

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
OF  
HOPEWELL TOWNSHIP BOARD OF EDUCATION  
BRIDGETON, NEW JERSEY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

**HOPEWELL TOWNSHIP SCHOOL DISTRICT  
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

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skuntz@hopewellcrest.org

November 15, 2013

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, 2013, 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 2012-2013 fiscal year with an enrollment of 508.4 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>
2012-13	508.4	(1.8)
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, 2013.

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, 2013 and the amount and percentage of increases in relation to prior year revenues.

**Revenue**

	<b>Prior Year</b> <u>Amount</u>	<u>Amount</u>	<u>% of</u> <u>Total</u>	<u>Increase/</u> <u>(Decrease) for</u> <u>June 30, 2013</u>	<u>% of</u> <u>Increase/</u> <u>(Decrease)</u>
Local Sources	\$3,815,256.	3,642,051	45.05%	(173,205)	(4.76)%
State Sources	\$4,268,781.	4,147,525	51.30%	(121,256)	(2.92)%
Federal Sources	\$ 437,062.	294,919	3.65%	(142,143)	(48.20)%
<b>Total</b>	<b>\$8,521,099.</b>	<b>8,084,495</b>	<b>100.00%</b>	<b>(436,604)</b>	<b>(5.40)%</b>

The following schedule presents a summary of general fund, special revenue fund and debt service expenditures for the fiscal year ended June 30, 2013 and the percentage of increases and decreases in relation to prior year amounts.

**Expenditures**

	<b>Prior Year</b> <u>Amount</u>	<u>Amount</u>	<u>% of</u> <u>Total</u>	<u>Increase/</u> <u>(Decrease) for</u> <u>June 30, 2013</u>	<u>% of</u> <u>Increase/</u> <u>(Decrease)</u>
Current Expense:					
Instruction	\$3,245,994.	3,363,231	43.19%	117,237	3.49%
Undistributed Expenditures:	\$3,789,563.	4,018,851	51.61%	229,288	5.74%
Capital Outlay	\$ 41,760.	35,579	0.46%	(6,181)	(17.37)%
Debt Service:	\$ 1,026,789.	369,799	4.75%	(656,990)	(177.66)%
<b>Total</b>	<b>\$8,104,106.</b>	<b>7,787,460</b>	<b>100.00%</b>	<b>(316,646)</b>	<b>(4.07)%</b>

7. DEBT ADMINISTRATION: At June 30, 2013, the District's outstanding debt issues included \$2,927,000 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,



Meghan Price  
Superintendent/Principal



Stephanie Kuntz  
Business Administrator/Board Secretary

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

**ROSTER OF OFFICIALS  
JUNE 30, 2013**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Kenneth Freitag, President	2013
Hope Zeck	2013
Todd Bowen	2013
Michael Gaimari	2014
Jeff Kellmyer	2014
Karen Johns	2014
Edward Kennedy	2015
James Homan	2015
Tony Scafidi	2015

**Other Officials**

Meghan Price, 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**

Triantos & Delp, CPA, LLC  
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

#### **Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Hopewell Township School District in the County of Cumberland, in the State of New Jersey, as of and for the fiscal year ended June 30, 2013, and related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

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

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

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

#### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Hopewell Township Board of Education in the County of Cumberland, State of New Jersey, as of June 30, 2013, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Other Matters**

##### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Information on pages 34 through 42 and 43 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing

#### 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)

**Other Matters (Cont'd)**

Required Supplementary Information (Cont'd)

the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hopewell Township Board of Education's basic financial statements. The accompanying introductory information and other supplementary information such as the combining and individual fund financial statements, 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.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2013, on our consideration of the Hopewell Township School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Hopewell Township School District's internal control over financial reporting and compliance.

Respectfully submitted,

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

November 15, 2013

**REQUIRED SUPPLEMENTARY INFORMATION–PART I**

## **BASIC FINANCIAL STATEMENTS**

## *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*

### **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, 2013. 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 position -Statement of activities	-Balance sheet -Statement of revenues, expenditures, and changes in fund balances	-Statement of net position -Statement of revenues, expenses, and changes in fund net assets -Statement of cash flows	-Statement of fiduciary net position -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 position 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* position and how it has changed. Net position - the difference between the District's assets and deferred outflows as resources and deferred inflows of resources - is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position is 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 \$7,808 on June 30, 2013 (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 \$8,477 for the fiscal period ending June 30, 2013 (see Table A-2). Property taxes and state formula aid accounted for 84% of the District's revenue. 10% 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 \$8,254. Total expenses amounted to \$8,019. The increase in net assets in governmental activities was \$235 for 2013.

### **Business-type Activities**

Revenues of the District's business-type activities amounted to \$223, and expenses were \$212. Food Service revenues exceeded expenses by \$11 resulting in an increase in net position of \$11.

## 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.
- Increase of \$65 due to emergency repairs.

The District's final budget anticipated utilizing \$184 in fund balance and \$12 of prior year encumbrances to fund the appropriation plan for this fiscal period. Actual result was an increase of \$297 in general fund balance.

Actual expenditures for capital outlay amounted to \$36 in the Operating Fund. The balance of expenditures for capital outlay in the amount of \$0 was from the Special Revenue Fund and \$63 from the Capital Project Fund.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

By the end of 2013, 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 \$306 while building improvements, construction in progress, and additions to equipment and furniture amounted to \$88.

### **Long-term Debt**

At year-end, the District had outstanding bonds in the amount of \$2,927. 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 \$11,171 of which \$8,244 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  
Hopwell Township Board of Education's Net Position  
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change 2012-2013
	2012	2013	2012	2013	2012	2013	
Current and Noncurrent Assets	\$ 1,538	\$ 1,766	\$ 35	\$ 114	\$ 1,573	\$ 1,880	19.5%
Capital Assets	9,621	9,395	98	55	9,719	9,450	-2.8%
<b>Total Assets</b>	<b>\$ 11,159</b>	<b>\$ 11,161</b>	<b>\$ 133</b>	<b>\$ 169</b>	<b>\$ 11,292</b>	<b>\$ 11,330</b>	<b>0.3%</b>
<b>Deferred Outflows of Resources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>
Current Liabilities	\$ 568	\$ 352	\$ 17	\$ 39	\$ 585	\$ 391	-33.2%
Noncurrent Liabilities	3,148	3,131	-	-	3,148	3,131	-0.5%
<b>Total Liabilities</b>	<b>\$ 3,716</b>	<b>\$ 3,483</b>	<b>\$ 17</b>	<b>\$ 39</b>	<b>\$ 3,733</b>	<b>\$ 3,522</b>	<b>-5.7%</b>
<b>Deferred Inflows of Resources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>
Net Position							
Invested in Capital Assets							
Net of Related Debt	\$ 6,444	\$ 6,468	\$ 98	\$ 54	\$ 6,542	\$ 6,522	-0.3%
Restricted	1,194	1,476	-	-	1,194	1,476	23.6%
Unrestricted	(195)	(266)	18	76	(177)	(190)	7.3%
<b>Total Net Position</b>	<b>\$ 7,443</b>	<b>\$ 7,678</b>	<b>\$ 116</b>	<b>\$ 130</b>	<b>\$ 7,559</b>	<b>\$ 7,808</b>	<b>3.3%</b>

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

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change
	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	2012-2013
<b>Revenues</b>							
Program Revenues							
Charges for Sevices	\$ 182	\$ 178	\$ 116	\$ 109	\$ 298	\$ 287	0.0%
Federal & State Categorical Grants	611	723	115	114	726	837	15.3%
General Revenues							
Property Taxes	3,546	3,423	-	-	3,546	3,423	-3.5%
State Formula Aid	4,095	3,719	-	-	4,095	3,719	-9.2%
Other	267	211	2	-	269	211	-21.6%
<b>Total Revenues</b>	<b>\$ 8,701</b>	<b>\$ 8,254</b>	<b>\$ 233</b>	<b>\$ 223</b>	<b>\$ 8,934</b>	<b>\$ 8,477</b>	<b>-5.1%</b>
<b>Expenses</b>							
Instruction - Related	\$ 3,421	\$ 3,547	\$ -	-	\$ 3,421	\$ 3,547	3.7%
Student Support Services	800	806	225	212	1,025	1,018	-0.7%
Maintenance & Operations	597	664	-	-	597	664	11.2%
Transportation	429	394	-	-	429	394	-8.2%
Administation	507	510	-	-	507	510	0.6%
Other	1,951	2,098	1	-	1,952	2,098	7.5%
<b>Total Expenses</b>	<b>\$ 7,705</b>	<b>\$ 8,019</b>	<b>\$ 226</b>	<b>\$ 212</b>	<b>\$ 7,931</b>	<b>\$ 8,231</b>	<b>3.8%</b>
<b>Increase/ (decrease) in Net Position</b>	<b>\$ 996</b>	<b>\$ 235</b>	<b>\$ 7</b>	<b>\$ 11</b>	<b>\$ 1,003</b>	<b>\$ 246</b>	<b>-75.5%</b>

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 2012-2013
	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	
Land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Construction in Progress	382	-	-	-	382	-	0.0%
Site Improvement	45	38	-	-	45	38	100.0%
Buildings & Improvements	9,034	9,213	-	-	9,034	9,213	2.0%
Machinery & Equipment	160	144	55	54	215	198	-7.9%
<b>Total</b>	<u>\$ 9,621</u>	<u>\$ 9,395</u>	<u>\$ 55</u>	<u>\$ 54</u>	<u>\$ 9,676</u>	<u>\$ 9,449</u>	<u>-2.3%</u>

**DISTRICT-WIDE FINANCIAL STATEMENTS**

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
JUNE 30, 2013

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	\$ 1,641,049.	\$ 103,261.	\$ 1,744,310.
Receivables, net	101,529.	6,710.	108,239.
Inventory		4,717.	4,717.
Bond issuance cost, net	23,792.		23,792.
Capital assets, net (Note)	9,395,101.	53,744.	9,448,845.
Total Current Assets	<u>11,161,471.</u>	<u>168,432.</u>	<u>11,329,903.</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
<b>LIABILITIES:</b>			
Current liabilities:			
Accounts payable	52,973.	33,150.	86,123.
Deferred revenue	260,717.	5,913.	266,630.
Accrued interest	37,996.		37,996.
Due within one year	299,967.		299,967.
Due in more than one year	2,831,033.		2,831,033.
Total Current Liabilities	<u>3,482,686.</u>	<u>39,063.</u>	<u>3,521,749.</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
<b>NET POSITION</b>			
Investment in capital assets, net of related debt	6,468,101.	53,744.	6,521,845.
Restricted for:			
Capital projects	472,478.		472,478.
Other purposes	1,004,019.		1,004,019.
Unrestricted	(265,813.)	75,625.	(190,188.)
Total Net Position	<u>\$ 7,678,785.</u>	<u>\$ 129,369.</u>	<u>\$ 7,808,154.</u>

See Accompanying Notes to the Basic Financial Statements

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2013

Functions/Programs	Program Revenues			Net (Expense) Revenues and Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental activities:</b>						
Instruction:						
Regular	\$ 2,576,806.	\$	\$	\$(2,576,806.)	\$	\$(2,576,806.)
Special education	843,754.			(843,754.)		(843,754.)
Other special instruction	59,956.			(59,956.)		(59,956.)
Other instruction	66,421.			(66,421.)		(66,421.)
Support services:						
Tuition	98,519.			(98,519.)		(98,519.)
Student & instruction related services	707,910.			(707,910.)		(707,910.)
School administrative services	167,214.			(167,214.)		(167,214.)
General and business admin services	190,643.			(190,643.)		(190,643.)
Central services	131,791.			(131,791.)		(131,791.)
Admin info tech	20,610.			(20,610.)		(20,610.)
Plant operations and maintenance	663,959.			(663,959.)		(663,959.)
Pupil transportation	394,344.			(394,344.)		(394,344.)
Employee benefits	1,790,339.	723,185.		(1,067,154.)		(1,067,154.)
Interest on long-term debt	117,163.			(117,163.)		(117,163.)
Internal service fund	176,561.			821.		821.
Amortization of debt issuance cost	2,163.	177,382.		(2,163.)		(2,163.)
State debt service assessment	11,143.			(11,143.)		(11,143.)
Total governmental activities	8,019,296.	177,382.	723,185.	(7,118,729.)	0.	(7,118,729.)
<b>Business-type activities:</b>						
Food service	212,326.	108,741.	114,514.		10,929.	10,929.
Total business-type activities	212,326.	108,741.	114,514.	0.	10,929.	10,929.
<b>Total primary government</b>	<b>\$ 8,231,622.</b>	<b>\$ 286,123.</b>	<b>\$ 837,699.</b>	<b>\$ 0.</b>	<b>\$ 10,929.</b>	<b>\$(7,107,800.)</b>
<b>General revenues:</b>						
Taxes:						
Prop taxes levied for general purposes, net				\$ 3,156,810.	\$	\$ 3,156,810.
Taxes levied for debt service				266,529.		266,529.
Federal and state aid not restricted				3,332,467.		3,332,467.
Federal and state aid restricted				386,791.		386,791.
Tuition received				153,485.		153,485.
Investment earnings				15,527.		15,527.
Miscellaneous income				49,700.		49,700.
Adjustment to fixed assets				(7,751.)		(7,751.)
Total general revenues, special items, extraordinary items, and transfers				7,353,558.	0.	7,353,558.
Change in net position				234,829.	10,929.	245,758.
Net position - beginning				7,443,956.	118,440.	7,562,396.
Net position - ending				\$ 7,678,785.	\$ 129,369.	\$ 7,808,154.

See Accompanying Notes to the Basic Financial Statements

## **FUND FINANCIAL STATEMENTS**

## **GOVERNMENTAL FUNDS**

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Permanent Fund	Total Governmental Funds
<b>Assets:</b>						
Cash and cash equivalents	\$ 1,374,520.	\$(9,984.)	\$ 272,377.	\$	\$	\$ 1,636,913.
Due from other funds	20,989.	25,985.				46,974.
Receivables from other governments	44,516.					44,516.
Capital reserve	1.					1.
<b>Total assets</b>	<b>\$ 1,440,026.</b>	<b>\$ 16,001.</b>	<b>\$ 272,377.</b>	<b>\$ 0.</b>	<b>\$ 0.</b>	<b>\$ 1,728,404.</b>
<b>Liabilities and Fund Balances:</b>						
<b>Liabilities:</b>						
Accounts payable	\$40,150.	\$12,754.	\$	\$	\$	\$52,904.
Deferred revenue	256,164.	3,247.				259,411.
<b>Total liabilities</b>	<b>296,314.</b>	<b>16,001.</b>	<b>0.</b>	<b>0.</b>	<b>0.</b>	<b>312,315.</b>
<b>Fund Balances:</b>						
<b>Restricted for:</b>						
Excess surplus-current year	141,454.					141,454.
Excess surplus-designated for subsequent year's expenditures	458,126.					458,126.
Maintenance reserve	391,587.					391,587.
Capital reserve	200,101.					200,101.
<b>Committed to:</b>						
Other purposes	1,898.					1,898.
<b>Assigned to:</b>						
Designated by BOE for subsequent year's expenditures	10,954.					10,954.
Capital projects			272,377.			272,377.
<b>Unassigned:</b>						
General fund	(60,408.)					(60,408.)
<b>Total fund balances</b>	<b>1,143,712.</b>	<b>0.</b>	<b>272,377.</b>	<b>0.</b>	<b>0.</b>	<b>1,416,089.</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,440,026.</b>	<b>\$ 16,001.</b>	<b>\$ 272,377.</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 \$14,623,992. and the accumulated depreciation is \$5,228,891. (See Note)	\$ 9,395,101.
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)	(3,131,000.)
Bond issuance costs, net	23,792.
Accrued interest	(37,996.)
Internal service fund balance	12,799.
<b>Net assets of governmental activities</b>	<b>\$ 7,678,785.</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, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Permanent Fund	Total Governmental Funds
<b>REVENUES:</b>						
Local sources:						
Local tax levy	\$ 3,156,810.	\$	\$	\$ 266,529.	\$	\$ 3,423,339.
Tuition charges	153,485.					153,485.
Interest earned	15,527.					15,527.
Miscellaneous	46,676.	3,024.				49,700.
Total local sources	3,372,498.	3,024.	0.	266,529.	0.	3,642,051.
State sources	4,044,255.			103,270.		4,147,525.
Federal sources	11,398.	283,521.				294,919.
Total revenues	7,428,151.	286,545.	0.	369,799.	0.	8,084,495.
<b>EXPENDITURES:</b>						
Current:						
Regular instruction	2,423,718.					2,423,718.
Special education instruction	607,420.	205,716.				813,136.
Other special instruction	59,956.					59,956.
Other instruction	66,421.					66,421.
Support services:						
Tuition	98,519.					98,519.
Student & instruction related services	593,909.	68,075.				661,984.
School administrative services	136,597.					136,597.
Other administrative services	160,025.					160,025.
Central services	131,791.					131,791.
Admin info tech	20,610.					20,610.
Plant operations and maintenance	648,650.					648,650.
Pupil transportation	394,344.					394,344.
Employee benefits	1,753,577.	12,754.				1,766,331.
Debt service:						
Principal				250,000.		250,000.
Interest and other charges				119,799.		119,799.
Capital outlay	35,579.		63,190.			98,769.
Total expenditures	7,131,116.	286,545.	63,190.	369,799.	0.	7,850,650.
Excess (deficiency) of revenues over exp.	297,035.		(63,190.)			233,845.
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in						
Transfers out						
Total other financing sources (uses)	0.	0.	0.	0.	0.	0.
Net change in fund balances	297,035.		(63,190.)			233,845.
Fund balance - July 1	846,677.		335,567.			1,182,244.
Fund balance - June 30	\$ 1,143,712.	\$ 0.	\$ 272,377.	\$ 0.	\$ 0.	\$ 1,416,089.

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, 2013

Total net changes in fund balances - governmental funds (from B-2)		\$ 233,845.
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 Capital outlays	\$ (306,176.) <u>87,626.</u> (218,550.)
Adjustment to carrying value of fixed assets based on appraisal		(7,751.)
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.		250,000.
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 (+).		(24,008.)
Amortization of bond issuance costs, net		(2,163.)
Increase in internal service fund balance		820.
Decrease in accrued interest		<u>2,636.</u>
Change in net assets of governmental activities		<u><u>\$ 234,829.</u></u>

See Accompanying Notes to the Basic Financial Statements

## **PROPRIETARY FUNDS**

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2013

	<u>Business-Type Activities-</u> <u>Enterprise Fund</u>		<u>Governmental</u> <u>Activities -</u> <u>Internal</u> <u>Service Fund</u>
	<u>Food</u> <u>Service</u>	<u>Totals</u>	
<b>ASSETS:</b>			
Current Assets:			
Cash and cash equivalents	\$ 103,261.	\$ 103,261.	\$ 4,135.
Accounts receivable:			
State	163.	163.	
Federal	6,547.	6,547.	
Other			10,039.
Inventories	4,717.	4,717.	
Total current assets	<u>114,688.</u>	<u>114,688.</u>	<u>14,174.</u>
Noncurrent assets:			
Furniture, machinery & equipment	119,823.	119,823.	
Less accumulated depreciation	(66,079.)	(66,079.)	
Total noncurrent assets	<u>53,744.</u>	<u>53,744.</u>	
Total assets	<u>\$ 168,432.</u>	<u>\$ 168,432.</u>	<u>\$ 14,174.</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
<b>LIABILITIES:</b>			
Current liabilities:			
Deferred revenue	\$ 2,253.	\$ 2,253.	\$
Accounts payable	33,150.	33,150.	69.
Prepaid lunches	3,660.	3,660.	
Prepaid fees			1,306.
Total current liabilities	<u>39,063.</u>	<u>39,063.</u>	<u>1,375.</u>
Total liabilities	<u>39,063.</u>	<u>39,063.</u>	<u>1,375.</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
<b>NET POSITION:</b>			
Invested in capital assets net of related debt	53,744.	53,744.	
Unrestricted	75,625.	75,625.	12,799.
Total net position	<u>\$ 129,369.</u>	<u>\$ 129,369.</u>	<u>\$ 12,799.</u>

See Accompanying Notes to the Basic Financial Statements

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2013

	Business-Type Activities- Enterprise Fund		Governmental Activities - Internal Service Fund
	Food Service	Totals	
Operating revenues:			
Charges for services:			
Daily sales-reimbursable programs	\$ 59,678.	\$ 59,678.	\$
Daily sales-non-reimbursable programs	49,063.	49,063.	
Assessment to member districts			177,382.
Total operating revenues	<u>108,741.</u>	<u>108,741.</u>	<u>177,382.</u>
Operating expenses:			
Cost of sales	85,419.	85,419.	
Salaries and benefits	71,468.	71,468.	171,731.
Travel			911.
Cleaning, repair & maintenance services	2,481.	2,481.	
Office supplies	1,762.	1,762.	
Miscellaneous	4,619.	4,619.	2,627.
General supplies	14,093.	14,093.	1,292.
Performance fees	27,675.	27,675.	
Depreciation	4,809.	4,809.	
Total operating expenses	<u>212,326.</u>	<u>212,326.</u>	<u>176,561.</u>
Operating income/(loss)	<u>(103,585.)</u>	<u>(103,585.)</u>	<u>821.</u>
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	2,353.	2,353.	
Federal sources:			
National school breakfast program	17,460.	17,460.	
National school lunch program	77,833.	77,833.	
Food distribution program	16,868.	16,868.	
Total nonoperating revenues (expenses)	<u>114,514.</u>	<u>114,514.</u>	<u>0.</u>
Income/(loss) before contributions & transfers	10,929.	10,929.	821.
Operating transfers in/(out):	0.	0.	0.
Change in net position	10,929.	10,929.	821.
Total net position - beginning	<u>118,440.</u>	<u>118,440.</u>	<u>11,978.</u>
Total net position - ending	<u>\$ 129,369.</u>	<u>\$ 129,369.</u>	<u>\$ 12,799.</u>

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, 2013

	Business-Type Activities - Enterprise Fund		Governmental Activities - Internal Service Fund
	Food Service	Total Enterprise	
<b>CASH FLOWS FROM OPERATING ACT.</b>			
Receipts from customers	\$ 109,449.	\$ 109,449.	\$ 167,343.
Payments to employees and benefits			(171,730.)
Payments to suppliers	(187,323.)	(187,323.)	(4,762.)
Net cash provided by (used for) operating activities	<u>(77,874.)</u>	<u>(77,874.)</u>	<u>(9,149.)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>			
State sources	2,326.	2,326.	
Federal sources	93,687.	93,687.	
Net cash provided by (used for) non-capital financing act.	<u>96,013.</u>	<u>96,013.</u>	<u>0.</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Purchase of equipment	(3,754.)	(3,754.)	
Net cash provided by investing activities	<u>(3,754.)</u>	<u>(3,754.)</u>	<u>0.</u>
Net increase (decrease) in cash and cash equivalents	14,385.	14,385.	(9,149.)
Balances-beginning of year	88,876.	88,876.	13,284.
Balances-end of year	<u>\$ 103,261.</u>	<u>\$ 103,261.</u>	<u>\$ 4,135.</u>
<b>Reconciliation of operating income (loss)</b>			
to net cash provided (used) by operating activities:			
Operating income (loss)	\$(103,585.)	\$(103,585.)	\$ 821.
Adjust to reconcile operating income			
(loss) to net cash provided by (used for) operating act.:			
Depreciation and net amortization	4,809.	4,809.	
Federal commodities	16,868.	16,868.	
(Increase) decrease in inventories	106.	106.	
(Increase) decrease in accounts receivable			(10,039.)
Increase (decrease) in accounts payable	2,481.	2,481.	69.
Increase (decrease) in deferred revenue	739.	739.	
Increase (decrease) in prepaid lunches	708.	708.	
Total adjustments	<u>25,711.</u>	<u>25,711.</u>	<u>(9,970.)</u>
Net cash provided by (used for) operating activities	<u>\$(77,874.)</u>	<u>\$(77,874.)</u>	<u>\$(9,149.)</u>

See Accompanying Notes to the Basic Financial Statements

## **FIDUCIARY FUNDS**

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2013

	<u>Unemployment Compensation Trust</u>	<u>Student Activity</u>	<u>Agency Fund</u>
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 220,121.	\$ 18,248.	\$ 16,772.
Due from Unemployment			6,549.
Total assets	<u>\$ 220,121.</u>	<u>\$ 18,248.</u>	<u>\$ 23,321.</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
<b>LIABILITIES:</b>			
Payroll deductions and withholdings	\$	\$	\$ 8,115.
Due to student groups		18,248.	
Due to Agency	6,549.		
Interfund payable	5,783.		15,206.
Total liabilities	<u>12,332.</u>	<u>18,248.</u>	<u>23,321.</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
<b>NET POSITION:</b>			
Held in trust for unemployment claims and other purposes	<u>\$ 207,789.</u>		

See Accompanying Notes to the Basic Financial Statements

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Unemployment Compensation Trust</u>
ADDITIONS:	
Contributions:	
Plan member	\$ 6,234.
Total contributions	<u>\$ 6,234.</u>
Investment earnings:	
Interest	1,681.
Net investment earnings	<u>1,681.</u>
Total additions	<u>7,915.</u>
DEDUCTIONS:	
Unemployment claims	3,207.
Total deductions	<u>3,207.</u>
Change in net position	4,708.
NET POSITION - BEGINNING OF THE YEAR	<u>203,081.</u>
NET POSITION - END OF THE YEAR	<u><u>\$ 207,789.</u></u>

See Accompanying Notes to the Basic Financial Statements

## **NOTES TO FINANCIAL STATEMENTS**

**HOPEWELL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

**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 (9) members elected to three (3) year terms. These terms are staggered so that three (3) 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, 2013 of 516 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 had no component units.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Board of Education (Board) of the Hopewell Township School 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 the governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

In June, 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. This Statement provides for the most significant change in financial reporting over twenty years and is scheduled for a phase-in implementation period (based on amount of revenues) starting with fiscal years ending 2002 (for larger governments). In addition, the school district has implemented GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*, Statement No. 38, *Certain Financial Statement Note Disclosures*, GASB No. 54, *Fund Reporting and Governmental Fund Type Descriptions*, and GASB No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

**A. Basis of Presentation:**

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

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

**HOPEWELL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 2.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** ( Cont'd)

**A. Basis of Presentation:** (Cont'd)

District Wide Statements: (Cont'd)

through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of net position presents the financial condition of the governmental and business-type activities of the District at the fiscal year end while the statement of activities presents a comparison between direct expenses and program revenues for each different business-type activity of the District and for each function of the District's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses-expenses of the District related to the administration and support of the District's programs, such as personnel and accounting-are not allocated to programs.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

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

**B. Fund Accounting:**

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds and accounts are grouped in the financial statements in this report as follows:

**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. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the Capital Outlay sub-fund.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 2.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Cont'd)

**B. Fund Accounting:** (Cont'd)

**GOVERNMENTAL FUNDS (Cont'd)**

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this 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 capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to 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 net income, 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 private 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 incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Funds is comprised of the Food Service Fund.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with

**HOPEWELL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 2.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Cont'd)

**B. Fund Accounting: (Cont'd)**

**PROPRIETARY FUNDS** (Cont'd)

their activity are included on their balance sheets. Their reported fund equity (net total position) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

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 balance sheets. 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	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 position and changes in net position and are reported using accounting principles similar to proprietary funds. The following is a description of the fiduciary funds of the District:

Trust and Agency Funds: The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Expendable Trust Fund: An Expendable Trust Fund is accounted for its essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. Expendable Trust Funds include Unemployment Compensation Insurance and scholarship funds.

Nonexpendable Trust Fund: A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. The District does not maintain a nonexpendable trust fund.

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.

**C. Basis of Accounting and Measurement Focus:**

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

**HOPEWELL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 2.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Cont'd)

**C. Basis of Accounting and Measurement Focus:** (Cont'd)

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

The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

*Governmental Fund Financial Statements:* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989.

The accrual basis of accounting is used for measuring financial position the operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

**D. 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. 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. The Board of Education did not make any material supplemental budgetary appropriations 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

**HOPEWELL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 2.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Cont'd)

**D. Budgets/Budgetary Control:** (Cont'd)

below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis, which 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.

A reconciliation of the special revenue funds from the budgetary basis of accounting ( as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General, Special Revenue and Debt Service Funds) to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances – All Governmental Fund Types are shown on Exhibit C-3.

**E. Encumbrance Accounting:**

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.

**F. Tuition Receivable:**

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined. The district received no tuition students during the 2012/2013 school year.

**G. Tuition Payable:**

Tuition charges for the fiscal years 2011-2012 and 2012-2013 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**H. Short-Term Interfund 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.

**I. Inventories and Prepaid Expenses:**

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as an expenditure during the year of purchase.

On district-wide financial statements and in the enterprise fund inventories 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, 2013.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 2.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Cont'd)

**J. Assets, Liabilities and Equity:**

Transactions

Interfund receivables/payables represent 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.

Inventories

On district-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method and is expensed when used. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2013. There was no inventory in the Food Service Fund at June 30, 2013.

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1986, as revised) 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.

Capital Assets:

General fixed assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at the estimated fair market value on the date received. The general fixed assets acquired or constructed prior to June 30, 2013 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. General fixed assets are reflected as expenditures in the applicable governmental funds, and the related assets are reported in the general fixed assets account group. Expenditures that enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the fixed asset's currently capitalized cost. The cost of the normal repairs and maintenance are not capitalized. Assets in the general fixed assets account group are not depreciated.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Land Improvements	20 years
Building & Building Improvements	25-50 years
Machinery & Equipment	5-20 years

**K. Accrued Salaries and Wages**

Certain District employees who provide services to the District over the ten month academic year have the option to have their salaries evenly disbursed during the entire twelve month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2013, the amount earned by these employees but not disbursed was \$0.

**L. 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.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Cont'd)

**L. Compensated Absences:** (Cont'd)

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the district-wide Statement of Net Position.

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

**M. Deferred Revenue:**

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

**N. 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 accrued compensated absences.

**O. Operating Revenues and Expenses**

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

**P. Allocation of Indirect Expenses**

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are not reported separately in the Statement of Activities. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**Q. Extraordinary and Special Items**

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

**R. Fund Equity**

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

**S. Comparative Data/Reclassifications**

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Cont'd)

**T. Management Estimates**

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

**U. Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported on the District-wide Financial Statements. Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

**V. Net Position**

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net positions 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 to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**W. Fund Balance**

The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

Nonspendable: The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

Restricted: The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed: The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purposes unless the Board of Education removes, or changes, the specific use by taking the same type of action (resolution) it employed to previously commit those amounts.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Cont'd)

**W. Fund Balance** (Cont'd)

Assigned: The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position, approved by the Board of Education.

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

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

**X. Revenues – Exchange and Non-Exchange Transactions**

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

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

Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or for the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year-end: property taxes available as an advance, interest, and tuition.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

Cash and cash equivalents includes petty cash, change funds, cash in banks and highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest.

Investments are stated at cost, or amortized cost, which approximates market. The Board classifies U.S. Treasury with Agency obligations and 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 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 in which they may invest. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts as follows:

- 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.

School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund. As of June 30, 2013, the District had no funds on deposit with the New Jersey Cash Management.

Deposits:

N.J.S.A. 17:9-41, et seq, establish requirements for the security of deposits of governmental units. The statutes require that school districts deposit public funds in public depositories secured in accordance with the Governmental Unit Deposit Protection Act, which is a multiple financial institution collateral pool enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution 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.

Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured.

All public depositories must pledge collateral, having a market value at least equal to 5% of the average daily balance of collected public funds on deposit, 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 Governmental Units.

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 Jersey, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

The school district has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the Governmental Unit Deposit Protection Act and approves a list of authorized depository institutions based on an evaluation of solicited responses and presentation of GUDPA certifications provided by the financial institutions.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS** (Cont'd)

As of June 30, 2013, cash and cash equivalents in the fund financial statements of the District consisted of the following:

	Cash and Cash Equivalents
Checking account	\$1,999,451.
<b>TOTAL</b>	<b>\$1,999,451.</b>

**Custodial Credit Risk:**

Custodial credit presents a risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District's formal policy regarding custodial credit risk is in compliance with N.J.S.A. 17:9-41 et seq. that the School District deposit all public funds in public depositories protected from loss under the provisions of GUDPA Act as previously described.

The District does not place a limit on the amount that may be invested in any one issuer. As of June 30, 2013, the District's bank balance of \$2,190,537. was insured or collateralized as follows:

Insured by Depository Insurance	\$ 295,343.
Collateralized under GUDPA	1,895,194.
<b>TOTAL</b>	<b>\$2,190,537.</b>

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

**Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligations. The District does not have a policy that restricts investment choices beyond Title 18A:20-37.

**NOTE 4. CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by New Jersey school districts for the accumulation of funds for 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 deposit funds into the capital reserve at any time upon board resolution through the transfer of undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. Post-April, 2005 transfers must be in compliance with P.L.2005, C73(S1701). Pursuant to N.J.A.C. 6A:23A-14.1(g) the balance in the account cannot at any time exceed the local support cost of uncompleted capital projects of \$520,529. as shown in the approved LRFP.

The activity of the capital reserve for the July 1, 2012 to June 30, 2013 fiscal year is as follows:

Beginning Balance, July 1, 2012	\$101.
Interest earnings	0.
Deposits	
Approved in 2011/2012 Budget	0.
Board Resolution	200,000.
Withdrawals	
Board Resolution	0.
Total Withdrawals	0.
Ending balance, June 30, 2013	<b>\$200,101.</b>

**HOPEWELL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 5. MAINTENANCE RESERVE**

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 anticipated revenue or unexpended line item appropriations, or both.

The activity of the maintenance reserve for the July 1, 2012 to June 30, 2013 year is as follows:

Beginning Balance July 1, 2012	\$ 256,587.
Deposits	200,000.
Withdrawals	(65,000.)
Ending balance June 30, 2013	\$ 391,587.

The June 30, 2013 maximum maintenance reserve amount is \$499,568.

**NOTE 6. FIXED ASSETS**

Capital asset activity for the year ended June 30, 2013 was as follows:

	Beginning Balance	Additions	Retirements	Adjustments	Ending Balance
<b>Governmental Activities:</b>					
Capital Assets that are not Being Depreciated:					
Construction in progress	\$381,996.	\$63,190.	\$(445,186.)	\$0.	\$0.
Total Capital Assets not being Depreciated	381,996.	63,190.	(445,186.)	0.	0.
Bldg & Bldg Improve	13,393,867.	445,186.			13,839,053.
Site Improvements	385,642.				385,642.
Machinery & Equip.	374,861.	24,436.			399,297.
Totals at Historical Cost	14,154,370.	469,622.	0.	0.	14,623,992.
Less: Accum Deprec for:					
Bldg & Bldg Improve	(4,359,704.)	(266,584.)		85.	(4,626,203.)
Site Improvements	(340,234.)	(7,619.)		63.	(347,790.)
Machinery & Equipment	(215,026.)	(31,973.)		(7,899.)	(254,898.)
Total Accum Deprec	(4,914,964.)	(306,176.)	0.	(7,751.)	(5,228,891.)
Total Capital Assets being depreciated net of Accum Depreciation	9,239,406.	163,446.	0.	(7,751.)	9,395,101.
<b>Government Activities Capital Assets, net</b>	<b>\$9,621,402.</b>	<b>\$226,636.</b>	<b>\$(445,186.)</b>	<b>\$(7,751.)</b>	<b>\$9,395,101.</b>
<b>Business-type Activities:</b>					
Equipment	\$116,069.	\$3,754.	\$	\$	\$119,823.
Less Accum Dep for: Equipment	(61,270.)	(4,953.)		144.	(66,079.)
<b>Business-type Activ Capital Assets, net</b>	<b>\$54,799.</b>	<b>\$(1,199.)</b>	<b>\$ 0.</b>	<b>\$144.</b>	<b>\$53,744.</b>

**HOPEWELL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 6. FIXED ASSETS** (Cont'd)

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

*Instruction:*

Regular	\$(153,088.)
Special Education	(30,618.)
Support Services:	
Student & Instruction Related Services	(45,926.)
School Administration	(30,617.)
General and Business Administrative Services	(30,618.)
Plant Operations and Maintenance	(15,309.)
Total Depreciation Expense	<u>\$(306,176.)</u>

**NOTE 7. OPERATING LEASES**

The District has entered into various agreements to rent copying equipment under operating leases. The terms of the lease require 60 monthly payments in various amounts. Future minimum rental payments required under this lease are as follows:

<u>Year</u>	<u>Amount</u>
June 30, 2014	\$13,512.
June 30, 2015	13,348.
June 30, 2016	9,153.
June 30, 2017	1,980.
June 30, 2018	660.
<b>TOTAL</b>	<u><b>\$38,653.</b></u>

The total operating lease payments made during the year ended June 30, 2013 were \$13,016.

**NOTE 8. GENERAL LONG-TERM DEBT**

<u>Type of Debt</u>	<u>Balance at 6/30/12</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance at 6/30/13</u>	<u>Amounts Due Within 1 Year</u>
Governmental Act.:					
Bonds payable	3,177,000.	\$0.	\$(250,000.)	\$2,927,000.	\$270,000.
Compen Absen. Pay	179,992.	24,008.	0.	204,000.	29,967.
<b>Total</b>	<u><b>\$3,356,992.</b></u>	<u><b>\$24,008.</b></u>	<u><b>\$(250,000.)</b></u>	<u><b>\$3,131,000.</b></u>	<u><b>\$299,967.</b></u>

**A. Bonds Payable:**

Bonds are authorized in accordance with State laws by the voters of the municipality 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>
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	190,000.	68,418.	258,418.
2019-2023	1,085,000.	217,675.	1,302,675.
2024-2025	491,000.	20,857.	511,857.
<b>TOTAL</b>	<u><b>\$2,927,000.</b></u>	<u><b>\$694,410.</b></u>	<u><b>\$3,621,410.</b></u>

**HOPEWELL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 8. GENERAL LONG-TERM DEBT** (Cont'd)

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

As of June 30, 2013, the District had no authorized but not issued bonds.

**C. Capital Leases Payable:**

The District is currently not participating in any capital leases.

**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 SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 9. PENSION PLANS** (Cont'd)

**Vesting and Benefit Provisions** (Cont'd)

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.

**Three-Year Trend Information for PERS**

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, 2013	\$43,279.	0%	\$43,279.
June 30, 2012	42,378.	0%	42,378.
June 30, 2011	42,238.	0%	42,238.

**Three-Year Trend Information for TPAF**

**(Paid on Behalf of the District)**

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, 2013	\$466,857.	100%	\$0.
June 30, 2012	349,540.	100%	0.
June 30, 2011	251,741.	100%	0.

During the fiscal year ended June 30, 2013, the State of New Jersey contributed \$466,857. 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 \$256,328. during the year ended June 30, 2013 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 SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

**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, 2012, there were 97,661 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 \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in Fiscal Year 2012.

**NOTE 11.COMPENSATED ABSENCES**

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

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

The liability for vested compensated absences of the governmental 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 types is recorded within those funds as the benefits accrue to employees. As of June 30, 2013, a liability existed for compensated absences in the Food Service Fund in the amount of \$0.

**NOTE 12.DEFERRED COMPENSATION**

The Board offers its employees a choice of the following 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

**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.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 13.RISK MANAGEMENT**(Cont'd)

**Property and Liability Insurance** – The District maintains commercial insurance coverage for property, liability, student accident 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>
2012-2013	\$0.	\$6,234.	\$1,681.	\$3,207.	\$207,789.
2011-2012	0.	6,405.	2,067.	3,755.	203,081.
2010-2011	0.	6,152.	2,229.	14,435.	198,364.

**NOTE 14.INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remained on the balance sheet at June 30, 2013.

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$20,989.	\$0.
Fiduciary Fund		20,989.
	<u>\$20,989.</u>	<u>\$20,989.</u>

The amounts due between the General Fund and Fiduciary Fund results from adjustments to amounts paid during 2012-2013.

**NOTE 15.CONTINGENT LIABILITIES**

The Board is involved in several claims and lawsuits incidental to its operation. 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 16.CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701), 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, 2013 is \$599,580.

**NOTE 17.DEFICIT FUND BALANCES**

The District has a deficit fund balances of \$0. in the General Fund and \$0. in the Special Revenue Fund as of June 30, 2013 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 payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this

**HOPEWELL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 17. DEFICIT FUND BALANCES** (Cont'd)

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 and Special Revenue Fund balance deficit does not alone indicate 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 or corrective action. The District deficit in the GAAP funds statements of \$0. is equal to (or) is less than the last state aid payments.

**NOTE 18. FUND BALANCE APPROPRIATED**

**General Fund**

Of the \$1,143,712. General Fund balance at June 30, 2013, \$1,898. is reserved for encumbrances; \$0. has been legally reserved for tuition adjustment in accordance with *N.J.A.C. 6A:23A-3.1(f)(8)*; \$599,580. is reserved as excess surplus in accordance with *N.J.S.A. 18A:7F-7* (\$458,126. of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2014); \$200,101. has been reserved in the Capital Reserve Account; \$391,587. has been reserved in the Maintenance Reserve Account; \$10,954. has been appropriated and included as anticipated revenue for the year ending June 30, 2014; and \$(60,408.) is unreserved and undesignated.

**Debt Service Fund**

Of the Debt Service Fund fund balance at June 30, 2013; \$0. is reserved in accordance with *N.J.S.A. 7F-41c(2)* and \$0. is unreserved and undesignated.

**NOTE 19. FUND BALANCE APPROPRIATED**

**NONSPENDABLE**

As stated in Note 1, the nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. There are no nonspendable fund balances of the School district as of June 30, 2013.

**RESTRICTED**

As stated in Note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

**General Fund:**

**Excess Surplus:** In accordance with *N.J.S.A. 18A:7F-7*, as amended, the designation of restricted fund balance – excess surplus is the result of 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 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, 2013 is \$599,580., \$458,126. has been restricted and designated for utilization in the 2013-2014 budget.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 19. FUND BALANCE APPROPRIATED** (Cont'd)  
**RESTRICTED** (Cont'd)

Capital Reserve Account: As of June 30, 2013, the balance in the capital reserve account is \$200,101. These funds are restricted for the future approved capital projects of school facilities.

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).

Capital Projects Fund: As of June 30, 2013, the restricted fund balance amount was \$272,377. Budgets of district projects are approved and funded by voter referendum and the School Development Authority.

**COMMITTED**

As stated in Note 1, the committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

Other Purposes: As of June 30, 2013, the School District had \$1,898. of encumbrances outstanding for purchase orders and contracts signed by the School District but not completed as of the close of the fiscal year.

**ASSIGNED**

As stated in Note 1, the assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

General Fund:

For Subsequent Year's Expenditures: The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2014, \$10,954. of general fund balance at June 30, 2013.

**UNASSIGNED**

As stated in Note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

General Fund:

As of June 30, 2013, the unassigned fund balance of the general fund was \$(60,408.).

**HOPEWELL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 20.SUBSEQUENT EVENTS**

Subsequent events were evaluated by management through August 30, 2013.

**NOTE 21.OTHER INFORMATION**

As of 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.

**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	\$ 3,156,810.	\$	\$ 3,156,810.	\$ 3,156,810.	\$ 79,996.
Tuition	73,489.		73,489.	153,485.	15,527.
Interest earned				46,676.	(38,467.)
Miscellaneous	85,143.		85,143.		
Total local sources	3,315,442.	0.	3,315,442.	3,372,498.	57,056.
<b>State sources:</b>					
Equalization Aid	2,560,666.		2,560,666.		
Categorical Transportation Aid	144,419.		144,419.		
Special Education Aid	261,805.		261,805.		
Security Aid	68,193.		68,193.		
Adjustment Aid	274,437.		274,437.		
On behalf TPAF pension contribution (non-budgeted)				466,857.	466,857.
On behalf TPAF social security contribution (non-budgeted)				256,328.	256,328.
Extraordinary Aid				9,192.	9,192.
Additional Non-Public Transportation Aid				2,436.	2,436.
Total state sources	3,309,520.	0.	3,309,520.	4,044,333.	734,813.
<b>Federal sources:</b>					
Education Jobs Fund				3,622.	3,622.
Medical Assistance Program	8,123.		8,123.	7,776.	(347.)
Total federal sources	8,123.	0.	8,123.	11,398.	3,275.
Total revenues	6,633,085.	0.	6,633,085.	7,428,229.	795,144.

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	\$ 183,108.	\$ 5,366.	\$ 188,474.	\$ 187,994.	\$ 480.
Grades 1-5-salaries of teachers	1,203,995.	40,255.	1,244,250.	1,238,261.	5,989.
Grades 6-8-salaries of teachers	759,701.	(40,301.)	719,400.	671,682.	47,718.
Regular programs-home instruction:					
Salaries of teachers	4,000.	6,350.	10,350.	10,350.	
Purchased prof/educ services		1,800.	1,800.	1,260.	540.
Other purchased services	10.		10.		10.
Regular programs-undistributed instruction:					
Other salaries for instruction	99,722.	(5,254.)	94,468.	92,011.	2,457.
Purchased prof/educ services	5,000.	(4,400.)	600.	600.	
Purchased technical services		7,535.	7,535.	7,535.	
Other purchased services	8,000.	11,950.	19,950.	19,950.	
General supplies	195,865.	(19,681.)	176,184.	174,876.	1,308.
Textbooks	7,000.	(552.)	6,448.	6,448.	
Other objects	10,500.	2,251.	12,751.	12,751.	
Total regular programs - instruction	2,476,901.	5,319.	2,482,220.	2,423,718.	58,502.
Special education-instruction:					
Learning and/or language disabilities:					
Salaries of teachers	133,866.	513.	134,379.	131,379.	3,000.
Other salaries for instruction	80,771.	481.	81,252.	78,932.	2,320.
General supplies	2,000.		2,000.	1,976.	24.
Textbooks	1,000.		1,000.	1,000.	
Total learning and/or language disabilities	217,637.	994.	218,631.	213,287.	5,344.

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	\$ 60,246.	\$	\$ 60,246.	\$ 59,837.	\$ 409.
Other salaries for instruction	17,919.	14,505.	32,424.	32,424.	
General supplies	3,000.		3,000.	3,000.	
Total multiple disabilities	81,165.	14,505.	95,670.	95,261.	409.
Resource room/resource center:					
Salaries of teachers	311,076.		311,076.	297,571.	13,505.
General supplies	800.	501.	1,301.	1,301.	
Textbooks	500.	(500.)			
Total resource room/resource center	312,376.	1.	312,377.	298,872.	13,505.
Total special education-instruction	611,178.	15,500.	626,678.	607,420.	19,258.
Basic skills/remedial-instruction:					
Salaries	56,447.		56,447.	47,497.	8,950.
Other salaries for instruction	18,619.		18,619.	8,826.	9,793.
General supplies	1,000.	999.	1,999.	1,589.	410.
Textbooks	1,000.	(1,000.)			
Total basic skills/remedial-instruction	77,066.	(1.)	77,065.	57,912.	19,153.
Bilingual education-instruction:					
Salaries of teachers	11,776.		11,776.	1,178.	10,598.
General supplies	1,200.		1,200.	866.	334.
Total bilingual education-instruction	12,976.	0.	12,976.	2,044.	10,932.
School sponsored co-curricular act-instruction:					
Salaries	39,863.	(150.)	39,713.	20,897.	18,816.
Total school spon co-curricular act-instruction	39,863.	(150.)	39,713.	20,897.	18,816.
Other instructional programs-instruction:					
Salaries	45,374.	150.	45,524.	45,524.	
Total other instructional programs-instruction	45,374.	150.	45,524.	45,524.	0.
Total instruction	3,263,358.	20,818.	3,284,176.	3,157,515.	126,661.

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-regular	\$	\$ 20,829.	\$ 20,829.	\$ 20,829.	\$
Tuition-other LEAs within state-special	81,475.	(18,800.)	62,675.	37,987.	24,688.
Tuition-co spec serv and regional day schools	106,837.	(20,829.)	86,008.	39,703.	46,305.
Total instruction	188,312.	(18,800.)	169,512.	98,519.	70,993.
Attendance and social work services:					
Salaries	3,691.	3.	3,694.	2,194.	1,500.
Other purchased services	100.	(3.)	97.		97.
Total attendance and social work services	3,791.	0.	3,791.	2,194.	1,597.
Health services:					
Salaries	75,829.		75,829.	72,176.	3,653.
Other purchased services		45.	45.	45.	
Supplies and materials	1,500.	(45.)	1,455.	1,210.	245.
Other objects	1,500.	(165.)	1,335.	90.	1,245.
Total health services	78,829.	(165.)	78,664.	73,521.	5,143.
Speech, OT, PT and related services:					
Salaries	64,246.	(3,965.)	60,281.	59,991.	290.
Purchased professional/educational services	49,000.	31,311.	80,311.	80,311.	
Supplies and materials	500.		500.	498.	2.
Total other sup services-students-related services	113,746.	27,346.	141,092.	140,800.	292.
Guidance:					
Salaries of other professional staff	65,420.	1,050.	66,470.	66,470.	
Other purchased services	100.	(20.)	80.	40.	40.
Supplies and materials	2,900.	704.	3,604.	3,604.	
Total other support services-students-regular	68,420.	1,734.	70,154.	70,114.	40.
Child study teams:					
Salaries of other professional staff	122,934.	(10,627.)	112,307.	108,630.	3,677.
Salaries of secretarial and clerical assistants	20,603.	1,229.	21,832.	21,784.	48.
Other purchased prof/tech services	2,500.	(1,050.)	1,450.	1,005.	445.
Miscellaneous purchased services	4,300.	2,317.	6,617.	6,617.	
Supplies and materials	4,000.		4,000.	3,757.	243.
Other objects	2,500.	(2,265.)	235.		235.
Total other sup services-students-special services	156,837.	(10,396.)	146,441.	142,028.	4,413.
Improvement of instruction services:					
Salaries of supervisor of instruction	65,131.	(395.)	64,736.	46,034.	18,702.
Salaries of secretarial and clerical assistants	21,603.	9,018.	30,621.	30,621.	
Purchased prof/educ services	16,000.	2,011.	18,011.	18,011.	
Other purchased services	5,000.	(1,889.)	3,111.	1,764.	1,347.
Supplies and materials	500.		500.	426.	74.
Total improvement of instr serv/other supp ser-instr staff	108,234.	8,745.	116,979.	96,856.	20,123.

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>Educational media services/school library:</b>					
Salaries of technology coordinators	\$ 58,404.	\$(50.)	\$ 58,354.	\$ 57,553.	\$ 801.
Other purchased services	3,200.	50.	3,250.	3,250.	
Supplies and materials	5,900.	273.	6,173.	6,173.	
<b>Total educational media services/school library</b>	<b>67,504.</b>	<b>273.</b>	<b>67,777.</b>	<b>66,976.</b>	<b>801.</b>
<b>Instructional staff training services:</b>					
Purchased professional/educational services	3,000.		3,000.	1,420.	1,580.
<b>Total instructional staff training services</b>	<b>3,000.</b>	<b>0.</b>	<b>3,000.</b>	<b>1,420.</b>	<b>1,580.</b>
<b>Support services-general administration:</b>					
Salaries	75,867.	(432.)	75,435.	70,900.	4,535.
Legal services	5,000.	9,500.	14,500.	13,801.	699.
Audit fees	27,600.	(4,500.)	23,100.	23,100.	
Architectural/engineering services	3,000.	(3,000.)			
Other purchased professional services		1,400.	1,400.		1,400.
Communications/telephone	24,000.		24,000.	21,899.	2,101.
Board member expense	1,000.	(68.)	932.		932.
Other purchased services	15,000.	(3,681.)	11,319.	10,722.	597.
Supplies and materials	4,000.	673.	4,673.	4,673.	
BOE in-house training/meeting supplies	200.		200.	76.	124.
Miscellaneous expenditures	10,000.	(3,543.)	6,457.	5,703.	754.
Board of Education dues	5,500.	3,651.	9,151.	9,151.	
<b>Total support services-general administration</b>	<b>171,167.</b>	<b>0.</b>	<b>171,167.</b>	<b>160,025.</b>	<b>11,142.</b>
<b>Support services school administration:</b>					
Salaries of principals	86,723.		86,723.	78,065.	8,658.
Salaries of secretarial and clerical assistants	42,605.		42,605.	41,210.	1,395.
Other purchased services	5,000.		5,000.	4,943.	57.
Supplies and materials	10,000.		10,000.	9,734.	266.
Other objects	3,600.		3,600.	2,645.	955.
<b>Total support services school administration</b>	<b>147,928.</b>	<b>0.</b>	<b>147,928.</b>	<b>136,597.</b>	<b>11,331.</b>
<b>Central services:</b>					
Salaries	117,005.	(2,709.)	114,296.	114,296.	
Miscellaneous purchased services	10,586.	1,658.	12,244.	12,244.	
Supplies and materials	3,000.	1,211.	4,211.	4,211.	
Other objects	1,200.	(160.)	1,040.	1,040.	
<b>Total central services</b>	<b>131,791.</b>	<b>0.</b>	<b>131,791.</b>	<b>131,791.</b>	<b>0.</b>

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	\$ 5,000.	\$	\$ 5,000.	\$ 1,890.	\$ 3,110.
Purchased technical services	19,000.		19,000.	18,720.	280.
Total Admin. Info. Tech.	24,000.	0.	24,000.	20,610.	3,390.
Required maintenance for school facilities:					
Cleaning, repair and maintenance services	102,600.	81,245.	183,845.	143,051.	40,794.
General supplies	47,787.	(14,399.)	33,388.	4,180.	29,208.
Other objects	30,000.		30,000.	29,361.	639.
Total allowable maintenance for school facilities	180,387.	66,846.	247,233.	176,592.	70,641.
Custodial services:					
Salaries	120,473.	7,333.	127,806.	113,970.	13,836.
Purchased prof/tech services	6,500.	(116.)	6,384.	1,582.	4,802.
Cleaning, repair and maintenance services	162,000.	(34,630.)	127,370.	122,134.	5,236.
Insurance	30,000.	17,888.	47,888.	47,888.	
Miscellaneous purchased services	400.		400.	100.	300.
General supplies	30,400.	480.	30,880.	26,423.	4,457.
Energy (natural gas)	15,000.	(1,455.)	13,545.	12,422.	1,123.
Energy (electricity)	166,000.		166,000.	129,303.	36,697.
Other objects	200.	282.	482.	482.	
Total other operation and mainten of plant services	530,973.	(10,218.)	520,755.	454,304.	66,451.
Care and upkeep of grounds:					
Salaries	5,600.	743.	6,343.	6,343.	
Cleaning, repair and maintenance	4,000.	7,182.	11,182.	10,195.	987.
General supplies	2,000.	(444.)	1,556.	1,216.	340.
Total care and upkeep of grounds	11,600.	7,481.	19,081.	17,754.	1,327.
Total operation and maintenance of plant services	722,960.	64,109.	787,069.	648,650.	138,419.
Students transportation services:					
Contracted services (not home/school) vendors	34,400.		34,400.	14,362.	20,038.
Contracted services & public carriers	280,000.		280,000.	273,814.	6,186.
Contracted services (special ed) joint agreements	115,000.		115,000.	93,792.	21,208.
Contracted services - aid in lieu of payments-nonpublic	18,000.		18,000.	12,376.	5,624.
Total student transportation services	447,400.		447,400.	394,344.	53,056.

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	\$ 60,000.	\$	\$ 60,000.	\$ 55,082.	\$ 4,918.
State or county retirement	46,000.	9,203.	55,203.	49,821.	5,382.
Workmen's compensation	41,438.	(8,927.)	32,511.	32,511.	
Health benefits	921,180.	(8,000.)	913,180.	891,477.	21,703.
Tuition reimbursement	34,340.	(28,221.)	6,119.	1,501.	4,618.
Total unallocated benefits	1,102,958.	(35,945.)	1,067,013.	1,030,392.	36,621.
On behalf TPAF pension contributions (non-budgeted)				466,857.	(466,857.)
Reimbursed TPAF soc sec contributions (non-budgeted)				256,328.	(256,328.)
Total undistributed expenditures	3,536,877.	36,901.	3,573,778.	3,938,022.	(364,244.)
Total expenditures-current expense	6,800,235.	57,719.	6,857,954.	7,095,537.	(237,583.)
CAPITAL OUTLAY:					
Undistributed expenditures:					
Admin information technology	5,649.	16,308.	21,957.	20,916.	1,041.
Care and upkeep of grounds		3,520.	3,520.	3,520.	
Total equipment	5,649.	19,828.	25,477.	24,436.	1,041.
Facilities acquisition and construction services:					
Assessment for debt service on SDA funding	11,143.		11,143.	11,143.	
Total facilities acquisition and construction services	11,143.	0.	11,143.	11,143.	0.
Total capital outlay expenditures	16,792.	19,828.	36,620.	35,579.	1,041.
Total general fund	\$ 6,817,027.	\$ 77,547.	\$ 6,894,574.	\$ 7,131,116.	\$ (236,542.)

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	\$(183,942.)	\$(77,547.)	\$(261,489.)	\$ 297,113.	\$ 558,602.
Other financing sources (uses):					
Operating transfers out:					
Transfers to/from Internal Service Fund	0.	0.	0.	0.	0.
Total other financial sources (uses)					
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(183,942.)	(77,547.)	(261,489.)	297,113.	558,602.
Fund balances, July 1	1,168,635.		1,168,635.	1,168,635.	
Fund balances, June 30	\$ 984,693.	\$ (77,547.)	\$ 907,146.	\$ 1,465,748.	\$ 558,602.
<b>Recapitulation:</b>					
<b>Restricted fund balance:</b>					
Capital reserve				200,101.	
Maintenance reserve				391,587.	
Excess surplus designated for subsequent year's expend.				458,126.	
Excess surplus-current year				141,454.	
<b>Committed fund balance:</b>					
Year-end encumbrances				1,898.	
<b>Assigned fund balance:</b>					
Designated for subsequent year's expenditures				10,954.	
<b>Unassigned fund balance:</b>				261,628.	
				1,465,748.	
<b>Reconciliation to Governmental Funds Statements (GAAP):</b>					
Last State Aid Payment not recognized on GAAP basis				(322,036.)	
Fund balance per Governmental Funds (GAAP)				<u>\$ 1,143,712.</u>	

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION JOBS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:					
Federal sources:					
Education Jobs Fund	\$ 3,622.	\$	\$ 3,622.	\$ 3,622.	\$
Total Federal Sources	3,622.	0.	3,622.	3,622.	0.
Total Revenues	3,622.	0.	3,622.	3,622.	0.
Expenditures:					
Custodial services	3,622.		3,622.	3,622.	
Salaries	3,622.	0.	3,622.	3,622.	0.
Total custodial services	3,622.	0.	3,622.	3,622.	0.
Total Expenditures	0	0	0	0	0
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, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local sources	\$ 3,024.	\$	\$ 3,024.	\$ 3,024.	\$
Federal sources	418,149.		418,149.	283,961.	(134,188.)
Total revenues	\$ 421,173.	\$ 0.	\$ 421,173.	\$ 286,985.	\$ (134,188.)
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of teachers	\$ 74,034.	\$	\$ 74,034.	\$ 61,796.	\$ 12,238.
Other salaries for instruction	45,591.		45,591.	39,837.	5,754.
Purchased prof/tech services	2,296.		2,296.		2,296.
Other purchased services	142,116.		142,116.	104,083.	38,033.
General supplies	20,038.		20,038.		20,038.
Total instruction	284,075.	0.	284,075.	205,716.	78,359.
Support Services:					
Other salaries	12,063.		12,063.	1,801.	10,262.
Personal services - employee benefits	14,860.		14,860.	12,754.	2,106.
Other purchased professional services	45,628.		45,628.	35,658.	9,970.
Travel				594.	(594.)
Other purchased services	34,750.		34,750.	7,764.	26,986.
Supplies and materials	27,297.		27,297.	22,698.	4,599.
Other objects	2,500.		2,500.		2,500.
Total support services	137,098.	0.	137,098.	81,269.	55,829.
Total expenditures	421,173.	0.	421,173.	286,985.	134,188.
Total outflows	421,173.	0.	421,173.	286,985.	134,188.
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund
Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures			
Sources/inflows of resources			
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 7,428,229.	\$ 286,985.	\$
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Prior year encumbrance			
Current year encumbrance		(440.)	
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	321,958.		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(322,036.)		
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances-governmental funds.	<u>\$ 7,428,151.</u>	<u>\$ 286,545.</u>	<u>\$ 0.</u>
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 7,131,116.	\$ 286,985.	\$
Differences - budget to GAAP:			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.			
Prior year encumbrance			
Current year encumbrance		(440.)	
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 7,131,116.</u>	<u>\$ 286,545.</u>	<u>\$ 0.</u>

**SCHOOL BASED BUDGET  
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, 2013

	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	Race to the Top	REAP	Safety Program	Totals 2013
Revenues:									
Local sources	\$	\$	\$	\$	\$	\$	\$	\$	\$
Federal sources	74,884.	48,728.	9,023.	102,628.	1,455.	7,406.	39,837.	3,024.	283,961.
Total revenues	\$ 74,884.	\$ 48,728.	\$ 9,023.	\$ 102,628.	\$ 1,455.	\$ 7,406.	\$ 39,837.	\$ 3,024.	\$ 286,985.
Expenditures:									
Instruction:									
Salaries of teachers	\$ 61,796.	\$	\$	\$	\$	\$	\$	\$	\$ 61,796.
Other salaries for instruction							39,837.		39,837.
Other purchased services				102,628.	1,455.				104,083.
Total instruction	61,796.	0.	0.	102,628.	1,455.	0.	39,837.	0.	205,716.
Support services:									
Other salaries	12,360.	1,801.							1,801.
Personal serv employee benefits		394.							12,754.
Other purchased prof services	594.	30,046.	1,909.			3,703.			35,658.
Travel									594.
Other purchased services	134.	650.	7,114.			3,703.		3,024.	7,764.
Supplies & materials		15,837.							22,698.
Total support services	13,088.	48,728.	9,023.	0.	0.	7,406.	0.	3,024.	81,269.
Facilities Acquisition & Constr Ser:									
Non-instructional equipment	0.	0.	0.	0.	0.	0.	0.	0.	0.
Total Facilities Acq & Constr Ser	0.	0.	0.	0.	0.	0.	0.	0.	0.
Total expenditures	\$ 74,884.	\$ 48,728.	\$ 9,023.	\$ 102,628.	\$ 1,455.	\$ 7,406.	\$ 39,837.	\$ 3,024.	\$ 286,985.

## **CAPITAL PROJECTS FUND**

HOPEWELL TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2013

Project Description	Total Authorized Cost	Prior Year's Expenditures	Current Year Expenditures	Adjustment	Unexpended Balance
Hopewell Crest:					
Swipe Card Locks	\$ 26,100.	\$ 26,048.	\$	\$	\$ 52.
Solar Heat & HVAC Project (2009)	2,821,375.	2,485,860.	63,190.		272,325.
<b>Total</b>	<b>\$ 2,847,475.</b>	<b>\$ 2,511,908.</b>	<b>\$ 63,190.</b>	<b>\$ 0.</b>	<b>\$ 272,377.</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, 2013

Revenues and Other Financing Sources:	
Bond proceeds	\$ 0.
Total revenues	<u>0.</u>
Expenditures and Other Financing Uses	
Construction in process	63,190.
Total expenditures	<u>63,190.</u>
Excess (deficiency) of revenues over (under) expenditures	(63,190.)
Excess (deficiency) of revenues and other financing resources over/(under) expenditures and other financial uses	<u>(63,190.)</u>
Fund balance - beginning	<u>335,567.</u>
Fund balance - ending	<u><u>\$ 272,377.</u></u>

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, 2013

	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	26,048.	0.	26,048.	26,100.
Excess (deficiency) or revenues over (under) expenditures	\$ 52.	\$ 0.	\$ 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, 2013

	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	270,301.	6,400.	276,701.	217,875.
Construction services	2,161,976.	56,790.	2,218,766.	2,513,500.
Other	53,583.		53,583.	90,000.
Total expenditures	2,485,860.	63,190.	2,549,050.	2,821,375.
Excess (deficiency) or revenues over (under) expenditures	\$ 335,515.	\$(63,190.)	\$ 272,325.	\$ 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 FUND**

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET POSITION  
AS OF JUNE 30, 2013

	<u>Food Service</u>
<b>ASSETS:</b>	
Current assets:	
Cash and cash equivalents	\$ 103,261.
Accounts receivable:	
Federal	6,547.
State	163.
Inventories	<u>4,717.</u>
 Total current assets	 <u>114,688.</u>
Fixed assets:	
Equipment	119,823.
Accumulated depreciation	<u>(66,079.)</u>
 Total fixed assets	 <u>53,744.</u>
 Total assets	 <u><u>\$ 168,432.</u></u>
 <b>DEFERRED OUTFLOW OF RESOURCES</b>	
 <b>LIABILITIES AND FUND EQUITY:</b>	
Current liabilities:	
Deferred revenues	\$ 2,253.
Accounts payable	33,150.
Prepaid lunches	<u>3,660.</u>
 Total current liabilities	 <u>39,063.</u>
 Total liabilities	 <u><u>\$ 39,063.</u></u>
 <b>DEFERRED INFLOW OF RESOURCES</b>	
 <b>NET POSITION:</b>	
Invested in capital assets	\$ 53,744.
Unrestricted	<u>75,625.</u>
 Total net position	 <u><u>\$ 129,369.</u></u>

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Food Service</u>
OPERATING REVENUES:	
Local sources:	
Daily sales-reimbursable programs:	
School lunch program	\$ 56,973.
School breakfast program	2,705.
Daily sales-non-reimbursable programs	<u>49,063.</u>
Total operating revenues	<u>108,741.</u>
OPERATING EXPENSES:	
Salaries	59,973.
Employee benefits	11,495.
Repairs and maintenance	2,481.
Supplies and materials	14,093.
Depreciation	4,809.
Cost of sales	85,419.
Miscellaneous	4,619.
Office supplies	1,762.
Performance fees	<u>27,675.</u>
Total operating expenses	<u>212,326.</u>
Operating income/(loss)	<u>(103,585.)</u>
Nonoperating revenues:	
State sources:	
State school lunch program	2,353.
Federal sources:	
National school breakfast program	17,460.
National school lunch program	77,833.
U.S.D.A. commodities	<u>16,868.</u>
Total nonoperating revenues	<u>114,514.</u>
Change in net position before operating transfers in/(out)	<u>10,929.</u>
Operating transfer in/(out):	
Operating transfer in	<u>0.</u>
Total operating transfer in/(out)	<u>0.</u>
Change in net position	10,929.
Net position - July 1	118,440.
Net position - June 30	<u><u>\$ 129,369.</u></u>

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Food Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from customers	\$ 109,449.
Cash payments to suppliers	(187,323.)
Net cash provided (used) by operating activities	(77,874.)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
State sources	2,326.
Federal sources	93,687.
Net cash provided by noncapital financing activities	96,013.
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Purchase of equipment	(3,754.)
Net cash provided by investing activities	(3,754.)
Net increase/(decrease) in cash and cash equivalents	14,385.
Cash and cash equivalents - July 1	88,876.
Cash and cash equivalents - June 30	\$ 103,261.
Reconciliation of operating income/(loss) to net cash provided/(used) by operating activities:	
Operating income/(loss)	\$(103,585.)
Adjustments to reconcile operating income to cash provided/(used) by operating activities:	
Depreciation expense	4,809.
Federal commodities	16,868.
Change in assets and liabilities:	
(Increase)/decrease in inventory	106.
Increase/(decrease) in accounts payable	2,481.
Increase/(decrease) in deferred revenue	739.
Increase/(decrease) in prepaid lunches	708.
Net cash provided/(used) by operating activities	\$(77,874.)

## **INTERNAL SERVICE FUND**

HOPEWELL TOWNSHIP SCHOOL DISTRICT  
INTERNAL SERVICE FUNDS  
COMBINING SCHEDULE OF NET POSITION  
AS OF JUNE 30, 2013

	Shared Business Services	Curriculum Coordinator	Total
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$ 7,023.	\$(2,888.)	\$ 4,135.
Accounts receivable	5,417.	4,622.	10,039.
Total current assets	\$ 12,440.	\$ 1,734.	\$ 14,174.
<b>DEFERRED OUTFLOW OF RESOURCES:</b>			
<b>LIABILITIES:</b>			
Current liabilities:			
Accounts payable	\$	\$ 69.	\$ 69.
Prepaid fees		1,306.	1,306.
Total current liabilities	0.	1,375.	1,375.
Total liabilities	0.	1,375.	1,375.
<b>DEFERRED INFLOW OF RESOURCES:</b>			
<b>NET POSITION:</b>			
Unrestricted	12,440.	359.	12,799.
Total net position	\$ 12,440.	\$ 359.	\$ 12,799.

HOPEWELL TOWNSHIP SCHOOL DISTRICT  
COMBINING SCHEDULE OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Shared Business Services	Curriculum Coordinator	Total
OPERATING REVENUES:			
Fees	\$ 65,000.	\$ 112,382.	\$ 177,382.
Total operating revenues	65,000.	112,382.	177,382.
OPERATING EXPENSES:			
Salaries and benefits	63,179.	108,552.	171,731.
Travel		911.	911.
General supplies	1,000.	292.	1,292.
Miscellaneous		2,627.	2,627.
Total operating expenses	64,179.	112,382.	176,561.
Operating income/(loss)	821.	0.	821.
Change in net position	821.	0.	821.
NET POSITION - JULY 1	11,619.	359.	11,978.
NET POSITION - JUNE 30	\$ 12,440.	\$ 359.	\$ 12,799.

HOPEWELL TOWNSHIP SCHOOL DISTRICT  
COMBINING SCHEDULE OF CASH FLOWS  
INTERNAL SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Shared Business Services	Curriculum Coordinator	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers	\$ 59,583.	\$ 107,760.	\$ 167,343.
Payments to suppliers	(1,000.)	(3,762.)	(4,762.)
Payments to employees	(63,179.)	(108,551.)	(171,730.)
Net cash provided (used) by operating activities	<u>(4,596.)</u>	<u>(4,553.)</u>	<u>(9,149.)</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	(4,596.)	(4,553.)	(9,149.)
Cash and cash equivalents - July 1	<u>11,619.</u>	<u>1,665.</u>	<u>13,284.</u>
Cash and cash equivalents - June 30	<u>\$ 7,023.</u>	<u>\$(2,888.)</u>	<u>\$ 4,135.</u>
<b>Reconciliation of operating income/(loss) to net cash provided/ (used) by operating activities:</b>			
Operating income/(loss)	\$ 821.	\$	\$ 821.
<b>Change in assets and liabilities:</b>			
(Increase)/decrease in accounts receivable	(5,417.)	(4,622.)	(10,039.)
Increase/(decrease) in accounts payable		69.	69.
Net cash provided (used in) operating activities	<u>\$(4,596.)</u>	<u>\$(4,553.)</u>	<u>\$(9,149.)</u>

## **FIDUCIARY FUND**

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
AS OF JUNE 30, 2013

	Student Activity	Agency Fund	Unemployment Compensation Trust	Total
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 18,248.	\$ 16,772.	\$ 220,121.	\$ 255,141.
Due from Unemployment		6,549.		6,549.
<b>Total assets</b>	<b>\$ 18,248.</b>	<b>\$ 23,321.</b>	<b>\$ 220,121.</b>	<b>\$ 261,690.</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
<b>LIABILITIES:</b>				
Payroll deductions and withholdings	\$	\$ 8,115.	\$	\$ 8,115.
Due to student groups	18,248.			18,248.
Due to Agency			6,549.	6,549.
Interfund payable		15,206.	5,783.	20,989.
<b>Total liabilities</b>	<b>\$ 18,248.</b>	<b>\$ 23,321.</b>	<b>\$ 12,332.</b>	<b>\$ 53,901.</b>
<b>DEFERRED INFLOW OF RESOURCES</b>				
<b>NET POSITION:</b>	<b>0.</b>	<b>0.</b>	<b>207,789.</b>	<b>207,789.</b>
<b>Total net position</b>	<b>\$ 0.</b>	<b>\$ 0.</b>	<b>\$ 207,789.</b>	<b>\$ 207,789.</b>

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Unemployment Compensation Trust	Total
ADDITIONS:		
Contributions:		
Plan member	\$ 6,234.	\$ 6,234.
Total contributions	<u>6,234.</u>	<u>6,234.</u>
Investment earnings:		
Interest	1,681.	1,681.
Net investment earnings	<u>1,681.</u>	<u>1,681.</u>
Total additions	<u>7,915.</u>	<u>7,915.</u>
DEDUCTIONS:		
Unemployment claims	3,207.	3,207.
Total deductions	<u>3,207.</u>	<u>3,207.</u>
Change in net position	4,708.	4,708.
NET POSITION - JULY 1	<u>203,081.</u>	<u>203,081.</u>
NET POSITION - JUNE 30	<u>\$ 207,789.</u>	<u>\$ 207,789.</u>

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
STUDENT ACTIVITY AGENCY FUND SCHEDULE  
OF RECEIPTS AND DISBURSEMENTS  
FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Cash Balance July 1, 2012	Cash Receipts	Interest	Cash Disbursements	Cash Balance June 30, 2013
Student Activities	\$ 17,832.	\$ 54,914.	\$ 189.	\$ 56,546.	\$ 16,389.
In Memory of Christina Heminghaus	2,590.	50.	19.	800.	1,859.
<b>Total</b>	<b>\$ 20,422.</b>	<b>\$ 54,964.</b>	<b>\$ 208.</b>	<b>\$ 57,346.</b>	<b>\$ 18,248.</b>

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 20,917.	\$ 4,550,534.	\$ 4,554,679.	\$ 16,772.
Due from payroll withholdings	1,645.		1,645.	
Due from Unemployment	1,016.	5,533.		6,549.
<b>Total assets</b>	<b>\$ 23,578.</b>	<b>\$ 4,556,067.</b>	<b>\$ 4,556,324.</b>	<b>\$ 23,321.</b>
<b>LIABILITIES:</b>				
Net payroll and payroll deductions and withholdings	\$ 6,719.	\$ 4,556,067.	\$ 4,554,671.	\$ 8,115.
Interfund payable	16,859.		1,653.	15,206.
<b>Total liabilities</b>	<b>\$ 23,578.</b>	<b>\$ 4,556,067.</b>	<b>\$ 4,556,324.</b>	<b>\$ 23,321.</b>

## **LONG-TERM DEBT**

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
LONG TERM DEBT  
SCHEDULE OF SERIAL BONDS  
JUNE 30, 2013

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Amount	Interest Rate	Balance July 1, 2012	Issued	Retired	Balance June 30, 2013
Hopewell Crest Referendum Project	02/01/2005	\$1,161,000.	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%	611,000.	0.	110,000.	501,000.
Hopewell Crest School Alterations and Improvements	7/2/2009	\$2,821,000.	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%				
						2,566,000.	0.	140,000.	2,426,000.
						<u>\$ 3,177,000.</u>	<u>\$ 0.</u>	<u>\$ 250,000.</u>	<u>\$ 2,927,000.</u>

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 266,529.	\$	\$ 266,529.	\$ 266,529.	\$
State sources:					
Debt service aid - type II	103,270.		103,270.	103,270.	
Total revenues	369,799.	0.	369,799.	369,799.	0.
EXPENDITURES:					
Regular debt service:					
Interest	119,799.		119,799.	119,799.	
Redemption of principal	250,000.		250,000.	250,000.	
Total regular debt service	369,799.	0.	369,799.	369,799.	0.
Total expenditures	369,799.	0.	369,799.	369,799.	0.
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 POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
*(Accrual Basis of Accounting)*

	FISCAL YEAR ENDING JUNE 30.									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental Activities:</b>										
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.	\$ 6,468,101.
Restricted	1.	2,364,600.	171,395.	157,908.	177,434.	38,289.	885,823.	1,090,463.	1,194,323.	1,476,497.
Unrestricted	(63,689.)	(132,068.)	(235,462.)	(141,183.)	(166,241.)	(229,279.)	(349,525.)	(109,087.)	(194,769.)	(265,813.)
<b>Total governmental activities net assets</b>	<b>\$ 2,341,688.</b>	<b>\$ 4,018,710.</b>	<b>\$ 4,424,391.</b>	<b>\$ 5,032,280.</b>	<b>\$ 5,310,182.</b>	<b>\$ 5,634,390.</b>	<b>\$ 5,931,045.</b>	<b>\$ 6,934,277.</b>	<b>\$ 7,443,956.</b>	<b>\$ 7,678,785.</b>
<b>Business-Type Activities:</b>										
Invested in capital assets, net of related debt	\$	\$ 24,788.	\$ 20,517.	\$ 16,329.	\$ 15,694.	\$ 55,309.	\$ 35,626.	\$ 47,872.	\$ 54,799.	\$ 53,744.
Unrestricted	67,294.	(4,680.)	(4,077.)	10,074.	45,501.	19,424.	75,675.	68,515.	63,641.	75,625.
<b>Total business-type activities net assets</b>	<b>\$ 67,294.</b>	<b>\$ 20,108.</b>	<b>\$ 16,440.</b>	<b>\$ 26,403.</b>	<b>\$ 61,195.</b>	<b>\$ 74,733.</b>	<b>\$ 111,301.</b>	<b>\$ 116,387.</b>	<b>\$ 118,440.</b>	<b>\$ 129,369.</b>
<b>District-Wide:</b>										
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.	\$ 6,521,845.
Restricted	1.	2,364,600.	171,395.	157,908.	177,434.	38,289.	885,823.	1,090,463.	1,194,323.	1,476,497.
Unrestricted	3,605.	(136,748.)	(239,539.)	(131,109.)	(120,740.)	(209,855.)	(273,850.)	(40,572.)	(131,128.)	(190,188.)
<b>Total District Net Assets</b>	<b>\$ 2,408,982.</b>	<b>\$ 4,038,818.</b>	<b>\$ 4,440,831.</b>	<b>\$ 5,058,683.</b>	<b>\$ 5,371,377.</b>	<b>\$ 5,709,123.</b>	<b>\$ 6,042,346.</b>	<b>\$ 7,050,664.</b>	<b>\$ 7,562,396.</b>	<b>\$ 7,808,154.</b>

HOPEWELL TOWNSHIP BOARD OF EDUCATION

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<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.	\$ 2,576,806.
Special education	415,505.	581,523.	682,915.	673,979.	602,144.	608,086.	644,900.	547,145.	792,994.	843,754.
Other special education	59,994.	65,259.	60,192.	68,362.	73,235.	140,193.	134,794.	62,851.	62,580.	59,956.
Other instruction	27,783.	29,132.	24,805.	33,506.	36,516.	61,052.	65,052.	67,763.	67,442.	66,421.
Support Services:										
Tuition	163,907.	195,528.	182,824.	172,417.	358,017.	308,023.	326,540.	323,931.	68,093.	98,519.
Student & instruction related services	752,547.	728,678.	934,557.	678,249.	762,936.	784,552.	830,138.	714,806.	732,084.	707,910.
School administrative services	148,967.	174,676.	159,911.	127,879.	158,511.	157,757.	157,449.	178,087.	168,375.	167,214.
General & business administrative services	317,249.	325,606.	336,578.	342,495.	358,471.	382,446.	369,262.	373,655.	338,614.	343,044.
Plant operations & maintenance	487,874.	484,386.	529,930.	545,492.	541,801.	586,023.	583,003.	649,069.	596,599.	663,959.
Pupil transportation	262,019.	308,351.	379,634.	429,328.	460,630.	438,597.	428,332.	472,070.	429,168.	394,344.
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.	1,790,339.
Interest on long-term debt	230,675.	207,875.	225,470.	199,897.	169,430.	144,048.	215,917.	172,892.	175,227.	117,163.
Internal service				138,784.	140,508.			6,175.	170,096.	176,561.
Amortization of debt issuance cost							2,163.	2,163.	2,163.	2,163.
Debt service assessment								13,962.	8,120.	11,143.
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.	8,019,296.
Business-type activities:										
Food service	185,135.	225,137.	197,929.	201,147.	213,746.	206,256.	213,447.	213,265.	224,308.	212,326.
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.	212,326.
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.	\$ 8,231,622.
<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.	177,382.
Operating grants & contributions	640,451.	598,264.	673,492.	868,507.	898,376.	481,081.	507,214.	504,850.	610,799.	723,185.
Total governmental activities program revenues										
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.	108,741.
Child Study Team	182,272.	142,974.	164,617.	198,232.	248,510.	239,390.	259,095.	108,274.	114,905.	114,514.
Operating grants & contributions	67,227.	74,658.	74,874.	81,567.	95,290.	90,195.	115,874.	227,298.	231,077.	223,255.
Total business-type activities program revenues	376,159.	360,345.	384,121.	420,076.	487,831.	463,257.	494,088.	341,176.	362,154.	346,510.
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.	\$ 1,123,822.

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<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.)	\$ (7,118,729.)
Business-type activities	(17,197.)	(47,516.)	(4,373.)	1,399.	33,303.	13,364.	42,915.	4,827.	5,260.	10,929.
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>	<u>\$ (7,107,800.)</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.	\$ 3,156,810.
Taxes levied for debt service	391,289.	375,260.	480,772.	453,712.	456,801.	454,582.	451,588.	675,548.	493,211.	266,529.
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.	3,719,258.
Tuition received	181,909.	228,900.	247,978.	270,254.	213,795.	562,231.	137,740.	118,914.	128,998.	153,485.
Investment earnings	100.	13,783.	14,382.	9,496.	6,978.	3,271.	20,070.	14,581.	17,891.	15,527.
Miscellaneous income	646.	10,089.	8,317.	51,477.	402,702.	17,546.	11,458.	294,837.	122,229.	49,700.
Adjustment to carrying value of fixed assets per app.		251,655.		(28,450.)	(137,705.)		(28,639.)			(7,751.)
Adjustments to fixed assets		(23,612.)								
Adjustment to beginning accrued interest				(7,766.)					(2,140.)	
Audit adjustment				(4,249.)						
Transfers				6,669,306.	7,131,524.	7,434,457.	7,813,617.	8,166,370.	7,908,160.	7,353,558.
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>	<u>7,353,558.</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>307.</u>	<u>174.</u>	<u>(7,200.)</u>	<u>(6,347.)</u>	<u>259.</u>	<u>9.</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>	<u>\$ 7,353,558.</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.	234,829.
Business-type activities	(17,050.)	(47,186.)	(3,668.)	9,963.	34,792.	13,538.	36,568.	5,086.	7,409.	10,929.
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>	<u>\$ 245,758.</u>

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

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved	\$ 77,161.	\$ 45,848.	\$ 45,089.	\$ 64,200.	\$ 35,430.	\$ 22,020.	\$ 40,318.	\$ 311,374.	\$ 907,681.	\$ 1,204,120.
Unreserved	37,648.	2,536.	(51,208.)	33,127.	60,718.	1,444.	(70,275.)	(21,502.)	(61,004.)	(60,408.)
Total general fund	\$ 114,809.	\$ 48,384.	\$(6,119.)	\$ 97,327.	\$ 96,148.	\$ 23,464.	\$(29,957.)	\$ 289,872.	\$ 846,677.	\$ 1,143,712.
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.	116,502.	93,708.	142,004.	16,269.	860,786.	844,089.	335,567.	272,377.
Debt service fund	9,907.	9,804.	(53.)	(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.	\$ 272,377.

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,

LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues</b>										
Tax levy	\$ 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.	\$ 3,423,339.
Tuition charges	181,909.	228,900.	247,978.	270,254.	213,795.	562,231.	137,740.	118,914.	128,998.	153,485.
Interest earnings	646.	13,783.	14,382.	9,496.	6,978.	3,271.	20,070.	14,581.	17,891.	15,527.
Miscellaneous	100.	10,089.	8,317.	51,477.	402,702.	17,546.	11,458.	294,837.	122,229.	49,700.
State sources	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.	4,147,525.
Federal sources	247,220.	268,278.	284,063.	280,121.	281,893.	321,412.	1,011,200.	444,994.	437,062.	294,919.
<b>Total revenue</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>8,084,495.</b>
<b>Expenditures</b>										
<b>Instruction:</b>										
Regular instruction	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.	2,423,718.
Special education instruction	404,384.	560,855.	657,926.	661,920.	572,412.	578,300.	618,218.	515,355.	763,756.	813,136.
Other special instruction	59,994.	65,259.	60,192.	68,362.	73,235.	140,193.	134,794.	62,851.	62,580.	59,956.
School sponsored/other instruction	27,783.	29,132.	24,805.	33,506.	36,516.	61,052.	65,052.	67,763.	67,442.	66,421.
<b>Support Services:</b>										
Tuition	163,907.	195,528.	182,824.	172,417.	358,017.	308,023.	326,540.	323,931.	68,093.	98,519.
Student & instruction related services	531,060.	552,305.	725,726.	660,161.	718,338.	739,874.	790,116.	667,121.	688,226.	661,984.
Other administration	273,522.	304,938.	311,589.	330,436.	328,739.	352,660.	165,089.	175,816.	150,181.	160,025.
School administration services	137,846.	154,008.	134,922.	115,820.	128,779.	127,971.	130,767.	146,297.	139,137.	136,597.
Central services							177,491.	166,049.	159,195.	152,401.
Plant operations & maintenance	482,314.	474,052.	507,094.	539,463.	526,934.	571,130.	569,662.	633,174.	581,979.	648,650.
Pupil transportation	262,019.	308,351.	379,634.	429,328.	460,630.	438,597.	428,332.	472,070.	429,168.	394,344.
Other support services	32,606.									
Employee benefits	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.	1,766,331.
Special schools		33,258.								
Capital outlay	71,204.	155,227.	2,070,858.	61,042.	48,555.	154,250.	2,028,268.	50,017.	408,330.	98,769.
<b>Debt service:</b>										
Principal	570,000.	560,000.	640,000.	635,000.	650,000.	670,000.	690,000.	840,000.	870,000.	250,000.
Interest & other charges	230,675.	207,875.	229,420.	199,653.	173,278.	145,975.	117,264.	263,482.	156,789.	119,799.
<b>Total expenditures</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>	<b>7,850,650.</b>

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Excess (deficiency) of revenues over/(under) expenditures	\$ 3,663.	\$ 1,136,946.	\$(1,027,452.)	\$ 78,561.	\$ 1,952.	\$(196,041.)	\$(2,029,903.)	\$ 303,183.	\$ 50,423.	\$ 233,845.
Other Financing Sources/(Uses):		1,161,000.					2,821,000.			
Proceeds from sale of bonds					48,239.					
Capital leases (non-budgeted)		10,078.	6,331.		26,100.			50.	141,952.	
Proceeds from sale of assets		(10,078.)	(6,331.)	(7,766.)	(30,349.)			(50.)	(144,092.)	
Prior year adjustment										
Transfers in										
Transfers out										
Total other financing sources/(uses)	0.	1,161,000.	0.	(7,766.)	43,990.	0.	2,821,000.	0.	(2,140.)	0.
Net change in fund balances	\$ 3,663.	\$ 2,297,946.	\$(1,027,452.)	\$ 70,795.	\$ 45,942.	\$(196,041.)	\$ 791,097.	\$ 303,183.	\$ 48,283.	\$ 233,845.
Debt Service as a Percentage of Noncapital Expenditures	12.67%	11.43%	12.32%	11.44%	10.38%	10.25%	9.67%	13.27%	12.74%	4.77%

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
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.
2013	15,527.				36,894.		9,782.	153,485.	215,688.

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	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%
	2012	237,253,558.	342,556,122.	69.26%
Borough of Shiloh	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%
	2012	33,343,800.	29,035,564.	114.84%

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	
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
2012	N/A	N/A	1.353	0.645	0.240	1.374	3.612

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	
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
2012	0.639	N/A	0.639	0.487	0.317	0.825	2.268

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	2012			2003		
	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.	\$ 5,528,900.	1	2.33%	\$ 2,450,200.	1	1.11%
Sunny Slope Farms of NJ	1,758,300.	2	0.74%	1,758,300.	2	0.80%
Solvista 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	793,600.	8	0.33%			
Taxpayer 3	611,700.	9	0.26%			
Verizon	608,158.	10	0.26%			
Taxpayer 4				1,090,464.	4	0.50%
Taxpayer 5				1,372,700.	3	0.62%
Taxpayer 6				845,600.	5	0.38%
Taxpayer 7				835,200.	6	0.38%
Taxpayer 8				704,000.	7	0.32%
Taxpayer 9				704,000.	8	0.32%
Taxpayer 10				688,900.	9	0.31%
D'Angelo & Brown				553,000.	10	0.25%
<b>Total</b>	<b>\$ 14,548,458.</b>		<b>6.13%</b>	<b>\$ 11,002,364.</b>		<b>5.00%</b>

**Source:** Municipal Tax Assessor

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

Taxpayer	2012			2003		
	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.		2.27%			
Solavista, LLC	639,500.		1.92%			
Taxpayer 2	617,600.		1.85%			
Sarju Realty, LLC	495,200.		1.49%			
Taxpayer 3	398,400.		1.19%			
DeWilde Farm Associates, LP	375,700.		1.13%			
Taxpayer 4	356,200.		1.07%			
Taxpayer 5	341,100.		1.02%			
Taxpayer 6	289,800.		0.87%			
Taxpayer 7	283,300.		0.85%			
<b>Total</b>	<b>\$ 4,553,200.</b>		<b>13.66%</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	
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%	
2013	3,209,576.	3,209,576.	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	
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%	
2013	213,763.	213,763.	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			Bond		Business-Type Activities		Total District	Percentage of Personal Income (a)	Per Capita (a)
	General Obligation Bonds (b)	Certificates of Participation	Capital Leases	Anticipation Notes (BANs)	Capital Leases	Capital Leases				
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.		35,272.				4,082,272.	2.37%	800.	
2012	3,177,000.						3,177,000.	1.76%	627.	
2013	2,927,000.						2,927,000.	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		
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.	1.34%	627.
2013	2,927,000.		2,927,000.	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, 2013

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (a)	Estimated Share of Overlapping Debt
<b>Debt Repaid With Property Taxes:</b>			
Hopewell Township	\$ 464,625.	100.00%	\$ 464,625.
Borough of Shiloh		100.00%	
County of Cumberland - Township's Share	61,068,145.	3.68%	2,249,140.
County of Cumberland - Borough's Share	61,068,145.	0.31%	190,533.
<b>Other Debt</b>			
Cumberland Regional School District - Township's Share	2,112,016.	100.00%	2,112,016.
Cumberland Regional School District - Borough's Share	200,925.	100.00%	200,925.
<b>Subtotal, Overlapping Debt</b>			<b>5,217,238.</b>
<b>Township of Hopewell School District Direct Debt</b>			<b>2,927,000.</b>
<b>Total Direct &amp; Overlapping Debt</b>			<b>\$ 8,144,238.</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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt Limit	\$ 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.	\$ 11,170,801.
Total Net Debt Applicable to Limit	4,750,000.	5,351,000.	4,711,000.	4,076,000.	3,426,000.	2,756,000.	4,887,000.	4,047,000.	2,927,000.	2,927,000.
Legal Debt Margin	\$ 1,572,038.	\$ 1,368,814.	\$ 2,625,938.	\$ 4,352,263.	\$ 6,014,748.	\$ 7,633,118.	\$ 7,003,482.	\$ 7,937,096.	\$ 8,595,417.	\$ 8,243,801.
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	75.13%	79.63%	64.21%	48.36%	36.29%	26.53%	41.10%	33.77%	25.40%	26.20%

Legal Debt Margin Calculation for Fiscal Year 2013

Equalized Valuation Basis	
2012	\$ 362,261,049.
2011	368,322,079.
2010	386,497,000.
	<u>\$ 1,117,080,128.</u>
Average Equalized Valuation of Taxable Property	\$ 372,360,043.
Debt Limit (3 % of Average Equalization Value)	11,170,801. (a)
Total Net Debt Applicable to Limit	<u>2,927,000.</u>
Legal Debt Margin	<u>\$ 8,243,801.</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)	Per Capita		Unemployment Rate (d)
		Personal Income (b)	Personal Income (c)	
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	180,098,832.	35,272.	9.60%
2012	5,069	N/A	N/A	10.85%

\*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

EXHIBIT J-15

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

Employer	2013			2004		
	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	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Instruction:										
Regular	34	33	33	33	33	33	33	29	28	28.5
Special Education	10	14	14	14	16	16	14	9	10.5	10
Other Special Education	7	5	5	6	6	6	9	10	8.5	8
Other Instruction	17	17	17	17	18	18	18	12	12	12
Support Services:										
Student & Instruction Related Services	11	9	10	10	8	8	8	7	7	7
School Administrative Services	2	3	3	3	4	4	3	4	4	3.5
Other Administrative Services	5	5	5	5	5	5	4	3	3	3
Plant Operations & Maintenance	5	5	5	5	5	5	2	3	2	2
<b>Total</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>	<b>74</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				
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%
2013	516	7,382,082.	14,306.	4.51%	44.4	1:17	N/A	508.4	486.0	(1.78)%	95.59%

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	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
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)	553	541	537	538	566	542	549	541	514	514
Enrollment										

Number of Schools at June 30, 2013:  
 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)	<u>Primary School</u>	<u>Total</u>
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.
2012	176,592.	176,592.
Total School Facilities	<u>\$ 1,076,399.</u>	<u>\$ 1,076,399.</u>

\* 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, 2013  
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - Republic Franklin Insurance Company		
Property - Blanket Building & Contents	\$19,574,455.	\$ 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	Included	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.
Abuse or Molestation Liability Coverage	1,000,000.	
Employment Related Practices - Liability Insurance	1,000,000.	
Limited Pollution Coverage Extension	100,000.	
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 Markel 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, 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 Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the 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, 2013, and the related notes to the financial statements, which collectively comprise Hopewell Township Board of Education's basic financial statements, and have issued our report thereon dated November 15, 2013.

### Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

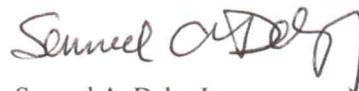
As part of obtaining reasonable assurance about whether the Hopewell Township Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could 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 Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

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

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

November 15, 2013



# 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 FOR EACH MAJOR PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE

### Independent Auditor's Report

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

#### Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Hopewell Township School District, in the County of Cumberland, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of Hopewell Township Board of Education's major federal and state programs for the year ended June 30, 2013. 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.

#### Management's Responsibility

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

#### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Hopewell Township Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; 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 or 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 on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Hopewell Township Board of Education's compliance.

Opinion on Each Major Federal and State Program

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 types of compliance requirements referred to above that could have a direct and material effect on its major federal and state programs for the fiscal year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the Hopewell Township Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements above. In planning and performing our audit of compliance, we considered Hopewell Township Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133, and the New Jersey State Aid/Grant Compliance Supplement, 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 or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and NJ OMB Circular 04-04. This report is intended solely 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

November 15, 2013

HOPEWELL TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA No.	Grant or State Project Number	Prgm. Or Award Amount	Grant Period From/To	Balance 6/30/2012	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Bal.	Accounts Receivable	Balance at June 30, 2013 Deferred Revenue	Due to Grantor
US Department of Education Passed													
General Fund:													
Education Jobs Fund	84.410		\$ 119,250.	7/1/11-9/30/12	\$	\$	\$ 3,622.	\$ (3,622.)	\$	\$	\$	\$	\$
Medical Assistance Program	93.778			7/1/12-6/30/13	(629.)	0.	8,405.	(7,776.)	0.	0.	0.	0.	0.
Total General Fund					(629.)	0.	12,027.	(11,398.)	0.	0.	0.	0.	0.
U.S. Department of Education Passed													
Through State Dept. of Education:													
Special Revenue Fund:													
Title I, Part A	84.010	NCLB-227013	\$ 80,529.	9/1/12-8/31/13		12,079.	62,523.	(74,884.)	(12,079.)		(12,361.)		
Title I, Part A	84.010	NCLB-227012	80,678.	9/1/11-8/31/12	(33,296.)	(12,079.)	33,296.		12,079.				
Title I, Part D	84.010	NCLB-227012	105,320.	9/1/11-8/31/12	(30,977.)		82,512.	(48,728.)					
Title II, Part A	84.168	NCLB-227013	11,939.	9/1/12-8/31/13		6,666.	6,543.	(8,876.)	(6,666.)		(2,333.)		2,807.
Title II, Part A	84.168	NCLB-227012	14,409.	9/1/11-8/31/12	(6,084.)	(6,666.)	6,059.	(147.)	6,838.				
Title II, Part D	84.168	NCLB-227010	656.	9/1/09-8/31/10	523.				(523.)				
IDEA Part B, Basic FT	84.027	FT-227013	111,400.	9/1/12-8/31/13		29,261.	83,789.	(93,628.)	(29,261.)		(9,839.)		
IDEA Part B, Basic FT	84.027	FT-227012	114,958.	9/1/11-8/31/12	(41,809.)	(29,261.)	50,809.	(9,000.)	29,261.				
IDEA Pre-School	84.173	PS-227013	1,455.	9/1/12-8/31/13		1,455.	1,455.	(1,455.)			(1,453.)		
Race to the Top	84.413	RTTT-227011	14,813.	9/1/11-11/30/15			5,953.	(7,406.)			(39,837.)		
REAP			41,361.	7/1/12-9/30/13	(111,643.)	0.	332,939.	(283,961.)	172.	(523.)	(65,823.)	0.	2,807.
Total Special Revenue Fund					(111,643.)	0.	332,939.	(283,961.)	172.	(523.)	(65,823.)	0.	2,807.
U.S. Department of Agriculture Passed													
through State Department of Education													
Enterprise Fund:													
Food Distribution Program	10.550	N/A	16,868.	7/1/12-6/30/13			16,868.	(14,616.)				2,252.	
Food Distribution Program	10.550	N/A	15,352.	7/1/11-6/30/12	1,514.			(1,514.)					
National School Breakfast Program	10.553	N/A	17,460.	7/1/12-6/30/13			16,377.	(17,460.)			(1,083.)		
National School Breakfast Program	10.553	N/A	20,675.	7/1/11-6/30/12	(988.)		988.						
National School Lunch Program	10.555	N/A	77,833.	7/1/12-6/30/13			72,369.	(77,833.)			(5,464.)		
National School Lunch Program	10.555	N/A	76,117.	7/1/11-6/30/12	(3,953.)	0.	3,953.						
Total Enterprise Fund					(3,427.)	0.	110,555.	(111,423.)	0.	0.	(6,547.)	2,252.	0.
Total Federal Awards					\$(115,699.)	\$ 0.	\$ 455,521.	\$(406,782.)	\$ 172.	\$(623.)	\$(72,370.)	\$ 2,252.	\$ 2,807.

The Accompanying Notes to the Schedules of Expenditures of Federal 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, 2013

State Grantor/Program Title State Dept. of Education:	Grant or State Project No.	Program or Award Amount	Grant Period From/To	Balance at June 30, 2012		Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Year Balances
				Def. Rev. (Accts. Rec.)	Due to Grantor				
General Fund:									
Equalization Aid	13-495-034-5120-078	\$2,560,666.	7/1/12-6/30/13	\$	\$	\$	\$2,560,666.	\$(2,560,666.)	\$
Transportation Aid	13-495-034-5120-014	144,419.	7/1/12-6/30/13				144,419.	(144,419.)	
Categorical Special Education Aid	13-495-034-5120-089	261,805.	7/1/12-6/30/13				261,805.	(261,805.)	
Categorical Security Aid	13-495-034-5120-084	68,193.	7/1/12-6/30/13				68,193.	(68,193.)	
Adjustment Aid	13-495-034-5120-085	274,437.	7/1/12-6/30/13				274,437.	(274,437.)	
Extraordinary Aid	12-495-034-5120-044	8,344.	7/1/11-6/30/12	(8,344.)			8,344.		
Extraordinary Aid	13-495-034-5120-044	9,192.	7/1/12-6/30/13					(9,192.)	
On Behalf Reimb TPAF Pens.	13-495-034-5095-001	466,857.	7/1/12-6/30/13				466,857.	(466,857.)	
Reimb TPAF Soc Sec Cont.	13-495-034-5095-002	256,329.	7/1/12-6/30/13				243,972.	(256,328.)	
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.	13-495-034-5120-044	2,436.	7/1/12-6/30/13					(2,436.)	
Total General Fund				(10,954.)	0.	0.	4,031,303.	(4,044,333.)	0.
Debt Service Fund:									
Debt Service Aid Type II	13-495-034-5120-125	391,626.	7/1/12-6/30/13				103,270.	(103,270.)	
Total Debt Service Fund				0.	0.	0.	103,270.	(103,270.)	0.
State Dept. of Agriculture:									
Enterprise Fund:									
Natl School Lunch Pgm.(State share)	12-100-010-3350-023	2,761.	7/1/11-6/30/12	(136.)			136.		
Natl School Lunch Pgm.(State share)	13-100-010-3350-023	2,353.	7/1/12-6/30/13	(136.)	0.	0.	2,190.	(2,353.)	
Total Enterprise Fund							2,326.	(2,353.)	0.
Total State Financial Assistance				\$(11,090.)	\$ 0.	\$ 0.	\$ 4,136,899.	\$(4,149,956.)	\$ 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, 2013

State Grantor/Program Title	Grant or State Project No.	Program or Award Amount	Grant Period From/To	Balance at June 30, 2013			MEMO	
				(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditure
State Dept. of Education:								
General Fund:								
Equalization Aid	13-495-034-5120-078	\$2,560,666.	7/1/12-6/30/13	\$	\$	\$	\$ 247,151.	\$ 2,560,666.
Transportation Aid	13-495-034-5120-014	144,419.	7/1/12-6/30/13				14,442.	144,419.
Categorical Special Education Aid	13-495-034-5120-089	261,805.	7/1/12-6/30/13				26,181.	261,805.
Categorical Security Aid	13-495-034-5120-084	68,193.	7/1/12-6/30/13				6,819.	68,193.
Adjustment Aid	13-495-034-5120-085	274,437.	7/1/12-6/30/13				27,444.	274,437.
Extraordinary Aid	12-495-034-5120-044	8,344.	7/1/11-6/30/12					
Extraordinary Aid	13-495-034-5120-044	9,192.	7/1/12-6/30/13	(9,192.)				9,192.
On Behalf Reimb TPAF Pens.	13-495-034-5095-001	466,857.	7/1/12-6/30/13					466,857.
Reimb TPAF Soc Sec Cont.	13-495-034-5095-002	256,329.	7/1/12-6/30/13	(12,356.)				256,328.
Additional Non-Public Transport.	12-495-034-5120-044	2,610.	7/1/11-6/30/12					
Additional Non-Public Transport.	13-495-034-5120-044	2,436.	7/1/12-6/30/13	(2,436.)				2,436.
Total General Fund				(23,984.)	0.	0.	322,036.	4,044,333.
Debt Service Fund:								
Debt Service Aid Type II	13-495-034-5120-125	391,626.	7/1/12-6/30/13	0.	0.	0.	0.	103,270.
Total Debt Service Fund								103,270.
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	(163.)				2,353.
Nat'l School Lunch Pgm. (State share)	13-100-010-3350-023	2,353.	7/1/12-6/30/13	(163.)	0.	0.	0.	2,353.
Total Enterprise Fund								
Total State Financial Assistance				\$(24,147.)	\$ 0.	\$ 0.	\$ 322,036.	4,149,956.

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, 2013**

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 \$(78.) for the general fund and \$(440.) for the special revenue fund. See *Exhibit C-3* (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	\$11,398.	\$4,044,255.	\$4,055,653.
Special Revenue Fund	283,521.		283,521.
Debt Service Fund		103,270.	103,270.
Food Service Fund	112,161.	2,353.	114,514.
Total Financial Assis.	<u>\$407,080.</u>	<u>\$4,149,878.</u>	<u>\$4,556,958.</u>

**Hopewell Township Board of Education**  
**Notes to the Schedules of Expenditures of Awards and Financial Assistance**  
**June 30, 2013**

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, 2013. 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, 2013.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**  
*Section I – Summary of Auditor’s Results*

**Financial Statements**

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to general purpose financial statements noted? \_\_Yes   xNo

**Federal Awards**

No major federal programs

**State 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: Unmodified

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 NJ OMB Circular Letter 04-04? \_\_Yes   xNo

Identification of major programs:

<b><u>GMIS Number(s)</u></b>	<b><u>Name of State Program</u></b>
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Aid
495-034-5120-084	Security Aid
495-034-5120-085	Adjustment Aid

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**  
(Continued)

*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, 2013**  
**STATUS OF PRIOR YEAR FINDINGS**

None

