1,628.
Health services:					
Salaries	75,488.		75,488.	71,265.	4,223.
Purchased prof/tech services		200.	200.	200.	
Other purchased services		100.	100.	24.	76.
Supplies and materials	3,000.	(215.)	2,785.	2,785.	
Other objects	3,000.	(2,484.)	516.	85.	431.
Total health services	81,488.	(2,399.)	79,089.	74,359.	4,730.
Speech, OT, PT and related services:					
Salaries	63,785.	(3,933.)	59,852.	58,689.	1,163.
Purchased professional/educational services	42,100.	25,048.	67,148.	70,548.	(3,400.)
Supplies and materials	1,500.	(407.)	1,093.	1,003.	90.
Total other sup services-students-related services	107,385.	20,708.	128,093.	130,240.	(2,147.)
Guidance:					
Salaries of other professional staff	66,398.	(300.)	66,098.	65,005.	1,093.
Other purchased services	100.	(24.)	76.	8.	68.
Supplies and materials	1,400.	1,941.	3,341.	3,321.	20.
Total other support services-students-regular	67,898.	1,617.	69,515.	68,334.	1,181.
Child study teams:					
Salaries of other professional staff	118,911.	(1,810.)	117,101.	105,240.	11,861.
Salaries of secretarial and clerical assistants	19,837.	1,320.	21,157.	21,057.	100.
Miscellaneous purchased services	2,000.	4,804.	6,804.	6,804.	
Supplies and materials	6,000.	(2,559.)	3,441.	3,283.	158.
Other objects	2,500.	(1,755.)	745.	745.	
Total other sup services-students-special services	149,248.	0.	149,248.	137,129.	12,119.
Improvement of instruction services:					
Salaries of supervisor of instruction	76,928.	(76,928.)			
Salaries of other professional staff		76,928.	76,928.	67,727.	9,201.
Salaries of secretarial and clerical assistants	21,283.		21,283.	20,774.	509.
Purchased prof/educ services	14,000.	910.	14,910.	14,910.	
Other purchased services	5,000.	(2,467.)	2,533.	820.	1,713.
Supplies and materials	500.	1,557.	2,057.	1,829.	228.
Total improvement of instr serv/other supp ser-instr staff	117,711.	0.	117,711.	106,060.	11,651.

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
Educational media services/school library:					
Salaries	\$ 63,649.	\$	\$ 63,649.	\$ 56,834.	\$ 6,815.
Other purchased services	2,971.	(36.)	2,935.	2,232.	703.
Supplies and materials	5,900.	116.	6,016.	5,788.	228.
Total educational media services/school library	72,520.	80.	72,600.	64,854.	7,746.
Instructional staff training services:					
Purchased professional/educational services	2,000.		2,000.		2,000.
Total instructional staff training services	2,000.	0.	2,000.	0.	2,000.
Support services-general administration:					
Salaries	72,809.		72,809.	72,809.	
Legal services	4,000.	4,309.	8,309.	7,782.	527.
Audit fees	27,600.	(7,100.)	20,500.	20,500.	
Architectural/engineering services	2,000.	(2,000.)			
Other purchased professional services		1,008.	1,008.		1,008.
Communications/telephone	16,000.	14,581.	30,581.	27,856.	2,725.
Board member expense	1,000.	(232.)	768.	768.	
Other purchased services	12,800.	(3,345.)	9,455.	8,973.	482.
Supplies and materials	4,000.	(641.)	3,359.	3,359.	
BOE in-house training/meeting supplies	200.	(200.)			
Miscellaneous expenditures	13,500.	(7,667.)	5,833.	2,886.	2,947.
Board of Education dues	5,000.	1,286.	6,286.	6,016.	270.
Total support services-general administration	158,909.	(1.)	158,908.	150,181.	8,727.
Support services school administration:					
Salaries of principals	83,559.		83,559.	82,436.	1,123.
Salaries of secretarial and clerical assistants	42,519.	130.	42,649.	42,649.	
Other purchased services	5,000.	(849.)	4,151.	1,815.	2,336.
Supplies and materials	10,000.	(367.)	9,633.	9,223.	410.
Other objects	2,378.	1,086.	3,464.	3,014.	450.
Total support services school administration	143,456.	0.	143,456.	139,137.	4,319.
Central services:					
Salaries	146,480.	(2,378.)	144,102.	122,145.	21,957.
Purchased professional services		940.	940.	940.	
Miscellaneous purchased services	11,000.	(843.)	10,157.	9,639.	518.
Supplies and materials	3,000.	2,281.	5,281.	5,281.	
Other objects	1,000.		1,000.	960.	40.
Total central services	161,480.	0.	161,480.	138,965.	22,515.

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
Admin. Info. Tech.					
Salaries	\$ 4,000.	\$	\$ 4,000.	\$ 1,260.	\$ 2,740.
Purchased technical services	19,000.		19,000.	18,970.	30.
Total Admin. Info. Tech.	23,000.	0.	23,000.	20,230.	2,770.
Required maintenance for school facilities:					
Cleaning, repair and maintenance services	102,600.	(8,260.)	94,340.	47,019.	47,321.
General supplies	47,787.	(5,242.)	42,545.	3,528.	39,017.
Other objects	30,000.		30,000.	26,651.	3,349.
Total allowable maintenance for school facilities	180,387.	(13,502.)	166,885.	77,198.	89,687.
Custodial services:					
Salaries	116,772.	14,426.	131,198.	123,549.	7,649.
Purchased prof/tech services	5,000.	(4,800.)	200.	200.	
Cleaning, repair and maintenance services	150,000.	9,230.	159,230.	154,305.	4,925.
Insurance	28,000.	(235.)	27,765.	27,182.	583.
Miscellaneous purchased services	100.	235.	335.	102.	233.
General supplies	29,400.		29,400.	29,030.	370.
Energy (natural gas)	15,000.	(3,000.)	12,000.	7,221.	4,779.
Energy (electricity)	155,000.	5,242.	160,242.	152,290.	7,952.
Other objects	100.		100.		100.
Total other operation and mainten of plant services	499,372.	21,098.	520,470.	493,679.	26,791.
Care and upkeep of grounds:					
Salaries	5,510.	659.	6,169.	6,169.	
Cleaning, repair and maintenance	5,000.	(1,478.)	3,522.	3,055.	467.
General supplies	400.	1,478.	1,878.	1,878.	
Total care and upkeep of grounds	10,910.	659.	11,569.	11,102.	467.
Total operation and maintenance of plant services	690,669.	8,255.	698,924.	581,979.	116,945.
Students transportation services:					
Contracted services (not home/school) vendors	29,500.		29,500.	26,428.	3,072.
Contracted services & public carriers	275,640.	(8,511.)	267,129.	267,129.	
Contracted services (special ed) joint agreements	110,758.	25,300.	136,058.	123,236.	12,822.
Contracted services - aid in lieu of payments-nonpublic	17,000.	(3,000.)	14,000.	12,375.	1,625.
Total student transportation services	432,898.	13,789.	446,687.	429,168.	17,519.

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
Unallocated Benefits:					
Social security contribution	\$ 50,720.	\$ 12,608.	\$ 63,328.	\$ 63,328.	\$
State or county retirement	45,000.	(1,581.)	43,419.	43,419.	
Workmen's compensation	39,000.	(2,026.)	36,974.	36,776.	198.
Health benefits	872,293.	(24,950.)	847,343.	749,367.	97,976.
Tuition reimbursement	12,000.	2,085.	14,085.	14,085.	
Other employee benefits	41,045.	76.	41,121.	41,121.	
Total unallocated benefits	<u>1,060,058.</u>	<u>(13,788.)</u>	<u>1,046,270.</u>	<u>948,096.</u>	<u>98,174.</u>
On behalf TPAF pension contributions (non-budgeted)				349,540.	(349,540.)
Reimbursed TPAF soc sec contributions (non-budgeted)				261,259.	(261,259.)
Total undistributed expenditures	<u>3,480,411.</u>	<u>(3,533.)</u>	<u>3,476,878.</u>	<u>3,669,788.</u>	<u>(192,910.)</u>
Total expenditures-current expense	<u>6,675,770.</u>	<u>(4,997.)</u>	<u>6,670,773.</u>	<u>6,721,868.</u>	<u>(51,095.)</u>
CAPITAL OUTLAY:					
Undistributed expenditures:					
Admin information technology	5,649.		5,649.	4,859.	790.
Care and upkeep of grounds	12,999.	10,950.	23,949.	23,949.	
Total equipment	<u>18,648.</u>	<u>10,950.</u>	<u>29,598.</u>	<u>28,808.</u>	<u>790.</u>
Facilities acquisition and construction services:					
Other objects	8,120.		8,120.	8,120.	
Total facilities acquisition and construction services	<u>8,120.</u>	<u>0.</u>	<u>8,120.</u>	<u>8,120.</u>	<u>0.</u>
Total capital outlay expenditures	<u>26,768.</u>	<u>10,950.</u>	<u>37,718.</u>	<u>36,928.</u>	<u>790.</u>
Total general fund	<u>\$ 6,702,538.</u>	<u>\$ 5,953.</u>	<u>\$ 6,708,491.</u>	<u>\$ 6,758,796.</u>	<u>\$ (50,305.)</u>

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
Excess (deficiency) of revenues over (under) expenditures	\$(8,413.)	\$(2,331.)	\$(10,744.)	\$ 578,268.	\$ 589,012.
Other financing sources (uses):					
Operating transfers out:					
Transfers to/from Internal Service Fund			(2,140.)		(2,140.)
Total other financial sources (uses)	0.	0.	0.	(2,140.)	(2,140.)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(8,413.)	(2,331.)	(10,744.)	576,128.	586,872.
Fund balances, July 1	592,507.		592,507.		
Fund balances, June 30	\$ 584,094.	\$(2,331.)	\$ 581,763.	\$ 1,168,635.	\$ 586,872.
<b>Recapitulation:</b>					
<b>Restricted fund balance:</b>					
Capital reserve				101.	
Maintenance reserve				256,587.	
Excess surplus designated for subsequent year's expend.				143,942.	
Excess surplus-current year				458,126.	
<b>Assigned fund balance:</b>					
Year-end encumbrances				8,925.	
Designated for subsequent year's expenditures				40,000.	
<b>Unassigned fund balance:</b>				260,954.	
				<u>1,168,635.</u>	
<b>Reconciliation to Governmental Funds Statements (GAAP):</b>					
Last State Aid Payment not recognized on GAAP basis				(321,958.)	
Fund balance per Governmental Funds (GAAP)				<u>\$ 846,677.</u>	

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>					
Federal sources:					
Education Jobs Fund	\$ 115,628.	\$ 3,622.	\$ 119,250.	\$ 115,628.	\$ (3,622.)
Total Federal Sources	115,628.	3,622.	119,250.	115,628.	(3,622.)
Total Revenues	115,288.	3,622.	119,250.	115,628.	(3,622.)
<b>Expenditures:</b>					
General Current Expense					
Education Jobs Fund - ARRA EJF					
Regular Programs-Undistributed Instruction	66,704.		66,704.	66,704.	
Other Salaries for Instruction					
Total Regular Programs-Instructional	66,704.	0.	66,704.	66,704.	0.
Custodial Services					
Salaries	48,924.	3,622.	52,546.	48,924.	3,622.
Total Custodial Services	48,924.	3,622.	52,546.	48,924.	3,622.
Total Expenditures	115,628.	3,622.	119,250.	115,628.	3,622.
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0	0
Fund Balance, July 1	0	0	0	0	0
Fund Balances, June 30	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local sources	\$ 5,539.	\$	\$ 5,539.	\$ 5,539.	\$
Federal sources	474,477.		474,477.	312,907.	(161,570.)
Total revenues	<u>\$ 480,016.</u>	<u>\$ 0.</u>	<u>\$ 480,016.</u>	<u>\$ 318,446.</u>	<u>\$(161,570.)</u>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of teachers	\$ 73,524.	\$	\$ 73,524.	\$ 61,287.	\$ 12,237.
Other salaries for instruction	36,361.		36,361.	36,361.	
Purchased prof/educ services	18,336.		18,336.	16,040.	2,296.
Other purchased services	116,464.		116,464.	78,203.	38,261.
General supplies	14,654.		14,654.	2,023.	12,631.
Total instruction	<u>259,339.</u>	<u>0.</u>	<u>259,339.</u>	<u>193,914.</u>	<u>65,425.</u>
Support Services:					
Salaries of other professional staff	41,130.		41,130.	34,336.	6,794.
Personal services - employee benefits	17,575.		17,575.	14,689.	2,886.
Purchased prof/educ services	94,346.		94,346.	54,215.	40,131.
Travel	1,000.		1,000.	880.	120.
Other purchased services	21,840.		21,840.	7,666.	14,174.
Supplies and materials	32,188.		32,188.	7,914.	24,274.
Other objects	7,766.		7,766.	7,766.	
Total support services	<u>215,845.</u>	<u>0.</u>	<u>215,845.</u>	<u>119,700.</u>	<u>96,145.</u>
Facilities Acquisitions & Construction Services:					
Non-instructional equipment	4,832.		4,832.	4,832.	
Total Facilities Acquisitions & Construction Services	<u>4,832.</u>	<u>0.</u>	<u>4,832.</u>	<u>4,832.</u>	<u>0.</u>
Total expenditures	<u>480,016.</u>	<u>0.</u>	<u>480,016.</u>	<u>318,446.</u>	<u>161,570.</u>
Total outflows	<u>480,016.</u>	<u>0.</u>	<u>480,016.</u>	<u>318,446.</u>	<u>161,570.</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 7,337,064.	\$ 318,446.
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	N/A	
Prior year encumbrance		75.
Current year encumbrance		0.
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	302,635.	0.
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(321,958.)	0.
	<u>\$ 7,317,741.</u>	<u>\$ 318,521.</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.		
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 6,760,936.	\$ 318,446.
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	N/A	
Prior year encumbrance		75.
Current year encumbrance		0.
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.		
Net transfers (outflows) to general fund	(2,140.)	0.
	<u>\$ 6,758,796.</u>	<u>\$ 318,521.</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds		

## **SCHOOL LEVEL SCHEDULES**

**N/A**

## **SPECIAL REVENUE FUND**

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Title I Part A	Title I Part D	Title II Part A	I.D.E.A. Part B Basic	I.D.E.A. Pre-School	REAP	Safety Program	Totals 2012
<b>Revenues:</b>								
Local sources	\$ 76,104.	\$ 100,220.	\$ 17,019.	\$ 76,697.	\$ 1,506.	\$ 41,361.	\$ 5,539.	\$ 5,539.
Federal sources								312,907.
Total revenues	\$ 76,104.	\$ 100,220.	\$ 17,019.	\$ 76,697.	\$ 1,506.	\$ 41,361.	\$ 5,539.	\$ 318,446.
<b>Expenditures:</b>								
Instruction:								
Salaries of teachers	\$ 50,366.	\$ 8,671.	\$ 2,250.	\$	\$	\$	\$	\$ 61,287.
Other salaries for instruction						36,361.		36,361.
Purchased prof/educ services	13,840.		2,200.	76,697.	1,506.			16,040.
Other purchased services								78,203.
General supplies		2,023.						2,023.
Total instruction	64,206.	10,694.	4,450.	76,697.	1,506.	36,361.	0.	193,914.
Support services:								
Salaries of other professional staff		32,336.	2,000.					34,336.
Personal serv employee benefits	9,689.					5,000.		14,689.
Purchased prof/educ services		49,815.	4,400.					54,215.
Travel	880.							880.
Other purchased services		1,497.	6,169.					7,666.
Supplies & materials	1,329.	5,878.					707.	7,914.
Total support services	11,898.	89,526.	12,569.	0.	0.	5,000.	707.	119,700.
Facilities Acquisition & Constr Ser:								
Non-instructional equipment							4,832.	4,832.
Total Facilities Acq & Constr Ser	0.	0.	0.	0.	0.	0.	4,832.	4,832.
Total expenditures	\$ 76,104.	\$ 100,220.	\$ 17,019.	\$ 76,697.	\$ 1,506.	\$ 41,361.	\$ 5,539.	\$ 318,446.

## **CAPITAL PROJECTS FUND**

HOPEWELL TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2012

Project Description	Total Authorized Cost	Prior Year's Expenditures	Current Year Expenditures	Adjustment	Unexpended Balance
Hopewell Crest:					
Referendum Projects (2005)	\$ 2,509,691.	\$ 2,367,744.	\$	\$(141,947.)	\$
Swipe Card Locks	26,100.	26,043.		(5.)	52.
Solar Heat & HVAC Project (2009)	2,821,375.	2,119,290.	366,570.		335,515.
<b>Total</b>	<b>\$ 5,357,166.</b>	<b>\$ 4,513,077.</b>	<b>\$ 366,570.</b>	<b>\$(141,952.)</b>	<b>\$ 335,567.</b>

HOPEWELL TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE-BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012

Revenues and Other Financing Sources:	
Bond proceeds	\$ 0.
Total revenues	<u>0.</u>
Expenditures and Other Financing Uses	
Construction in process	366,570.
Total expenditures	<u>366,570.</u>
Excess (deficiency) of revenues over (under) expenditures	(366,570.)
Other financing sources (uses):	
Operating transfers:	
Transfers to debt service	<u>(141,952.)</u>
Total other financing sources (uses)	<u>(141,952.)</u>
Excess (deficiency) of revenues and other financing resources over/(under) expenditures and other financial uses	<u>(508,522.)</u>
Fund balance - beginning	<u>844,089.</u>
Fund balance - ending	<u><u>\$ 335,567.</u></u>

HOPEWELL TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
HOPEWELL CREST REFERENDUM PROJECTS  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources:				
State sources - SCC Grant	\$ 1,348,520.	\$	\$ 1,348,520.	\$ 1,348,520.
Bond proceeds	1,161,000.		1,161,000.	1,161,000.
Interest	16,238.		16,238.	
Transfer from capital outlay	171.		171.	171.
Cancellation of remaining SCC Grant	(60,713.)		(60,713.)	
<b>Total revenues</b>	<b>2,465,216.</b>	<b>0.</b>	<b>2,465,216.</b>	<b>2,509,691.</b>
Expenditures and Other Financing Uses:				
Purchased professional and technical services	278,674.		278,674.	579,218.
Construction services	1,930,474.		1,930,474.	1,930,473.
Transfer to general fund	6,331.		6,331.	
Transfer to debt service	9,907.	141,947.	151,854.	
Equipment	26,473.		26,473.	
Supplies	71,410.		71,410.	
<b>Total expenditures</b>	<b>2,323,269.</b>	<b>141,947.</b>	<b>2,465,216.</b>	<b>2,509,691.</b>
Excess (deficiency) or revenues over (under) expenditures	\$ 141,947.	\$(141,947.)	\$ 0.	\$ 0.
Additional project information:				
Project Number	58-01116-10			
Grant Date	02/22/05			
Bond Authorization Date	02/01/05			
Bonds Authorized	\$ 1,161,000.			
Bonds Issued	\$ 1,161,000.			
Original Authorized Cost	\$ 2,509,690.			
Additional Authorized Cost	\$ 0.			
Revised Authorized Cost	\$ 2,509,691.			
Percentage Increase Over Original Authorized Cost	0%			
Percentage Completion	100%			
Original Target Completion Date	December, 2005			
Revised Target Completion Date	August, 2006			

HOPEWELL TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
HOPEWELL CREST SWIPE CARD LOCKS  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources:				
Transfer from capital outlay	\$ 26,100.	\$	\$ 26,100.	\$ 26,100.
Total revenues	26,100.	0.	26,100.	26,100.
Expenditures and Other Financing Uses:				
Equipment	26,043.		26,043.	26,100.
Transfers to debt service		5.	5.	
Total expenditures	26,043.	5.	26,048.	26,100.
Excess (deficiency) or revenues over (under) expenditures	\$ 57.	\$(5.)	\$ 52.	\$ 0.
Additional project information:				
Project Number		N/A		
Grant Date		N/A		
Bond Authorization Date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost	\$ 26,100.			
Additional Authorized Cost	\$(52.)			
Revised Authorized Cost	\$ 26,048.			
Percentage Increase Over Original Authorized Cost		N/A		
Percentage Completion		100%		
Original Target Completion Date		6/30/2008		
Revised Target Completion Date		6/30/2008		

HOPEWELL TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
HOPEWELL CREST REFERENDUM PROJECTS  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources:				
Bond proceeds	\$ 2,821,000.	\$	\$ 2,821,000.	\$ 2,821,000.
Transfer from capital outlay	375.		375.	375.
Total revenues	2,821,375.	0.	2,821,375.	2,821,375.
Expenditures and Other Financing Uses:				
Purchased prof/tech services	252,043.	18,258.	270,301.	217,875.
Construction services	1,813,664.	348,312.	2,161,976.	2,513,500.
Other	53,583.		53,583.	90,000.
Total expenditures	2,119,290.	366,570.	2,485,860.	2,821,375.
Excess (deficiency) or revenues over (under) expenditures	\$ 702,085.	\$(366,570.)	\$ 335,515.	\$ 0.
Additional project information:				
Project Number		2270-060-09-1000		
Grant Date		N/A		
Bond Authorization Date		2/9/2009		
Bonds Authorized		\$ 2,821,000.		
Bonds Issued		\$ 2,821,000.		
Original Authorized Cost		\$ 2,821,375.		
Additional Authorized Cost		\$ 0.		
Revised Authorized Cost		\$ 2,821,375.		
Percentage Increase Over Original Authorized Cost				
Percentage Completion		88.11%		
Original Target Completion Date				
Revised Target Completion Date		October, 2012		

## **PROPRIETARY FUNDS**

## **ENTERPRISE FUNDS**

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET ASSETS  
AS OF JUNE 30, 2012

	Food Service	Child Study Team	Total
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$ 88,876.	\$	\$ 88,876.
Accounts receivable:			
Federal	4,941.		4,941.
State	136.		136.
Inventories	4,823.		4,823.
<b>Total current assets</b>	<b>98,776.</b>	<b>0.</b>	<b>98,776.</b>
Fixed assets:			
Equipment	116,069.	51,259.	167,328.
Accumulated depreciation	(61,270.)	(51,259.)	(112,529.)
<b>Total fixed assets</b>	<b>54,799.</b>	<b>0.</b>	<b>54,799.</b>
<b>Total assets</b>	<b>\$ 153,575.</b>	<b>\$ 0.</b>	<b>\$ 153,575.</b>
<b>LIABILITIES AND FUND EQUITY:</b>			
Liabilities:			
Current liabilities:			
Deferred revenues	\$ 1,514.	\$	\$ 1,514.
Accounts payable	30,669.		30,669.
Prepaid lunches	2,952.		2,952.
<b>Total current liabilities</b>	<b>35,135.</b>	<b>0.</b>	<b>35,135.</b>
<b>Total liabilities</b>	<b>\$ 35,135.</b>	<b>\$ 0.</b>	<b>\$ 35,135.</b>
<b>NET ASSETS:</b>			
Invested in capital assets	\$ 54,799.	\$	\$ 54,799.
Unrestricted	63,641.		63,641.
<b>Total net assets</b>	<b>\$ 118,440.</b>	<b>\$ 0.</b>	<b>\$ 118,440.</b>

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Food Service	Child Study Team	Total
<b>OPERATING REVENUES:</b>			
Local sources:			
Assessment to member districts:			
Daily sales-reimbursable programs:			
School lunch program	\$ 64,545.	\$	\$ 64,545.
School breakfast program	1,449.		1,449.
Daily sales-non-reimbursable programs	45,502.		45,502.
Miscellaneous income	4,676.		4,676.
Total operating revenues	<u>116,172.</u>	<u>0.</u>	<u>116,172.</u>
<b>OPERATING EXPENSES:</b>			
Salaries	58,540.		58,540.
Employee benefits	10,885.		10,885.
Repairs and maintenance	3,372.		3,372.
Supplies and materials	15,308.		15,308.
Depreciation	4,397.	1,509.	5,906.
Cost of sales	87,474.		87,474.
Miscellaneous	15,917.		15,917.
Office supplies	740.		740.
Performance fees	27,675.		27,675.
Total operating expenses	<u>224,308.</u>	<u>1,509.</u>	<u>225,817.</u>
Operating income/(loss)	<u>(108,136.)</u>	<u>(1,509.)</u>	<u>(109,645.)</u>
<b>Nonoperating revenues:</b>			
State sources:			
State school lunch program	2,761.		2,761.
Federal sources:			
National school breakfast program	20,675.		20,675.
National school lunch program	76,118.		76,118.
U.S.D.A. commodities	15,352.		15,352.
Interest revenue		9.	9.
Total nonoperating revenues	<u>114,906.</u>	<u>9.</u>	<u>114,915.</u>
Change in net assets before operating transfers in/(out)	<u>6,770.</u>	<u>(1,500.)</u>	<u>5,270.</u>
<b>Operating transfer in/(out):</b>			
Operating transfer in		2,140.	2,140.
Total operating transfer in/(out)	<u>0.</u>	<u>2,140.</u>	<u>2,140.</u>
Change in net assets	6,770.	640.	7,410.
Net assets, July 1	117,027.	(640.)	116,387.
Prior year adjustment	(5,357.)		(5,357.)
Net assets, June 30	<u>\$ 118,440.</u>	<u>\$ 0.</u>	<u>\$ 118,440.</u>

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Food Service Fund	Child Study Team Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers	\$ 116,362.	\$	\$ 116,362.
Cash payments to suppliers	(209,193.)		(209,193.)
Net cash provided (used) by operating activities	(92,831.)	0.	(92,831.)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
State sources	2,839.		2,839.
Federal sources	99,091.		99,091.
Operating transfers in		2,140.	2,140.
Net cash provided by noncapital financing activities	101,930.	2,140.	104,070.
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of equipment	(18,191.)		(18,191.)
Repayment on loan		(24,299.)	(24,299.)
Interest on investments		9.	9.
Net cash provided by investing activities	(18,191.)	(24,290.)	(42,481.)
Net increase/(decrease) in cash and cash equivalents	(9,092.)	(22,150.)	(31,242.)
Cash and cash equivalents - July 1	97,968.	22,150.	120,118.
Cash and cash equivalents - June 30	\$ 88,876.	\$ 0.	\$ 88,876.
<b>Reconciliation of operating income/(loss) to net cash provided/(used) by operating activities:</b>			
Operating income/(loss)	\$(108,136.)	\$(1,509.)	\$(109,645.)
<b>Adjustments to reconcile operating income to cash provided/(used) by operating activities:</b>			
Depreciation expense	4,397.	1,509.	5,906.
Federal commodities	15,352.		15,352.
<b>Change in assets and liabilities:</b>			
(Increase)/decrease in inventory	(1,139.)		(1,139.)
Increase/(decrease) in accounts payable	(3,544.)		(3,544.)
Increase/(decrease) in deferred revenue	50.		50.
Increase/(decrease) in prepaid lunches	189.		189.
Net cash provided/(used) by operating activities	\$(92,831.)	\$ 0.	\$(92,831.)

## **INTERNAL SERVICE FUND**

HOPEWELL TOWNSHIP SCHOOL DISTRICT  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET ASSETS  
AS OF JUNE 30, 2012

	Shared Business Services	Curriculum Coordinator	Total
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$ 11,619.	\$ 1,665.	\$ 13,284.
Total current assets	11,619.	1,665.	13,284.
Total current assets	<u>\$ 11,619.</u>	<u>\$ 1,665.</u>	<u>\$ 13,284.</u>
<b>LIABILITIES:</b>			
Current liabilities:			
Accounts payable	\$	\$ 1,305.	\$ 1,305.
Total current liabilities	0.	1,305.	1,305.
Total liabilities	0.	1,305.	1,305.
<b>NET ASSETS:</b>			
Unrestricted	11,619.	360.	11,979.
Total net assets	<u>\$ 11,619.</u>	<u>\$ 360.</u>	<u>\$ 11,979.</u>

HOPEWELL TOWNSHIP SCHOOL DISTRICT  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET ASSETS  
AS OF JUNE 30, 2012

	Shared Business Services	Curriculum Coordinator	Total
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$ 11,619.	\$ 1,665.	\$ 13,284.
Total current assets	11,619.	1,665.	13,284.
Total current assets	\$ 11,619.	\$ 1,665.	\$ 13,284.
<b>LIABILITIES:</b>			
Current liabilities:			
Accounts payable	\$	\$ 1,305.	\$ 1,305.
Total current liabilities	0.	1,305.	1,305.
Total liabilities	0.	1,305.	1,305.
<b>NET ASSETS:</b>			
Unrestricted	11,619.	360.	11,979.
Total net assets	\$ 11,619.	\$ 360.	\$ 11,979.

HOPEWELL TOWNSHIP SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET ASSETS  
INTERNAL SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Shared Business Services	Curriculum Coordinator	Total
OPERATING REVENUES:			
Fees	\$ 75,075.	\$ 107,000.	\$ 182,075.
Total operating revenues	75,075.	107,000.	182,075.
OPERATING EXPENSES:			
Salaries and benefits	61,789.	101,383.	163,172.
Travel		2,596.	2,596.
General supplies	1,667.	1,370.	3,037.
Miscellaneous		1,291.	1,291.
Total operating expenses	63,456.	106,640.	170,096.
Operating income/(loss)	11,619.	360.	11,979.
Change in net assets	11,619.	360.	11,979.
TOTAL NET ASSETS - JULY 1	0.	0.	0.
TOTAL NET ASSETS - JUNE 30	\$ 11,619.	\$ 360.	\$ 11,979.

HOPEWELL TOWNSHIP SCHOOL DISTRICT  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Shared Business Services	Curriculum Coordinator	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers	\$ 81,250.	\$ 108,305.	\$ 189,555.
Payments to suppliers	(1,667.)	(5,257.)	(6,924.)
Payments to employees	(63,333.)	(101,383.)	(164,716.)
Net cash provided (used) by operating activities	<u>16,250.</u>	<u>1,665.</u>	<u>17,915.</u>
<b>CASH FLOWS FOR FINANCING ACTIVITIES:</b>			
Repayment of interfund loan			
Purchase of equipment			
Net cash provided (used) by financing activities	<u>0.</u>	<u>0.</u>	<u>0.</u>
Net increase/(decrease) in cash and cash equivalents	16,250.	1,665.	17,915.
Cash and cash equivalents - July 1	<u>(4,631.)</u>	<u>0.</u>	<u>(4,631.)</u>
Cash and cash equivalents - June 30	<u>\$ 11,619.</u>	<u>\$ 1,665.</u>	<u>\$ 13,284.</u>
<b>Reconciliation of operating income/(loss) to net cash provided/ (used) by operating activities:</b>			
Operating income/(loss)	\$ 11,619.	\$ 360.	\$ 11,979.
<b>Adjustments to reconcile operating income/(loss) to net cash provided by/(used for) operating activities:</b>			
Depreciation	0.	0.	0.
<b>Change in assets and liabilities:</b>			
(Increase)/decrease in accounts receivable	6,175.		6,175.
Increase/(decrease) in accounts payable	(1,544.)		(1,544.)
Increase/(decrease) in prepaid fees		1,305.	1,305.
Net cash provided (used in) operating activities	<u>\$ 16,250.</u>	<u>\$ 1,665.</u>	<u>\$ 17,915.</u>

## **FIDUCIARY FUND**

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
AS OF JUNE 30, 2012

	Student Activity	Agency Fund	Unemployment Compensation Trust	Total
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 20,422.	\$ 20,917.	\$ 209,880.	\$ 251,219.
Payroll deductions and withholdings		1,645.		1,645.
Due from Unemployment		1,016.		1,016.
<b>Total assets</b>	<b>\$ 20,422.</b>	<b>\$ 23,578.</b>	<b>\$ 209,880.</b>	<b>\$ 253,880.</b>
<b>LIABILITIES:</b>				
Payroll deductions and withholdings	\$	\$ 6,719.	\$	\$ 6,719.
Due to student groups	20,422.			20,422.
Due to Agency			1,016.	1,016.
Interfund payable		16,859.	5,783.	22,642.
<b>Total liabilities</b>	<b>\$ 20,422.</b>	<b>\$ 23,578.</b>	<b>\$ 6,799.</b>	<b>\$ 50,799.</b>
<b>NET ASSETS:</b>	<b>0.</b>	<b>0.</b>	<b>203,081.</b>	<b>203,081.</b>
<b>Total net assets</b>	<b>\$ 0.</b>	<b>\$ 0.</b>	<b>\$ 203,081.</b>	<b>\$ 203,081.</b>

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Unemployment Compensation Trust	Total
ADDITIONS:		
Contributions:		
Plan member	\$ 6,405.	\$ 6,405.
Total contributions	<u>6,405.</u>	<u>6,405.</u>
Investment earnings:		
Interest	2,067.	2,067.
Net investment earnings	<u>2,067.</u>	<u>2,067.</u>
Total additions	<u>8,472.</u>	<u>8,472.</u>
DEDUCTIONS:		
Unemployment claims	3,755.	3,755.
Total deductions	<u>3,755.</u>	<u>3,755.</u>
Change in net assets	4,717.	4,717.
NET ASSETS, JULY 1	<u>198,364.</u>	<u>198,364.</u>
NET ASSETS, JUNE 30	<u>\$ 203,081.</u>	<u>\$ 203,081.</u>

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
STUDENT ACTIVITY AGENCY FUND SCHEDULE  
OF RECEIPTS AND DISBURSEMENTS  
FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Cash Balance July 1, 2011	Cash Receipts	Interest	Cash Disbursements	Cash Balance June 30, 2012
Student Activities	\$ 28,395.	\$ 74,714.	\$ 265.	\$ 85,542.	\$ 17,832.
In Memory of Christina Heminghaus	3,435.	175.	30.	1,050.	2,590.
Total	\$ 31,830.	\$ 74,889.	\$ 295.	\$ 86,592.	\$ 20,422.

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 4,202.	\$ 4,543,904.	\$ 4,527,189.	\$ 20,917.
Due from General	9,848.		9,848.	
Due from payroll withholdings		1,645.		1,645.
Due from Unemployment	2,914.		1,898.	1,016.
<b>Total assets</b>	<b>\$ 16,964.</b>	<b>\$ 4,545,549.</b>	<b>\$ 4,538,935.</b>	<b>\$ 23,578.</b>
<b>LIABILITIES:</b>				
Net payroll and payroll deductions and withholdings	\$ 16,964.	\$ 4,528,690.	\$ 4,538,935.	\$ 6,719.
Interfund payable		16,859.		16,859.
<b>Total liabilities</b>	<b>\$ 16,964.</b>	<b>\$ 4,545,549.</b>	<b>\$ 4,538,935.</b>	<b>\$ 23,578.</b>

## **LONG-TERM DEBT**

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
DEBT SERVICE FUND  
SCHEDULE OF SERIAL BONDS  
JUNE 30, 2012

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Amount	Interest Rate	Balance July 1, 2010	Issued	Retired	Balance June 30, 2011
Refunding School Bond of 1998	01/15/1998	\$6,235,000.	06/15/2012	\$ 640,000.	4.60%	\$ 640,000.	\$ 0.	\$ 640,000.	\$ 0.
Hopewell Crest Referendum Pjt.	02/01/2005	\$1,161,000.	02/01/2012	100,000.	3.500%				
			02/01/2013	110,000.	3.500%				
			02/01/2014	120,000.	3.500%				
			02/01/2015	125,000.	3.625%				
			02/01/2016	126,000.	3.750%				
			02/01/2017	130,000.	3.750%	711,000.	0.	100,000.	611,000.
Hopewell Crest School Alterations and Improvements	7/2/2009	\$2,821,000.	9/1/2011	130,000.	3.000%				
			9/1/2012	140,000.	3.000%				
			9/1/2013	150,000.	3.000%				
			9/1/2014	160,000.	3.000%				
			9/1/2015	170,000.	4.000%				
			9/1/2016	180,000.	4.000%				
			9/1/2017	190,000.	4.000%				
			9/1/2018	200,000.	4.000%				
			9/1/2019	205,000.	4.000%				
			9/1/2020	225,000.	4.000%				
			9/1/2021	225,000.	4.000%				
			9/1/2022	230,000.	4.100%				
			9/1/2023	250,000.	4.250%				
			9/1/2024	241,000.	4.300%	2,696,000.	0.	130,000.	2,566,000.
						\$ 4,047,000.	\$ 0.	\$ 870,000.	\$ 3,177,000.

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 493,211.	\$	\$ 493,211.	\$ 493,211.	\$
State sources:					
Debt service aid - type II	391,626.		391,626.	391,626.	
Total revenues	884,837.	0.	884,837.	884,837.	0.
EXPENDITURES:					
Regular debt service:					
Interest	156,789.		156,789.	156,789.	
Redemption of principal	728,048.	141,952.	870,000.	870,000.	
Total regular debt service	884,837.	141,952.	1,026,789.	1,026,789.	0.
Total expenditures	884,837.	141,952.	1,026,789.	1,026,789.	0.
Excess (deficiency) of revenues over/(under) expenditures		(141,952.)	(141,952.)	(141,952.)	
Other financing sources:					
Transfer from Capital Projects Fund		141,952.	141,952.	141,952.	
Fund balance, July 1	0.	0.	0.	0.	0.
Fund balance, June 30	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.

## **STATISTICAL SECTION**

## **FINANCIAL TRENDS**

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
NET ASSETS BY COMPONENT  
LAST NINE FISCAL YEARS  
*(Accrual Basis of Accounting)*

	FISCAL YEAR ENDING JUNE 30.								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Activities:									
Invested in capital assets, net of related debt	\$ 2,405,376.	\$ 1,786,178.	\$ 4,488,458.	\$ 5,015,555.	\$ 5,298,989.	\$ 5,825,380.	\$ 5,394,747.	\$ 5,952,901.	\$ 6,444,402.
Restricted	1.	2,364,600.	171,395.	157,908.	177,434.	38,289.	885,823.	1,090,463.	1,194,323.
Unrestricted	(63,689.)	(132,068.)	(235,462.)	(141,183.)	(166,241.)	(229,279.)	(349,525.)	(109,087.)	(194,769.)
Total governmental activities net assets	\$ 2,341,688.	\$ 4,018,710.	\$ 4,424,391.	\$ 5,032,280.	\$ 5,310,182.	\$ 5,634,390.	\$ 5,931,045.	\$ 6,934,277.	\$ 7,443,956.
Business-Type Activities:									
Invested in capital assets, net of related debt	\$	\$ 24,788.	\$ 20,517.	\$ 16,329.	\$ 15,694.	\$ 55,309.	\$ 35,626.	\$ 47,872.	\$ 54,799.
Unrestricted	67,294.	(4,680.)	(4,077.)	10,074.	45,501.	19,424.	75,675.	68,515.	63,641.
Total business-type activities net assets	\$ 67,294.	\$ 20,108.	\$ 16,440.	\$ 26,403.	\$ 61,195.	\$ 74,733.	\$ 111,301.	\$ 116,387.	\$ 118,440.
District-Wide:									
Invested in capital assets, net of related debt	\$ 2,405,376.	\$ 1,810,966.	\$ 4,508,975.	\$ 5,031,884.	\$ 5,314,683.	\$ 5,880,689.	\$ 5,430,373.	\$ 6,000,773.	\$ 6,499,201.
Restricted	1.	2,364,600.	171,395.	157,908.	177,434.	38,289.	885,823.	1,090,463.	1,194,323.
Unrestricted	3,605.	(136,748.)	(239,539.)	(131,109.)	(120,740.)	(209,855.)	(273,850.)	(40,572.)	(131,128.)
Total District Net Assets	\$ 2,408,982.	\$ 4,038,818.	\$ 4,440,831.	\$ 5,058,683.	\$ 5,371,377.	\$ 5,709,123.	\$ 6,042,346.	\$ 7,050,664.	\$ 7,562,396.

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
CHANGES IN NET ASSETS  
LAST NINE FISCAL YEARS  
*(Accrual Basis of Accounting)*

	Fiscal Year Ending June 30.								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses</b>									
Governmental activities									
Instruction:									
Regular	\$ 2,240,635.	\$ 2,308,734.	\$ 2,111,118.	\$ 2,013,665.	\$ 2,519,308.	\$ 2,656,824.	\$ 2,831,507.	\$ 2,567,611.	\$ 2,498,408.
Special education	415,505.	581,523.	682,915.	673,979.	602,144.	608,086.	644,900.	547,145.	792,994.
Other special education	59,994.	65,259.	60,192.	68,362.	73,235.	140,193.	134,794.	62,851.	62,580.
Other instruction	27,783.	29,132.	24,805.	33,506.	36,516.	61,052.	65,052.	67,763.	67,442.
Support Services:									
Tuition	163,907.	195,528.	182,824.	172,417.	358,017.	308,023.	326,540.	323,931.	68,093.
Student & instruction related services	752,547.	728,678.	934,557.	678,249.	762,936.	784,552.	830,138.	714,806.	732,084.
School administrative services	148,967.	174,676.	159,911.	127,879.	158,511.	157,757.	157,449.	178,087.	168,375.
General & business administrative services	317,249.	325,606.	336,578.	342,495.	358,471.	382,446.	369,262.	373,655.	338,614.
Plant operations & maintenance	487,874.	484,386.	529,930.	545,492.	541,801.	586,023.	583,003.	649,069.	596,599.
Pupil transportation	262,019.	308,351.	379,634.	429,328.	460,630.	438,597.	428,332.	472,070.	429,168.
Employee benefits	958,284.	1,088,277.	1,201,334.	1,505,871.	1,570,491.	1,323,729.	1,435,119.	1,521,983.	1,595,067.
Interest on long-term debt	230,675.	207,875.	225,470.	199,897.	169,430.	144,048.	215,917.	172,892.	175,227.
Internal service				138,784.	140,508.		2,163.	6,175.	170,096.
Amortization of debt issuance cost								2,163.	
Debt service assessment								13,962.	8,120.
Total governmental activities	6,065,439.	6,498,025.	6,829,268.	6,929,924.	7,751,998.	7,591,330.	8,024,176.	7,674,163.	7,705,030.
Business-type activities:									
Food service	185,135.	225,137.	197,929.	201,147.	213,746.	206,256.	213,447.	213,265.	224,308.
Child care	208,221.	182,724.	190,565.	217,530.	240,782.	243,637.	237,726.	9,206.	1,509.
Total business-type activities expense	393,356.	407,861.	388,494.	418,677.	454,528.	449,893.	451,173.	222,471.	225,817.
Total district expenses	\$ 6,458,795.	\$ 6,905,886.	\$ 7,217,762.	\$ 7,348,601.	\$ 8,206,526.	\$ 8,041,223.	\$ 8,475,349.	\$ 7,896,634.	\$ 7,930,847.
<b>Program Revenues</b>									
Governmental Activities:									
Charges for Services:									
Instruction (tuition)	\$ 204,806.	\$	\$	\$	\$	\$	\$	\$	\$
Internal service	435,645.	598,264.	673,492.	868,507.	898,376.	481,081.	507,214.	6,175.	182,075.
Operating grants & contributions	640,451.	598,264.	673,492.	868,507.	898,376.	481,081.	507,214.	504,850.	610,799.
Total governmental activities program revenues	1,270,902.	1,269,832.	1,347,484.	1,345,321.	1,395,128.	962,162.	1,014,428.	511,025.	792,874.
Business-type activities:									
Charges for services:									
Food service	126,660.	142,713.	144,630.	140,277.	144,031.	133,672.	119,119.	119,024.	116,172.
Child Study Team	182,272.	142,974.	164,617.	198,232.	248,510.	239,390.	259,095.	108,274.	114,905.
Operating grants & contributions	67,227.	74,658.	74,874.	81,567.	95,290.	90,195.	115,874.	227,298.	231,077.
Total business-type activities program revenues	376,159.	360,345.	384,121.	420,076.	487,831.	463,257.	494,088.	444,596.	462,154.
Total district program revenues	\$ 1,016,610.	\$ 958,609.	\$ 1,057,613.	\$ 1,288,583.	\$ 1,386,207.	\$ 944,338.	\$ 1,001,302.	\$ 738,323.	\$ 1,023,951.

**HOPEWELL TOWNSHIP BOARD OF EDUCATION**  
**CHANGES IN NET ASSETS**  
**LAST NINE FISCAL YEARS**  
*(Accrual Basis of Accounting)*

	Fiscal Year Ending June 30.								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Net (Expense)/Revenue</b>									
Governmental activities	\$(5,424,988.)	\$(5,899,761.)	\$(6,155,776.)	\$(6,061,417.)	\$(6,853,622.)	\$(7,110,249.)	\$(7,516,962.)	\$(7,163,138.)	\$(6,912,156.)
Business-type activities	(17,197.)	(47,516.)	(4,373.)	1,399.	33,303.	13,364.	42,915.	4,827.	5,260.
Total district-wide net expense	<u>\$(5,442,185.)</u>	<u>\$(5,947,277.)</u>	<u>\$(6,160,149.)</u>	<u>\$(6,060,018.)</u>	<u>\$(6,820,319.)</u>	<u>\$(7,096,885.)</u>	<u>\$(7,474,047.)</u>	<u>\$(7,158,311.)</u>	<u>\$(6,906,896.)</u>
<b>General Revenues &amp; Other Changes in Net Assets</b>									
Governmental activities:									
Property taxes levied for general purposes, net	\$ 2,212,828.	\$ 2,342,908.	\$ 2,446,486.	\$ 2,657,265.	\$ 2,724,355.	\$ 2,769,501.	\$ 2,907,627.	\$ 2,962,827.	\$ 3,052,927.
Taxes levied for debt service	391,289.	375,260.	480,772.	453,712.	456,801.	454,582.	451,588.	675,548.	493,211.
Grants and contributions	3,173,256.	4,605,843.	4,400,595.	3,263,318.	3,420,608.	3,627,326.	4,313,773.	4,099,663.	4,095,044.
Tuition received	181,909.	228,900.	247,978.	270,254.	213,795.	562,231.	137,740.	118,914.	128,998.
Investment earnings	100.	13,783.	14,382.	9,496.	6,978.	3,271.	20,070.	14,581.	17,891.
Miscellaneous income	646.	10,089.	8,317.	51,477.	402,702.	17,546.	11,458.	294,837.	122,229.
Adjustment to carrying value of fixed assets per app.			251,655.	(28,450.)	(137,705.)		(28,639.)		
Adjustments to fixed assets			(23,612.)						
Adjustment to beginning accrued interest									
Audit adjustment					48,239.				
Transfers				(7,766.)	(4,249.)				(2,140.)
Total governmental activities	<u>5,960,028.</u>	<u>7,576,783.</u>	<u>7,826,573.</u>	<u>6,669,306.</u>	<u>7,131,524.</u>	<u>7,434,457.</u>	<u>7,813,617.</u>	<u>8,166,370.</u>	<u>7,908,160.</u>
<b>Business-type activities:</b>									
Investment earnings	147.	330.	705.	798.	307.	174.	853.	259.	9.
Audit adjustment					(3,067.)		(7,200.)		
Adjustment to carrying value of fixed assets per app.									
Transfers				7,766.	4,249.				2,140.
Total business-type activities	<u>147.</u>	<u>330.</u>	<u>705.</u>	<u>798.</u>	<u>4,249.</u>	<u>174.</u>	<u>(6,347.)</u>	<u>259.</u>	<u>2,140.</u>
Total district-wide	<u>\$ 5,960,175.</u>	<u>\$ 7,577,113.</u>	<u>\$ 7,827,278.</u>	<u>\$ 6,677,870.</u>	<u>\$ 7,133,013.</u>	<u>\$ 7,434,631.</u>	<u>\$ 7,807,270.</u>	<u>\$ 8,166,629.</u>	<u>\$ 7,910,309.</u>
<b>Change in net assets</b>									
Governmental activities	535,040.	1,677,022.	1,670,797.	607,889.	277,902.	324,208.	296,655.	1,003,232.	996,004.
Business-type activities	(17,050.)	(47,186.)	(3,668.)	9,963.	34,792.	13,538.	36,568.	5,086.	7,409.
Total district	<u>\$ 517,990.</u>	<u>\$ 1,629,836.</u>	<u>\$ 1,667,129.</u>	<u>\$ 617,852.</u>	<u>\$ 312,694.</u>	<u>\$ 337,746.</u>	<u>\$ 333,223.</u>	<u>\$ 1,008,318.</u>	<u>\$ 1,003,413.</u>

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
FUND BALANCES - GOVERNMENTAL FUNDS  
 LAST NINE FISCAL YEARS  
*(Modified Accrual Basis of Accounting)*

	Fiscal Year Ending June 30,								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund									
Reserved	\$ 77,161.	\$ 45,848.	\$ 45,089.	\$ 64,200.	\$ 35,430.	\$ 22,020.	\$ 40,318.	\$ 311,374.	\$ 907,681.
Unreserved	37,648.	2,536.	(51,208.)	33,127.	60,718.	1,444.	(70,275.)	(21,502.)	(61,004.)
Total general fund	\$ 114,809.	\$ 48,384.	\$(6,119.)	\$ 97,327.	\$ 96,148.	\$ 23,464.	\$(29,957.)	\$ 289,872.	\$ 846,677.
All Other Governmental Funds									
Unreserved, reported in:									
Special revenue fund	(1,202.)	(1,202.)	(1,202.)	(1,202.)	(2,377.)				
Capital projects fund		2,354,464.	116,502.	93,708.	142,004.	16,269.	860,786.	844,089.	335,567.
Debt service fund		9,907.	9,804.	(53.)	(53.)	(52.)	(51.)		
Total all other governmental funds	\$(1,202.)	\$ 2,363,169.	\$ 125,104.	\$ 92,453.	\$ 139,574.	\$ 16,217.	\$ 860,735.	\$ 844,089.	\$ 335,567.

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,  
LAST TEN FISCAL YEARS  
*(Modified Accrual Basis of Accounting)*

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>										
Tax levy	\$ 2,302,161.	\$ 2,604,117.	\$ 2,718,168.	\$ 2,927,258.	\$ 3,110,977.	\$ 3,181,156.	\$ 3,224,083.	\$ 3,359,215.	\$ 3,638,375.	\$ 3,546,138.
Tuition charges	189,995.	181,909.	228,900.	247,978.	270,254.	213,795.	562,231.	137,740.	118,914.	128,998.
Interest earnings	1,821.	646.	13,783.	14,382.	9,496.	6,978.	3,271.	20,070.	14,581.	17,891.
Miscellaneous	6,228.	100.	10,089.	8,317.	51,477.	402,702.	17,546.	11,458.	294,837.	122,229.
State sources	3,165,215.	3,361,681.	4,770,210.	4,618,677.	3,712,920.	3,896,583.	3,786,995.	3,809,787.	4,159,519.	4,268,781.
Federal sources	223,616.	247,220.	268,278.	284,063.	280,121.	281,893.	321,412.	1,011,200.	444,994.	437,062.
<b>Total revenue</b>	<b>5,889,036.</b>	<b>6,395,673.</b>	<b>8,009,428.</b>	<b>8,100,675.</b>	<b>7,435,245.</b>	<b>7,983,107.</b>	<b>7,915,538.</b>	<b>8,349,470.</b>	<b>8,671,220.</b>	<b>8,521,099.</b>
<b>Expenditures</b>										
<b>Instruction:</b>										
Regular instruction	2,140,664.	2,185,032.	2,205,392.	1,986,172.	1,953,370.	2,370,647.	2,507,894.	2,698,098.	2,408,660.	2,352,216.
Special education instruction	337,007.	404,384.	560,855.	657,926.	661,920.	572,412.	578,300.	618,218.	515,355.	763,756.
Other special instruction	63,485.	59,994.	65,259.	60,192.	68,362.	73,235.	140,193.	134,794.	62,851.	62,580.
School sponsored/other instruction	31,303.	27,783.	29,132.	24,805.	33,506.	36,516.	61,052.	65,052.	67,763.	67,442.
<b>Support Services:</b>										
Tuition	134,066.	163,907.	195,528.	182,824.	172,417.	358,017.	308,023.	326,540.	323,931.	68,093.
Student & instruction related services	351,619.	531,060.	552,305.	725,726.	660,161.	718,338.	739,874.	790,116.	667,121.	688,226.
Other administration	252,261.	273,522.	304,938.	311,589.	330,436.	328,739.	352,660.	165,089.	175,816.	150,181.
School administration services	142,245.	137,846.	154,008.	134,922.	115,820.	128,779.	127,971.	130,767.	146,297.	139,137.
Central services								177,491.	166,049.	159,195.
Plant operations & maintenance	469,898.	482,314.	474,052.	507,094.	539,463.	526,934.	571,130.	569,662.	633,174.	581,979.
Pupil transportation	216,986.	262,019.	308,351.	379,634.	429,328.	460,630.	438,597.	428,332.	472,070.	429,168.
Other support services	206,641.	32,606.								
Employee benefits	884,728.	959,664.	1,066,302.	1,216,965.	1,496,206.	1,535,075.	1,315,660.	1,439,682.	1,575,451.	1,573,584.
Special schools			33,258.							
Capital outlay			155,227.	2,070,858.	61,042.	48,555.	154,250.	2,028,268.	50,017.	408,330.
Debt service:										
Principal	575,000.	570,000.	560,000.	640,000.	635,000.	650,000.	670,000.	690,000.	840,000.	870,000.
Interest & other charges	253,675.	230,675.	207,875.	229,420.	199,653.	173,278.	145,975.	117,264.	263,482.	156,789.
<b>Total expenditures</b>	<b>6,060,598.</b>	<b>6,392,010.</b>	<b>6,872,482.</b>	<b>9,128,127.</b>	<b>7,356,684.</b>	<b>7,981,155.</b>	<b>8,111,579.</b>	<b>10,379,373.</b>	<b>8,368,037.</b>	<b>8,470,676.</b>

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,  
LAST TEN FISCAL YEARS  
*(Modified Accrual Basis of Accounting)*

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Excess (deficiency) of revenues over/(under) expenditures	\$(171,562.)	\$ 3,663.	\$ 1,136,946.	\$(1,027,452.)	\$ 78,561.	\$ 1,952.	\$(196,041.)	\$(2,029,903.)	\$ 303,183.	\$ 50,423.
Other Financing Sources/(Uses):			1,161,000.					2,821,000.		
Proceeds from sale of bonds										
Capital leases (non-budgeted)						48,239.				
Proceeds from sale of assets			10,078.	6,331.		26,100.			50.	141,952.
Prior year adjustment			(10,078.)	(6,331.)	(7,766.)	(30,349.)			(50.)	(144,092.)
Transfers in										
Transfers out										
Total other financing sources/(uses)	(25,815.)	0.	1,161,000.	0.	(7,766.)	43,990.	0.	2,821,000.	0.	(2,140.)
Net change in fund balances	\$(197,377.)	\$ 3,663.	\$ 2,297,946.	\$(1,027,452.)	\$ 70,795.	\$ 45,942.	\$(196,041.)	\$ 791,097.	\$ 303,183.	\$ 48,283.
Debt Service as a Percentage of Noncapital Expenditures	13.67%	12.67%	11.43%	12.32%	11.44%	10.38%	10.25%	9.67%	13.27%	12.74%

Source: District records

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30	Interest On Investments	Inter-Local Agreement	Rentals	Prior Year Refunds	SREC	Merger Account	Miscellaneous	Tuition	Total Other Local Revenues
2003	\$ 1,821.	\$	\$	\$ 6,228.	\$	\$	\$	\$ 189,995.	\$ 198,044.
2004	646.		100.					181,909.	182,655.
2005	3,876.			9,362.			727.	228,900.	242,865.
2006	8,051.			6,608.			1,709.	247,978.	264,346.
2007	9,496.	51,205.					272.	270,254.	331,227.
2008	6,978.	402,061.					641.	213,795.	623,475.
2009	3,271.						17,546.	562,231.	583,048.
2010	20,070.						11,458.	137,740.	169,268.
2011	14,581.				236,667.	44,210.	13,960.	118,914.	428,332.
2012	17,891.				107,285.		9,405.	128,998.	263,579.

Source: District records

## **REVENUE CAPACITY**

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN YEARS  
UNAUDITED

	Year	Net Assessed Valuation Taxable	Estimated Full Cash Valuations	Percentage of Net Assessed to Estimated Full Cash Valuations
Township of Hopewell	2002	\$ 217,025,434.	\$ 205,544,821.	105.59%
	2003	220,152,490.	214,790,949.	102.50%
	2004	222,645,464.	226,962,976.	98.10%
	2005	224,987,536.	245,932,455.	91.48%
	2006	226,734,338.	276,406,251.	82.03%
	2007	229,567,880.	320,914,069.	71.54%
	2008	231,067,147.	366,986,033.	62.96%
	2009	232,402,044.	372,512,328.	62.39%
	2010	237,083,911.	366,880,823.	64.62%
	2011	236,624,009.	352,382,212.	67.15%
Borough of Shiloh	2002	\$ 18,176,425.	\$ 18,073,886.	100.57%
	2003	18,627,827.	20,328,235.	91.64%
	2004	18,679,878.	19,970,123.	93.54%
	2005	19,094,488.	21,548,207.	88.61%
	2006	19,357,592.	25,614,565.	75.57%
	2007	19,430,642.	30,578,719.	63.54%
	2008	19,412,258.	31,880,075.	60.89%
	2009	19,509,700.	38,337,607.	50.89%
	2010	19,510,575.	36,952,673.	52.80%
	2011	33,589,433.	32,213,091.	104.27%

Source: Abstract of Ratables, County Board of Taxation

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
 LAST TEN FISCAL YEARS  
(Rate per \$100 of Assessed Value)

Fiscal Year Ended June 30,	Hopewell Township School Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6) Total Direct School Tax Rate	Cumberland Regional School Dist.	Hopewell Township	Cumberland County	
2002	N/A	N/A	\$ 1.061	\$ 0.514	\$ 1.071	\$ 0.903	\$ 2.549
2003	N/A	N/A	1.183	0.527	0.080	0.947	2.737
2004	N/A	N/A	1.221	0.605	0.074	0.989	2.889
2005	N/A	N/A	1.302	0.717	0.074	1.137	3.230
2006	N/A	N/A	1.373	0.736	0.120	1.267	3.496
2007	N/A	N/A	1.386	0.837	0.151	1.397	3.771
2008	N/A	N/A	1.395	0.759	0.193	1.512	3.859
2009	N/A	N/A	1.386	0.761	0.207	1.443	3.797
2010	N/A	N/A	1.470	0.659	0.217	1.415	3.761
2011	N/A	N/A	1.421	0.735	0.217	1.429	3.802

Source: Municipal Tax Collector

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

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
 LAST TEN FISCAL YEARS  
*(Rate per \$100 of Assessed Value)*

Fiscal Year Ended June 30,	Shiloh Borough School Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6) Total Direct School Tax Rate	Cumberland Regional School Dist.	Shiloh Borough	Cumberland County	
2002	\$ 1.430	N/A	\$ 1.430	\$ 0.463	\$ 0.380	\$ 0.947	\$ 3.220
2003	1.578	N/A	1.578	0.665	0.400	1.058	3.701
2004	1.319	N/A	1.319	0.671	0.390	1.037	3.417
2005	1.280	N/A	1.280	0.751	0.419	1.175	3.625
2006	1.332	N/A	1.332	0.878	0.465	1.375	4.050
2007	0.710	N/A	0.710	0.932	0.470	1.555	3.667
2008	0.712	N/A	0.712	0.874	0.523	1.562	3.671
2009	0.708	N/A	0.708	0.976	0.533	1.765	3.982
2010	0.794	N/A	0.794	1.203	0.544	1.732	4.273
2011	0.552	N/A	0.552	0.488	0.316	0.922	2.278

Source: Municipal Tax Collector

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

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
PRINCIPAL PROPERTY TAX PAYERS,  
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Cumberland Mutual Fire Ins. Co.	\$ 5,486,700.	1	2.32%	\$ 2,450,200.	1	1.13%
Sunny Slope Farms of NJ	1,758,300.	2	0.74%	1,758,300.	2	0.81%
Solavista LLC	1,256,200.	3	0.53%			
ACM Realty LLC	1,218,000.	4	0.51%			
Taxpayer 1	1,014,200.	5	0.43%			
Taxpayer 2	924,200.	6	0.39%			
Blue Sterling Nursery LLC	835,200.	7	0.35%			
Cottages at Dutch Neck	759,500.	8	0.32%			
Verizon	621,609.	9	0.26%			
Taxpayer 3	611,700.	10	0.26%			
Taxpayer 4				1,372,700.	3	0.63%
Bell Atlantic				1,102,946.	4	0.51%
Taxpayer 5				845,600.	5	0.39%
Taxpayer 6				835,200.	6	0.38%
Taxpayer 7				704,000.	7	0.32%
CAM Realty Co				704,000.	8	0.32%
Taxpayer 8				688,900.	9	0.32%
D'Angelo & Brown				553,000.	10	0.25%
Total	<u>\$ 14,485,609.</u>		<u>6.12%</u>	<u>\$ 11,014,846.</u>		<u>5.08%</u>

**Source:** Municipal Tax Assessor

**BOROUGH OF SHILOH  
PRINCIPAL PROPERTY TAX PAYERS,  
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Taxpayer 1	\$ 756,400.		2.25%			
Solavista, LLC	639,500.		1.90%			
Taxpayer 2	617,600.		1.84%			
Rima Neha Realty LLC	495,200.		1.47%			
Taxpayer 3	398,400.		1.19%			
DeWilde Farm Associates, LP	375,700.		1.12%			
Taxpayer 4	356,200.		1.06%			
Taxpayer 5	341,100.		1.02%			
Dr. John Gould	296,500.		0.88%			
Taxpayer 6	274,100.		0.82%			
<b>Total</b>	<b>\$ 4,550,700.</b>		<b>13.55%</b>	<b>\$ 0.</b>		<b>0.00%</b>

Information Not Available

**Source:** Municipal Tax Assessor

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Taxes Levied For The Fiscal Year	Collected Within the Fiscal Year of the Levy (a)		Collections in Subsequent Years
		Amount	Percentage of Levy	
2003	\$ 2,302,161.	\$ 2,302,161.	100.00%	\$
2004	2,604,117.	2,604,117.	100.00%	
2005	2,718,168.	2,718,168.	100.00%	
2006	2,927,258.	2,927,258.	100.00%	
2007	3,110,977.	3,110,977.	100.00%	
2008	3,181,156.	3,181,156.	100.00%	
2009	3,224,083.	3,224,083.	100.00%	
2010	3,221,089.	3,221,089.	100.00%	
2011	3,483,532.	3,483,532.	100.00%	
2012	3,360,866.	3,360,866.	100.00%	

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

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

BOROUGH OF SHILOH SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Taxes Levied For The Fiscal Year	Collected Within the Fiscal Year of the Levy (a)		Collections in Subsequent Years
		Amount	Percentage of Levy	
2003	\$ 259,896.	\$ 259,896.	100.00%	\$
2004	293,931.	293,931.	100.00%	
2005	246,283.	246,283.	100.00%	
2006	244,306.	244,306.	100.00%	
2007	257,826.	257,826.	100.00%	
2008	137,924.	137,924.	100.00%	
2009	138,126.	138,126.	100.00%	
2010	138,126.	138,126.	100.00%	
2011	154,843.	154,843.	100.00%	
2012	185,272.	185,272.	100.00%	

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

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

## **DEBT CAPACITY**

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income (a)	Per Capita (a)
	General Obligation Bonds (b)	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2003	\$ 5,320,000.	\$	\$	\$	\$	\$ 5,320,000.	4.43%	\$ 1,153.
2004	4,750,000.					4,750,000.	3.72%	1,015.
2005	5,351,000.					5,351,000.	4.25%	1,145.
2006	4,711,000.					4,711,000.	3.55%	1,000.
2007	4,076,000.					4,076,000.	2.97%	857.
2008	3,426,000.					3,426,000.	2.42%	713.
2009	2,756,000.					2,756,000.	1.81%	501.
2010	4,887,000.					4,887,000.	2.78%	961.
2011	4,047,000.					4,047,000.	2.35%	793.
2012	3,177,000.					3,177,000.	N/A	N/A

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

- a See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- b Includes Early Retirement Incentive Plan (ERIP) refunding

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value (a) of Property	Per Capita (b)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2003	\$ 5,320,000.	\$	\$ 5,320,000.	2.42%	\$ 1,153.
2004	4,750,000.		4,750,000.	2.13%	1,015.
2005	5,351,000.		5,351,000.	2.38%	1,145.
2006	4,711,000.		4,711,000.	2.08%	1,000.
2007	4,076,000.		4,076,000.	1.78%	857.
2008	3,426,000.		3,426,000.	1.48%	713.
2009	2,756,000.		2,756,000.	1.19%	501.
2010	4,887,000.		4,887,000.	2.06%	961.
2011	4,047,000.		4,047,000.	1.71%	793.
2012	3,177,000.		3,177,000.	N/A	N/A

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

- a See Exhibit NJ J-6 for property tax data.
- b Population data can be found in Exhibit NJ J-14

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2012

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (a)	Estimated Share of Overlapping Debt
<b>Debt Repaid With Property Taxes:</b>			
Hopewell Township	\$ 594,625.	100.00%	\$ 594,625.
Borough of Shiloh	3,186.	100.00%	3,186.
County of Cumberland - Township's Share	67,721,951.	3.83%	2,595,782.
County of Cumberland - Borough's Share	67,721,951.	0.35%	237,027.
<b>Other Debt</b>			
Cumberland Regional School District - Township's Share	2,293,681.	100.00%	2,293,681.
Cumberland Regional School District - Borough's Share	212,945.	100.00%	212,945.
<b>Subtotal, Overlapping Debt</b>			<b>5,937,246.</b>
<b>Township of Hopewell School District Direct Debt</b>			<b>3,177,000.</b>
<b>Total Direct &amp; Overlapping Debt</b>			<b>\$ 9,114,246.</b>

Sources: Assessed value data used to estimate applicable percentages provided by County Board of Taxation.  
Debt outstanding data provided by each governmental unit.

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

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

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS

	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt Limit	\$ 5,927,997.	\$ 6,322,038.	\$ 6,719,814.	\$ 7,336,938.	\$ 8,428,263.	\$ 9,440,748.	\$ 10,389,118.	\$ 11,890,482.	\$ 11,984,096.	\$ 11,522,417.
Total Net Debt Applicable to Limit	5,320,000.	4,750,000.	5,351,000.	4,711,000.	4,076,000.	3,426,000.	2,756,000.	4,887,000.	4,047,000.	3,177,000.
Legal Debt Margin	\$ 607,997.	\$ 1,572,038.	\$ 1,368,814.	\$ 2,625,938.	\$ 4,352,263.	\$ 6,014,748.	\$ 7,633,118.	\$ 7,003,482.	\$ 7,937,096.	\$ 8,345,417.
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	89.74%	75.13%	79.63%	64.21%	48.36%	36.29%	26.53%	41.10%	33.77%	27.57%

Legal Debt Margin Calculation for Fiscal Year 2012

Equalized Valuation Basis	
2011	\$ 371,414,596.
2010	387,040,073.
2009	<u>393,787,027.</u>
	<u>\$ 1,152,241,696.</u>
Average Equalized Valuation of Taxable Property	\$ 384,080,565.
Debt Limit (3 % of Average Equalization Value)	11,522,417. (a)
Total Net Debt Applicable to Limit	<u>3,177,000.</u>
Legal Debt Margin	<u>\$ 8,345,417.</u>

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 NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

**DEMOGRAPHIC AND ECONOMIC  
INFORMATION**

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2002	4,554	\$ 117,092,448.	\$ 25,712.	5.90%
2003	4,605	120,084,585.	26,077.	6.00%
2004	4,674	125,810,058.	26,917.	3.30%
2005	4,710	132,581,790.	28,149.	2.60%
2006	4,756	137,134,504.	28,834.	3.00%
2007	4,785	141,631,215.	29,599.	2.70%
2008	4,803	152,355,963.	31,721.	3.30%
*2009	5,506	175,514,762.	31,877.	8.00%
*2010	5,087	172,484,909.	33,907.	8.30%
*2011	5,106	N/A	N/A	9.60%

\*Includes both Hopewell and Shiloh information

**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 county estimated based upon the 2000 Census published by the US Bureau of Economic Analysis
- d Unemployment data provided by the NJ Dept. of Labor and Workforce Development

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO

Employer	2012			2003		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank (Optional)	Percentage of Total Municipal Employment

NO INFORMATION IS AVAILABLE

Source:

## **OPERATING INFORMATION**

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Instruction:										
Regular	33	34	33	33	33	33	33	33	29	28
Special Education	11	10	14	14	14	16	16	14	9	10.5
Other Special Education	5	7	5	5	6	6	6	9	10	8.5
Other Instruction	12	17	17	17	17	18	18	18	12	12
Support Services:										
Student & Instruction Related Services	9	11	9	10	10	8	8	8	7	7
School Administrative Services	3	2	3	3	3	4	4	3	4	4
Other Administrative Services	5	5	5	5	5	5	5	4	3	3
Plant Operations & Maintenance	5	5	5	5	5	5	5	2	3	2
<b>Total</b>	<b>83</b>	<b>91</b>	<b>91</b>	<b>92</b>	<b>93</b>	<b>95</b>	<b>95</b>	<b>91</b>	<b>77</b>	<b>75</b>

Source: District Personnel Records

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADA) (c)	% Change In Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2003	570	\$ 4,951,204.	\$ 8,686.	8.04%	42	1:20	N/A	575.0	551.0	5.12%	96.00%
2004	553	5,248,883.	9,492.	9.27%	41	1:20	N/A	558.0	534.0	(2.96)%	95.70%
2005	541	5,617,882.	10,384.	9.40%	43	1:20	N/A	541.0	518.0	(3.05)%	95.80%
2006	537	6,187,849.	11,523.	10.97%	43	1:20	N/A	538.0	513.0	(0.55)%	95.70%
2007	538	6,460,979.	12,009.	4.22%	44	1:20	N/A	537.7	513.5	(0.06)%	95.50%
2008	566	7,109,322.	12,561.	4.60%	42	1:34	N/A	565.5	531.8	5.17%	94.00%
2009	542	7,141,354.	13,176.	4.90%	42	1:29	N/A	541.8	518.2	4.19%	95.60%
2010	549	7,543,841.	13,741.	4.29%	42	1:31	N/A	538.4	515.2	(0.63)%	95.69%
2011	541	7,214,538.	13,336.	(2.95)%	45	1:20	N/A	533.4	511.6	(0.93)%	95.91%
2012	514	7,035,557.	13,688.	0.29%	44	1:17	N/A	517.6	496.5	(2.96)%	95.92%

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

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay. Schedule J-4.
- 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).

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS

District Building	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Elementary: 122 Sewell Road	83,475	83,475	83,475	83,475	83,475	83,475	83,475	83,475	83,475	83,475
Square Feet	709	709	709	709	709	709	709	709	709	709
Capacity (Students)	570	553	541	537	538	566	542	549	541	514
Enrollment										

Number of Schools at June 30, 2012:  
 Elementary = 1

Source: District records, ASSA

Note: Year of original construction is shown in parentheses. LRFP was used to obtain district capacity.  
 Enrollment is based on the annual October district count.

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF REQUIRED MAINTENANCE  
LAST TEN FISCAL YEARS

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

\*School Facilities

Project #(s)	Primary School	Total
2003	\$ 76,730.	\$ 76,730.
2004	91,499.	91,499.
2005	82,404.	82,404.
2006	85,493.	85,493.
2007	90,731.	90,731.
2008	97,049.	97,049.
2009	128,039.	128,039.
2010	133,293.	133,293.
2011	114,101.	114,101.
2012	77,198.	77,198.
Total School Facilities	\$ 976,537.	\$ 976,537.

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

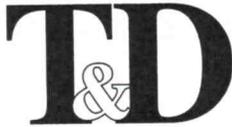
Source: District records

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
INSURANCE SCHEDULE  
JUNE 30, 2012  
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - Republic Franklin Insurance Company		
Property - Blanket Building & Contents	\$17,718,174.	\$ 1,000.
Comprehensive General Liability	3,000,000.	
Equipment in Technology Lab	109,650.	250.
Miscellaneous Property	39,563.	250.
Data Processing Coverage	138,700.	250.
Crime	25,000.	500.
Employee Benefits Programs Liability	1,000,000.	1,000.
Legal Liability	1,000,000.	7,500.
Earthquake-Volcanic Eruption Coverage	1,000,000.	25,000.
Flood Coverage	1,015,000.	25,000.
Automobile Liability - Utica National Insurance Group	1,000,000.	
Umbrella Liability - Utica National Insurance Group	4,000,000.	10,000.
Workers' Compensation - Educational Risk Insurance Consortium	2,000,000.	
Student Accident Coverage - Berkley Life and Health Insurance Co.	1,000,000.	
Blanket Accident and Health Market Insurance	2,500,000.	25,000.
Surety Bonds - Ohio Casualty Insurance Company		
Treasurer - Mary Jane Lake	250,000.	
Board Secretary - Stephanie Kuntz	10,000.	

Source: District Records

## **SINGLE AUDIT SECTION**



## Triantos & Delp

CERTIFIED PUBLIC ACCOUNTANTS, LLC

Thinking ahead to  
achieve success.

MEMBERS:

- American Institute of Certified Public Accountants
- New Jersey Society of Certified Public Accountants

Wayne H. Triantos, CPA  
Samuel A. Delp, Jr., CPA

K-1

REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

Honorable President and  
Members of the Board of Education  
Hopewell Township School District  
County of Cumberland, New Jersey

We have audited the financial statements of the Board of Education of the Hopewell Township School District in the County of Cumberland, State of New Jersey, as of and for the fiscal year ended June 30, 2012, and have issued our report thereon dated September 7, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Hopewell Township Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Hopewell Township Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Hopewell Township Board of Education's internal control over financial reporting.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



**Triantos & Delp**

CERTIFIED PUBLIC ACCOUNTANTS, LLC

K-1

Compliance and Other Matters

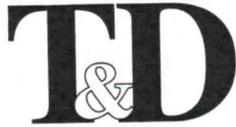
As part of obtaining reasonable assurance about whether the Hopewell Township Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey. We noted certain matters that we reported to the Board of Education of the Hopewell Township School District in a separate report entitled, *Auditors' Management Report on Administrative Findings – Financial, Compliance and Performance* dated September 7, 2012.

This report is intended for the information and use of the audit committee, management, the Hopewell Township Board of Education, the New Jersey State Department of Education and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

Samuel A. Delp, Jr.  
Public School Accountant, #745  
Triantos & Delp  
Certified Public Accountants, LLC

September 7, 2012



## Triantos & Delp

CERTIFIED PUBLIC ACCOUNTANTS, LLC

Thinking ahead to  
achieve success.

MEMBERS:

- American Institute of Certified Public Accountants
- New Jersey Society of Certified Public Accountants

Wayne H. Triantos, CPA  
Samuel A. Delp, Jr., CPA

K-2

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133 AND  
NEW JERSEY OMB CIRCULAR 04-04

Honorable President and  
Members of the Board of Education  
Hopewell Township School District  
County of Cumberland, New Jersey

### Compliance

We have audited the compliance of the Board of Education of the Hopewell Township School District, in the County of Cumberland, State of New Jersey, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2012. Hopewell Township Board of Education'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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Hopewell Township Board of Education's management. Our responsibility is to express an opinion on the Hopewell Township Board of Education's compliance based on our audit.

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 as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Hopewell Township Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Hopewell Township Board Education's compliance with those requirements.

In our opinion, the Board of Education of the Hopewell Township School District, in the County of Cumberland, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2012.



Triantos & Delp

CERTIFIED PUBLIC ACCOUNTANTS, LLC

K-2

Internal Control Over Compliance

The management of the Board of Education of the Hopewell Township School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Hopewell Township Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal and state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Hopewell Township Board of Education's internal control over compliance.

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information and use of the audit committee, management, the Hopewell Township Board of Education, the New Jersey State Department of Education, and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

Samuel A. Delp, Jr.  
Public School Accountant, #745  
Triantos & Delp  
Certified Public Accountants, LLC

September 7, 2012



HOPEWELL TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

State Grantor/Program Title	Grant or State Project No.	Program or Award Amount	Grant Period From/To	Balance at June 30, 2011 Def. Rev. (Accs. Rec.)	Due to Grantor	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Year Balances
General Fund:									
Equalization Aid	12-495-034-5120-078	\$2,521,575.	7/1/11-6/30/12	\$	\$	\$	\$2,521,575.	\$(2,521,575.)	\$
Categorical Security Aid	12-495-034-5120-084	67,794.	7/1/11-6/30/12				67,794.	(67,794.)	
Transportation Aid	12-495-034-5120-014	143,388.	7/1/11-6/30/12				143,388.	(143,388.)	
Categorical Special Education Aid	12-495-034-5120-089	248,270.	7/1/11-6/30/12				248,270.	(248,270.)	
Adjustment Aid	12-495-034-5120-085	293,698.	7/1/11-6/30/12				293,698.	(293,698.)	
Extraordinary Aid	12-495-034-5120-044	8,344.	7/1/11-6/30/12					(8,344.)	
Extraordinary Aid	11-495-034-5120-044	27,653.	7/1/10-6/30/11	(27,653.)			27,653.		
On Behalf Reimb TPAF Pens.	12-495-034-5095-001	349,540.	7/1/11-6/30/12				349,540.	(349,540.)	
Reimb TPAF Soc Sec Cont.	11-495-034-5095-002	261,259.	7/1/11-6/30/12				261,259.	(261,259.)	
Additional Non-Public Transport.	12-495-034-5120-044	2,610.	7/1/11-6/30/12	(3,480.)			3,480.	(2,610.)	
Additional Non-Public Transport.	11-495-034-5120-044	27,653.	7/1/10-6/30/11	(31,133.)	0.	0.	3,916,657.	(3,896,478.)	0.
Total General Fund									
Debt Service Fund:									
Debt Service Aid Type II	12-495-034-5120-125	391,626.	7/1/11-6/30/12	0.	0.	0.	391,626.	(391,626.)	0.
Total Debt Service Fund									
State Dept. of Agriculture:									
Enterprise Fund:									
Nat'l School Lunch Pgm. (State share)	12-100-010-3350-023	2,761.	7/1/11-6/30/12	(215.)			2,625.	(2,761.)	
Nat'l School Lunch Pgm. (State share)	11-100-010-3350-023	2,532.	7/1/10-6/30/11	(215.)	0.	0.	215.	(2,761.)	0.
Total Enterprise Fund									
Total State Financial Assistance				\$ (31,348.)	\$ 0.	\$ 0.	\$ 4,311,123.	\$(4,290,865.)	\$ 0.

The Accompanying Notes to the Schedule of Expenditures of State Awards and Financial Assistance are an Integral Part of this Schedule

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

State Grantor/Program Title	Grant or State Project No.	Program or Award Amount	Grant Period From/To	Balance at June 30, 2012		MEMO		
				(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditure
State Dept. of Education:								
General Fund:								
Equalization Aid	12-495-034-5120-078	\$2,521,575.	7/1/11-6/30/12	\$	\$	\$	\$246,643.	\$ 2,521,575.
Categorical Security Aid	12-495-034-5120-084	67,794.	7/1/11-6/30/12				6,779.	67,794.
Transportation Aid	12-495-034-5120-014	143,388.	7/1/11-6/30/12				14,339.	143,388.
Categorical Special Education Aid	12-495-034-5120-089	248,270.	7/1/11-6/30/12				24,827.	248,270.
Adjustment Aid	12-495-034-5120-085	293,698.	7/1/11-6/30/12				29,370.	293,698.
Extraordinary Aid	12-495-034-5120-044	8,344.	7/1/11-6/30/12	(8,344.)				8,344.
Extraordinary Aid	11-495-034-5120-044	27,653.	7/1/10-6/30/11					
On Behalf Reimb TPAF Pens.	12-495-034-5095-001	349,540.	7/1/11-6/30/12					349,540.
Reimb TPAF Soc Sec Cont.	11-495-034-5095-002	261,259.	7/1/11-6/30/12					261,259.
Additional Non-Public Transport.	12-495-034-5120-044	2,610.	7/1/11-6/30/12	(2,610.)				2,610.
Additional Non-Public Transport.	11-495-034-5120-044	27,653.	7/1/10-6/30/11					
Total General Fund				(10,954.)	0.	0.	321,958.	3,896,478.
Debt Service Fund:								
Debt Service Aid Type II	12-495-034-5120-125	391,626.	7/1/11-6/30/12					391,626.
Total Debt Service Fund				0.	0.	0.	0.	391,626.
State Dept. of Agriculture:								
Enterprise Fund:								
Nat'l School Lunch Pgm. (State share)	12-100-010-3350-023	2,761.	7/1/11-6/30/12	(136.)				2,761.
Nat'l School Lunch Pgm. (State share)	11-100-010-3350-023	2,532.	7/1/10-6/30/11	(136.)	0.	0.	0.	2,761.
Total Enterprise Fund				\$ (1,090.)	\$ 0.	\$ 0.	\$ 321,958.	\$ 4,290,865.
Total State Financial Assistance								

The Accompanying Notes to the Schedule of Expenditures of State Awards and Financial Assistance are an Integral Part of this Schedule

**Hopewell Township Board of Education**  
**Notes to the Schedules of Expenditures of Awards and Financial Assistance**  
**June 30, 2012**

NOTE 1.GENERAL

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

NOTE 2.BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting.. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *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.

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(19,323.) for the general fund and \$75. for the special revenue fund. See *Note 1* (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$124,080.	\$3,877,155.	\$4,001,235.
Special Revenue Fund	312,982.		312,982.
Debt Service Fund		391,626.	391,626.
Food Service Fund	112,144.	2,761.	114,905.
Total Financial Assis.	<u>\$549,206.</u>	<u>\$4,271,542.</u>	<u>\$4,820,748.</u>

**Hopewell Township Board of Education**  
**Notes to the Schedules of Expenditures of Awards and Financial Assistance**  
**June 30, 2012**

NOTE 4.RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5.OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2012. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2012.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**  
*Section I – Summary of Auditor’s Results*

**Financial Statements**

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

- 1. Material weakness(es) identified?   Yes   xNo
  
- 2. Significant Deficiencies identified that are not considered to be material weaknesses? Reported   Yes   xNone

Noncompliance material to general purpose financial statements noted?   Yes   xNo

**Federal Awards**

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000.

Auditee qualified as low risk auditee?   xYes   No

Type of auditor’s report issued on compliance for major programs: Unqualified

Internal Control over major programs:

- 1. Material weakness(es) identified?   Yes   xNo
  
- 2. Significant Deficiencies identified that are not considered to be material weaknesses?   Yes   xNone reported

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?   Yes   xNo

Identification of major programs:

<b><u>CFDA Number(s)</u></b>	<b><u>Name of Federal Program</u></b>
84.410	Education Jobs Fund
84.010	Title I

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

(Continued)

**State Awards**

Dollar threshold used to distinguish between Type A and Type B programs:

\$300,000.

Auditee qualified as low risk auditee?

Yes       No

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

Unqualified

Internal Control over major programs:

1. Material weakness(es) identified?

Yes       No

3. Significant Deficiencies identified that are not considered to be material weaknesses?

Yes       None reported

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 04-04?

Yes       No

Identification of major programs:

**GMIS Number(s)**

**Name of State Program**

495-034-5120-078  
 495-034-5120-089  
 495-034-5120-084  
 495-034-5120-085  
 495-034-5095-001  
 495-034-5095-002

Equalization Aid  
 Special Education Aid  
 Security Aid  
 Adjustment Aid  
 On Behalf TPAF Pension  
 Reimbursed TPAF Social Security

***Section II – Financial Statement Findings***

N/A

***Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs***

N/A

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**  
**STATUS OF PRIOR YEAR FINDINGS**

None

