

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
OF
HOPEWELL TOWNSHIP BOARD OF EDUCATION
BRIDGETON, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

**HOPEWELL TOWNSHIP SCHOOL DISTRICT
OUTLINE OF CAFR**

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INTRODUCTORY SECTION

HOPEWELL CREST SCHOOL

122 Sewall Road, Bridgeton, New Jersey. 08032
(856) 451-9203

MRS. MEGHAN E. LAMMERSEN
Superintendent/Principal

MR. JOHN OGBIN
Vice Principal/Curriculum Coordinator

MRS. STEPHANIE KUNTZ
School Business Administrator

December 18, 2019

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, 2019, 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 of the 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 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR 200 and NJ Treasury Circular OMB 15-08*, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, 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 2018-2019 fiscal year with an enrollment of 486.0 students, which is an increase 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> |
|--------------------|---------------------------|-----------------------|
| 2018-19 | 486.0 | 1.44 |
| 2017-18 | 479.0 | (1.88) |
| 2016-17 | 488.0 | (1.84) |
| 2015-16 | 497.0 | 1.41 |
| 2014-15 | 490.0 | (5.1) |
| 2013-14 | 515.1 | 1.3 |

It is the mission of the Hopewell Crest School to ensure that all children have the right to learn the New Jersey Core Content Curriculum Standards in a safe environment, where they will work to their fullest potential to become productive citizens in a technological world. In doing so, they will attain life-long physical, social, academic and emotional skills through the partnership of parents, staff and a supportive community.

| | | |
|---------|-------|-------|
| 2012-13 | 508.4 | (1.8) |
| 2011-12 | 517.6 | (3.0) |
| 2010-11 | 533.4 | (.09) |
| 2009-10 | 538.4 | (.06) |

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 re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2019.

5. **ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds 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, 2019 and the amount and percentage of increases in relation to prior year revenues.

Revenue

| | Amount | % of Total | Increase/ (Decrease) for June 30, 2019 | % of Increase/ (Decrease) |
|------------------------|----------------------|----------------|--|---------------------------------|
| Local Sources | \$ 3,841,410. | 41.74% | \$ 33,777. | 0.88% |
| State Sources | 5,070,136. | 55.09% | 411,345. | 8.11% |
| <u>Federal Sources</u> | <u>291,387.</u> | <u>3.17%</u> | <u>(54,232.)</u> | <u>(18.61%)</u> |
| Total | <u>\$ 9,202,933.</u> | <u>100.00%</u> | <u>\$ 390,890.</u> | <u>4.25%</u> |

The following schedule presents a summary of general fund, special revenue fund and debt service expenditures for the fiscal year ended June 30, 2019 and the percentage of increases and decreases in relation to prior year amounts.

Expenditures

| | Amount | % of Total | Increase/ (Decrease) for June 30, 2019 | % of Increase/ (Decrease) |
|-----------------------------|----------------------|----------------|--|---------------------------------|
| Current Expense: | | | | |
| Instruction | \$ 3,496,959. | 37.87% | \$ (32,960.) | (0.94%) |
| Undistributed Expenditures: | 4,945,291. | 53.55% | 115,755. | 2.34% |
| Capital Outlay | 481,727. | 5.22% | 207,199. | 43.01% |
| <u>Debt Service:</u> | <u>311,243.</u> | <u>3.37%</u> | <u>1,188.</u> | <u>0.38%</u> |
| Total | <u>\$ 9,235,220.</u> | <u>100.00%</u> | <u>\$ 291,182.</u> | <u>3.15%</u> |

7. **DEBT ADMINISTRATION:** At June 30, 2019, the District’s outstanding debt issues included \$1,581,000 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, CPAs, 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 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR 200 and NJ Treasury Circular OMB 15-08*. 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 Lammersen
Superintendent/Principal



Stephanie Kuntz
Business Administrator/Board Secretary

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

**ROSTER OF OFFICIALS
JUNE 30, 2019**

| <u>Members of the Board of Education</u> | <u>Term Expires</u> |
|---|----------------------------|
| Kenneth Freitag, President | 2019 |
| Ross Stanger | 2019 |
| Arthur Marchand | 2019 |
| Michael Gaimari | 2020 |
| Jeff Kellmyer | 2020 |
| Sharon Campbell | 2020 |
| Edward Kennedy | 2021 |
| Karen Johns | 2021 |
| Tony Scafidi | 2021 |

Other Officials

Meghan Lammersen, Superintendent/Principal

Stephanie Kuntz, Business Administrator/Board Secretary

Susan Anatasio-Quinones, Treasurer

Alicia D.Anella, Solicitor

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

Architect

Merighi Portadin Farrell Architects, LLC
1138 East Chestnut Avenue
Vineland, NJ 08360

Audit Firm

Triantos & Delp, CPAs, LLC
645 South Main Road
Vineland, NJ 08360

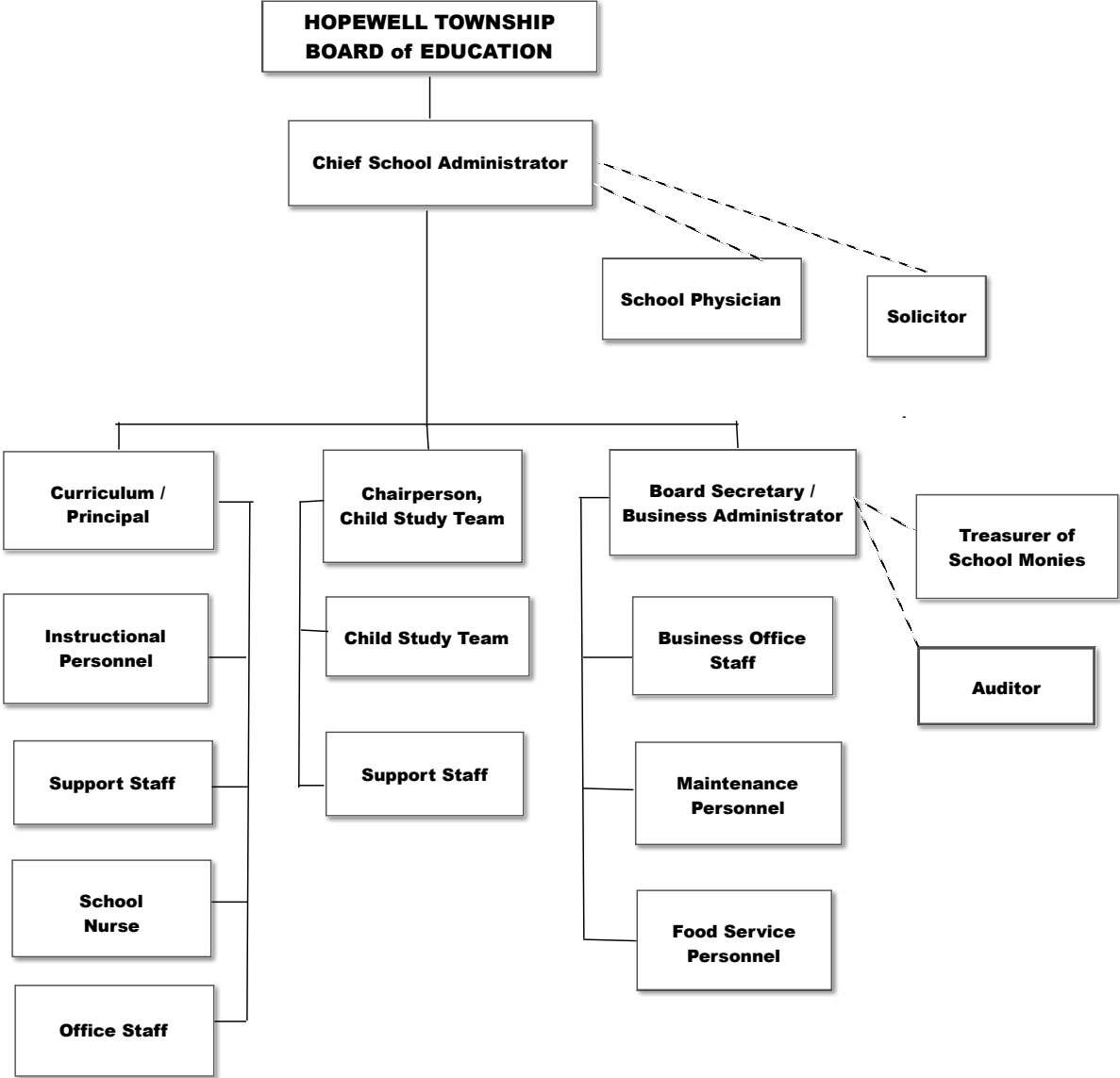
Attorney

Comegno Law Group
521 Pleasant Valley Ave.
Moorestown, NJ 08057

Official Depository

Newfield National Bank
Southwest Boulevard
Newfield, NJ 08344

Hopewell Township School District Organizational Chart



FINANCIAL SECTION

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, 2019, and the 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 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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.

INDEPENDENT AUDITOR'S REPORT

(Continued)

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, 2019, 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, Budgetary Comparison Information, Schedules Related to Accounting and Reporting for Pension, Schedule Relating to Accounting and Reporting for Other Post Employment Benefits, and Notes to the Required Supplemental Information as identified in the table of contents 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 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 schedule of expenditures of federal awards as required by Title 2 U.S Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, (Uniform Guidance)*, and schedule of expenditures of state awards as required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid* are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying introductory information, statistical sections, combining, individual non-major fund financial statements and long-term debt statements (if applicable) are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining and individual non-major fund financial statements, schedule of expenditures of federal awards, and schedule of expenditure of state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining and individual non-major fund financial statements, schedule of expenditures of federal awards, and schedule expenditures of state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT

(Continued)

The introductory and statistical section 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 December 18, 2019 on our consideration of the Hopewell Township Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Hopewell Township Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,



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

December 18, 2019

REQUIRED SUPPLEMENTARY INFORMATION–PART I

MANAGEMENT'S DECISION AND ANALYSIS

HOPEWELL CREST SCHOOL

122 Sewall Road, Bridgeton, New Jersey. 08032
(856) 451-9203

MRS. MEGHAN E. LAMMERSEN
Superintendent/Principal

MR. JOHN OGBIN
Vice Principal/Curriculum Coordinator

MRS. STEPHANIE KUNTZ
School Business Administrator

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, 2019. 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

| | <u>Fund Financial Statements</u> | | | |
|--|--|--|---|---|
| | <u>District-Wide Statements</u> | <u>Governmental Funds</u> | <u>Proprietary Funds</u> | <u>Fiduciary Funds</u> |
| Scope | Entire district (except fiduciary funds) | The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance | Activities the district operates similar to private businesses: food services and adult education | Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies |
| Required financial statements | <ul style="list-style-type: none"> - Statement of net assets - Statement of activities | <ul style="list-style-type: none"> - Balance sheet - Statement of revenues - expenditures, and changes in fund balances | <ul style="list-style-type: none"> - Statement of net position - Statement of revenues, expenses, and changes in fund net assets - Statement of cash flows | <ul style="list-style-type: none"> - 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 position (in thousands) – The District's *combined* net position is \$8,535 on June 30, 2019 (see Table A-1). The majority of the total net position (97%) is attributed to governmental activities.

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

| | Governmental Activities | | Business-type Activities | | Total School District | | Total Percentage Change |
|---------------------------------------|----------------------------|-------------------|-----------------------------|----------------|--------------------------|-------------------|-------------------------------|
| | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018-2019 |
| Current and Noncurrent Assets | \$ 2,539. | \$ 2,633. | \$ 194. | \$ 215. | \$ 2,733. | \$ 2,848. | 4.2% |
| Capital Assets | 8,562. | 8,704. | 72. | 78. | 8,634. | 8,782. | 1.7% |
| Total Assets | <u>\$ 11,101.</u> | <u>\$ 11,337.</u> | <u>\$ 266.</u> | <u>\$ 293.</u> | <u>\$ 11,367.</u> | <u>\$ 11,630.</u> | <u>2.3%</u> |
| Deferred Outflows of Resources | <u>\$ 460.</u> | <u>\$ 465.</u> | <u>\$ 0.</u> | <u>\$ 0.</u> | <u>\$ 460.</u> | <u>\$ 465.</u> | <u>1.1%</u> |
| Current Liabilities | \$ 439. | \$ 514. | \$ 34. | \$ 30. | \$ 473. | \$ 544. | 15.0% |
| Noncurrent Liabilities | 2,982. | 2,633. | 0. | 0. | 2,982. | 2,633. | -11.7% |
| Total Liabilities | <u>\$ 3,421.</u> | <u>\$ 3,147.</u> | <u>\$ 34.</u> | <u>\$ 30.</u> | <u>\$ 3,455.</u> | <u>\$ 3,177.</u> | <u>-8.0%</u> |
| Deferred Inflows of Resources | <u>\$ 253.</u> | <u>\$ 383.</u> | <u>\$ 0.</u> | <u>\$ 0.</u> | <u>\$ 253.</u> | <u>\$ 383.</u> | <u>51.4%</u> |
| Net Position | | | | | | | |
| Invested in Capital Assets | | | | | | | |
| Net of Related Debt | \$ 6,736. | \$ 7,123. | \$ 71. | \$ 78. | \$ 6,807. | \$ 7,201. | 5.8% |
| Restricted | 2,504. | 2,524. | 161. | 0. | 2,665. | 2,524. | -5.3% |
| Unrestricted | (1,354.) | (1,375.) | 0. | 185. | (1,354.) | (1,190.) | -12.1% |
| Total Net Position | <u>\$ 7,886.</u> | <u>\$ 8,272.</u> | <u>\$ 232.</u> | <u>\$ 263.</u> | <u>\$ 8,118.</u> | <u>\$ 8,535.</u> | <u>5.1%</u> |

Changes in net position - The District's total revenues are \$10,223 for the fiscal period ending June 30, 2019 (see Table A-2). Property taxes and state formula aid accounted for 76% of the District's revenue. 19% is derived from state and federal aid for specific programs, and the remainder, 5% from fees charged for services and miscellaneous resources.

The District's expenses are predominantly related to educating and caring for students (51%). The purely administrative activities of the District accounted for 6% of total costs.

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 |
|---|----------------------------|-------------------|-----------------------------|----------------|--------------------------|------------------|-------------------------------|
| | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018-2019 |
| Revenues | | | | | | | |
| Program Revenues | | | | | | | |
| Charges for Services | \$ 0. | \$ 92. | \$ 184. | \$ 218. | \$ 184. | \$ 310. | 68.5% |
| Federal & State Categorical Grants | 3,318. | 2,346. | 129. | 132. | 3,447. | 2,478. | -28.1% |
| General Revenues | | | | | | | |
| Property Taxes | 3,656. | 3,693. | 0. | 0. | 3,656. | 3,693. | 1.0% |
| State Formula Aid | 3,890. | 4,094. | 0. | 0. | 3,890. | 4,094. | 5.2% |
| Other | 152. | 148. | 0. | 0. | 152. | 148. | -2.6% |
| Total Revenues | \$11,016. | \$ 10,373. | \$ 313. | \$ 350. | \$11,329. | \$10,723. | -5.3% |
| Expenses | | | | | | | |
| Instruction - Related | \$ 3,706. | \$ 3,691. | \$ 0. | \$ 0. | \$ 3,706. | \$ 3,691. | -0.4% |
| Student Support Services | 894. | 992. | 302. | 315. | 1,196. | 1,307. | 9.3% |
| Maintenance & Operations | 779. | 764. | 0. | 0. | 779. | 764. | -1.9% |
| Transportation | 539. | 445. | 0. | 0. | 539. | 445. | -17.4% |
| Administration | 537. | 582. | 0. | 0. | 537. | 582. | 8.4% |
| Other | 4,515. | 3,513. | 0. | 0. | 4,515. | 3,513. | -22.2% |
| Total Expenses | \$10,970. | \$ 9,987. | \$ 302. | \$ 315. | \$11,272. | \$10,302. | -8.6% |
| Increase/ (decrease) in Net Position | \$ 46. | \$ 386. | \$ 11. | \$ 35. | \$ 57. | \$ 421. | 638.6% |

Governmental Activities

Revenues for the District's governmental activities amounted to \$10,723. Total expenses amounted to \$9,987. The increase in net position in governmental activities was \$386 for 2019.

Business-type Activities

Revenues of the District's business-type activities amounted to \$350, and expenses were \$315.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

General Fund Budgetary Highlights

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

- Transfers between budgetary line accounts to prevent overruns.

The District's final budget anticipated utilizing \$977 in fund balance and \$28 of prior year encumbrances to fund the appropriation plan for this fiscal period. Actual result was an increase from operations of \$384 in general fund balance.

The District also transferred \$340 from the Capital Reserve to the Capital Project Fund and \$649 of unused project costs from the Capital Project Fund to the Capital Reserve.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2019, the District had invested over \$15,706 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 \$322 while building improvements, construction in progress, and additions to equipment and furniture amounted to \$465.

| | Governmental Activities | | Business-type Activities | | Total School District | | Total Percentage Change 2018-2019 |
|--------------------------|----------------------------|------------------|-----------------------------|---------------|--------------------------|------------------|--|
| | <u>2018</u> | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> | <u>2018</u> | |
| Land | \$ 253. | \$ 253. | \$ 0. | \$ 0. | \$ 253. | \$ 253. | 0.0% |
| Construction in Progress | 0. | 0. | 0. | 0. | 0. | 0. | 0.0% |
| Site Improvement | 16. | 372. | 0. | 0. | 16. | 372. | 2225.0% |
| Buildings & Improvements | 8,128. | 7,939. | 0. | 0. | 8,128. | 7,939. | -2.3% |
| Machinery & Equipment | 165. | 140. | 72. | 78. | 237. | 218. | -8.0% |
| Total | <u>\$ 8,562.</u> | <u>\$ 8,704.</u> | <u>\$ 72.</u> | <u>\$ 78.</u> | <u>\$ 8,634.</u> | <u>\$ 8,782.</u> | <u>1.7%</u> |

Long-term Debt

At year-end, the District had outstanding bonds in the amount of \$1,581. There was no other outstanding long-term debt. (More detailed information about long-term debt can be found in Note 7 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 \$10,935 of which \$9,354 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.

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.

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.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

HOPEWELL TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2019

| | Governmental Activities | Business-Type Activities | Total |
|---|----------------------------|-----------------------------|----------------------|
| ASSETS: | | | |
| Current Assets | | | |
| Cash and Cash Equivalents | \$ 2,526,394. | \$ 172,334. | \$ 2,698,728. |
| Receivables, net | 106,648. | 39,535. | 146,183. |
| Inventory | 0. | 3,366. | 3,366. |
| Capital assets, net | 8,703,811. | 77,609. | 8,781,420. |
| Total Current Assets | <u>11,336,853.</u> | <u>292,844.</u> | <u>11,629,697.</u> |
| DEFERRED OUTFLOWS OF RESOURCES: | <u>465,113.</u> | <u>0.</u> | <u>465,113.</u> |
| LIABILITIES: | | | |
| Accounts Payable | 25,308. | 18,331. | 43,639. |
| Accounts Payable-Pension | 56,504. | 0. | 56,504. |
| Unearned Revenue | 154,300. | 11,725. | 166,025. |
| Accrued interest | 20,987. | 0. | 20,987. |
| Noncurrent Liabilities | | | |
| Due within one year | 257,284. | 0. | 257,284. |
| Due in more than one year | 1,518,926. | 0. | 1,518,926. |
| Net pension liability | 1,113,857. | 0. | 1,113,857. |
| Total Liabilities | <u>3,147,166.</u> | <u>30,056.</u> | <u>3,177,222.</u> |
| DEFERRED INFLOWS OF RESOURCES: | <u>382,804.</u> | <u>0.</u> | <u>382,804.</u> |
| NET POSITION: | | | |
| Invested in Capital Assets, net of related debt | 7,122,811. | 77,609. | 7,200,420. |
| Restricted for: | | | |
| Capital Projects | 1,157,740. | 0. | 1,157,740. |
| Other Purposes. | 1,365,975. | 0. | 1,365,975. |
| Unrestricted | (1,374,530.) | 185,179. | (1,189,351.) |
| Total Net Position | <u>\$ 8,271,996.</u> | <u>\$ 262,788.</u> | <u>\$ 8,534,784.</u> |

See Accompanying Notes to the Basic Financial Statements

HOPEWELL TOWNSHIP BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

| Functions/Programs | Program Revenues | | Net (Expense) Revenue and Changes in Net Assets | |
|--|-----------------------|------------------------------------|---|--------------------------|
| | Charges for Services | Operating Grants and Contributions | Governmental Activities | Business-type Activities |
| | Expenses | Capital Grants and Contributions | | Total |
| Governmental activities: | | | | |
| Instruction: | | | | |
| Regular | \$ 2,465,114. | \$ 0. | (2,465,114.) | \$ 0. |
| Special education | 1,099,114. | 0. | (1,099,114.) | 0. |
| Other special instruction | 23,596. | 0. | (23,596.) | 0. |
| Other instruction | 102,555. | 0. | (102,555.) | 0. |
| Support services: | | | | |
| Tuition | 98,227. | 0. | (98,227.) | 0. |
| Student & instruction related services | 893,499. | 0. | (893,499.) | 0. |
| School administrative services | 135,934. | 0. | (135,934.) | 0. |
| General and business administrative services | 214,442. | 0. | (214,442.) | 0. |
| Central services | 212,283. | 0. | (212,283.) | 0. |
| Admin info teches | 19,597. | 0. | (19,597.) | 0. |
| Plant operations and maintenance | 763,775. | 0. | (763,775.) | 0. |
| Pupil transportation | 444,958. | 0. | (444,958.) | 0. |
| Employee benefits | 3,381,492. | 2,346,041. | (1,035,451.) | 0. |
| Interest on long-term debt | 63,113. | 0. | (63,113.) | 0. |
| Internal service fund | 52,623. | 0. | 39,377. | 39,377. |
| State debt service assessment | 17,182. | 0. | (17,182.) | 0. |
| Total governmental activities | 9,987,504. | 2,346,041. | (7,549,463.) | 0. |
| Business-type activities: | | | | |
| Food Service | 241,456. | 131,399. | 0. | 13,366. |
| SACC | 73,325. | 0. | 0. | 21,609. |
| Total business-type activities | 314,781. | 131,399. | 0. | 34,975. |
| Total primary government | \$ 10,302,285. | \$ 2,477,440. | \$ (7,549,463.) | \$ (7,514,488.) |
| General revenues: | | | | |
| Taxes: | | | | |
| Property taxes, levied for general purposes, net | | | \$ 3,522,875. | \$ 0. |
| Taxes levied for debt service | | | 170,020. | 0. |
| Federal and State aid not restricted | | | 3,476,738. | 0. |
| Federal and State aid restricted | | | 617,398. | 0. |
| Tuition received | | | 53,349. | 0. |
| Investment Earnings | | | 2,882. | 0. |
| Miscellaneous Income | | | 92,284. | 0. |
| Adjustment to fixed assets | | | (487.) | (4,610.) |
| Total general revenues, special items, extraordinary items and transfers | | | 7,935,059. | 7,930,449. |
| Change in Net Position | | | 385,596. | 30,365. |
| Net Position—beginning | | | 7,886,400. | 232,423. |
| Net Position—ending | | | \$ 8,271,996. | \$ 262,788. |
| | | | \$ | \$ 8,534,784. |

See Accompanying Note to Basic Financial Statement

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

HOPEWELL TOWNSHIP BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | Permanent Fund | Total Governmental Funds |
|---|----------------------|----------------------------|-----------------------------|-------------------------|-------------------|--------------------------------|
| Assets: | | | | | | |
| Cash and cash equivalents | \$ 2,285,485. | \$ 29,239. | \$ 146,602. | \$ 0. | \$ 0. | \$ 2,461,326. |
| Tax levy receivable | 2,254. | 0. | 0. | 0. | 0. | 2,254. |
| Due from other funds | 8,537. | 0. | 0. | 0. | 0. | 8,537. |
| Receivables from other governments | 10,558. | 57,086. | 0. | 0. | 0. | 67,644. |
| Other accounts receivable | 28,213. | 0. | 0. | 0. | 0. | 28,213. |
| Total assets | \$ 2,335,047. | \$ 86,325. | \$ 146,602. | \$ 0. | \$ 0. | \$ 2,567,974. |
| Liabilities and Fund Balances: | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | \$ 2,988. | \$ 22,320. | \$ 0. | \$ 0. | \$ 0. | \$ 25,308. |
| Unearned revenue | 53,182. | 101,118. | 0. | 0. | 0. | 154,300. |
| Total liabilities | 56,170. | 123,438. | 0. | 0. | 0. | 179,608. |
| Fund Balances: | | | | | | |
| Restricted for: | | | | | | |
| Excess surplus - current year | 548,168. | 0. | 0. | 0. | 0. | 548,168. |
| Excess surplus - designated for subsequent year's expenditures | 229,616. | 0. | 0. | 0. | 0. | 229,616. |
| Maintenance reserve | 499,568. | 0. | 0. | 0. | 0. | 499,568. |
| Capital reserve | 1,011,138. | 0. | 0. | 0. | 0. | 1,011,138. |
| Committed to: | | | | | | |
| Other purposes | 36,303. | 0. | 0. | 0. | 0. | 36,303. |
| Assigned to: | | | | | | |
| Designated by BOE for subsequent year's expenditures | 52,320. | 0. | 0. | 0. | 0. | 52,320. |
| Capital projects | 0. | 0. | 146,602. | 0. | 0. | 146,602. |
| Unassigned: | | | | | | |
| General fund | (98,236.) | 0. | 0. | 0. | 0. | (98,236.) |
| Special revenue fund | 0. | (37,113.) | 0. | 0. | 0. | (37,113.) |
| Total Fund balances | 2,278,877. | (37,113.) | 146,602. | 0. | 0. | 2,388,366. |
| Total liabilities and fund balances | \$ 2,335,047. | \$ 86,325. | \$ 146,602. | \$ 0. | \$ 0. | |

Amounts reported for *governmental 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 \$15,706,031. and the accumulated depreciation is \$7,002,220. (See Note 5). | \$ 8,703,811. |
| 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 7). | (1,797,197.) |
| Internal service fund balance | 65,068. |
| Pension related items: | |
| Deferred outflow of resources | 465,113. |
| Deferred inflow of resources | (382,804.) |
| Pension account payable | (56,504.) |
| Net pension liability | <u>(1,113,857.)</u> |
| Total pension related items | <u>(1,088,052.)</u> |
| Net assets of governmental activities | <u>\$ 8,271,996.</u> |

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, 2019

| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | Permanent Fund | Total Governmental Funds |
|---|-----------------|----------------------------|-----------------------------|-------------------------|-------------------|--------------------------------|
| REVENUES: | | | | | | |
| Local sources: | | | | | | |
| Local tax levy | \$ 3,522,875. | \$ 0. | \$ 0. | \$ 170,020. | \$ 0. | \$ 3,692,895. |
| Tuition charges | 53,349. | 0. | 0. | 0. | 0. | 53,349. |
| Interest Earned | 2,882. | 0. | 0. | 0. | 0. | 2,882. |
| Miscellaneous | 91,098. | 1,186. | 0. | 0. | 0. | 92,284. |
| Total - local sources | 3,670,204. | 1,186. | 0. | 170,020. | 0. | 3,841,410. |
| State sources | 4,721,049. | 235,821. | 0. | 113,266. | 0. | 5,070,136. |
| Federal sources | 23,076. | 268,311. | 0. | 0. | 0. | 291,387. |
| Total revenues | 8,414,329. | 505,318. | 0. | 283,286. | 0. | 9,202,933. |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| Regular instruction | 2,303,931. | 0. | 0. | 0. | 0. | 2,303,931. |
| Special education instruction | 665,009. | 401,868. | 0. | 0. | 0. | 1,066,877. |
| Other special instruction | 23,596. | 0. | 0. | 0. | 0. | 23,596. |
| Other instruction | 102,555. | 0. | 0. | 0. | 0. | 102,555. |
| Support services: | | | | | | |
| Tuition | 98,227. | 0. | 0. | 0. | 0. | 98,227. |
| Student & instruction related services | 752,579. | 92,565. | 0. | 0. | 0. | 845,144. |
| Other administrative services | 182,205. | 0. | 0. | 0. | 0. | 182,205. |
| School administrative services | 103,697. | 0. | 0. | 0. | 0. | 103,697. |
| Central services | 212,283. | 0. | 0. | 0. | 0. | 212,283. |
| Admin info tech | 19,597. | 0. | 0. | 0. | 0. | 19,597. |
| Plant operations and maintenance | 747,658. | 0. | 0. | 0. | 0. | 747,658. |
| Pupil transportation | 444,958. | 0. | 0. | 0. | 0. | 444,958. |
| Employee benefits | 2,243,524. | 47,998. | 0. | 0. | 0. | 2,291,522. |
| Debt service: | | | | | | |
| Principal | 0. | 0. | 0. | 245,000. | 0. | 245,000. |
| Interest and other charges | 0. | 0. | 0. | 66,243. | 0. | 66,243. |
| Capital outlay | 146,409. | 0. | 335,318. | 0. | 0. | 481,727. |
| Total expenditures | 8,046,228. | 542,431. | 335,318. | 311,243. | 0. | 9,235,220. |
| Excess (deficiency) of revenues over exp. | 368,101. | (37,113.) | (335,318.) | (27,957.) | 0. | (32,287.) |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Transfers in | 648,567. | 0. | 339,595. | 27,957. | 0. | 1,016,119. |
| Transfers out | (339,595.) | 0. | (676,524.) | 0. | 0. | (1,016,119.) |
| Total other financing sources and (uses) | 308,972. | 0. | (336,929.) | 27,957. | 0. | 0. |
| Net change in fund balance | 677,073. | (37,113.) | (672,247.) | 0. | 0. | (32,287.) |
| Fund balance—July 1 | 1,601,804. | 0. | 818,849. | 0. | 0. | 2,420,653. |
| Fund balance—June 30 | \$ 2,278,877. | \$ (37,113.) | \$ 146,602. | \$ 0. | \$ 0. | \$ 2,388,366. |

See Accompanying Notes to the Basic Financial Statements

HOPEWELL TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

| | | |
|---|----------------------|--------------|
| Total net changes in fund balances - governmental funds (from B-2) | | \$ (32,287.) |
| 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 | (322,366.) |
| | Capital outlays | 464,545. |
| | | 142,179. |
| Adjustment to fixed assets | | (487.) |
| 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. | | |
| Principal paid on bonds | 245,000. | |
| Principal paid on lease purchase | 0. | 245,000. |
| | | |
| Decrease in accrued interest | | 3,130. |
| 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 | 0. | 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 (+). | | |
| | | 31,747. |
| Increase in pension expense | | (620,362.) |
| Increase in on-behalf pension payments | | 577,299. |
| Increase in OPEB expense | | (501,355.) |
| Increase in on-behalf OPEB payments | | 501,355. |
| Increase in internal service fund | | 39,377. |
| | | |
| Change in net position of governmental activities | | \$ 385,596. |

See Accompanying Notes to the Financial Statements

PROPRIETARY FUNDS

HOPEWELL TOWNSHIP BOARD OF EDUCATION
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2019

| | Business-Type Activities Enterprise Fund | Governmental Activities - Internal Service Funds |
|---|---|---|
| ASSETS: | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 172,334. | \$ 65,068. |
| Accounts receivable: | | |
| State | 20,908. | 0. |
| Federal | 398. | 0. |
| Interfund | 4,723. | 0. |
| Other | 13,506. | 0. |
| Inventories | 3,366. | 0. |
| Total current assets | <u>215,235.</u> | <u>65,068.</u> |
| Noncurrent assets: | | |
| Furniture, machinery & equipment | 181,529. | 0. |
| Less: accumulated depreciation | (103,920.) | 0. |
| Total noncurrent assets | <u>77,609.</u> | <u>0.</u> |
| Total assets | <u>\$ 292,844.</u> | <u>\$ 65,068.</u> |
| DEFERRED OUTFLOW OF RESOURCES: | <u>\$ 0.</u> | <u>\$ 0.</u> |
| LIABILITIES: | | |
| Current Liabilities: | | |
| Accounts payable | \$ 18,331. | \$ 0. |
| Prepaid Lunches | 2,856. | 0. |
| Prepaid Fees | 8,869. | 0. |
| Total current liabilities | <u>30,056.</u> | <u>0.</u> |
| Total liabilities | <u>30,056.</u> | <u>0.</u> |
| DEFERRED INFLOW OF RESOURCES: | <u>\$ 0.</u> | <u>\$ 0.</u> |
| NET POSITION: | | |
| Invested in capital assets net of related debt | 77,609. | 0. |
| Unrestricted | 185,179. | 65,068. |
| Total net position | <u>\$ 262,788.</u> | <u>\$ 65,068.</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 FUND
JUNE 30, 2019

| | Business-Type Activities Enterprise Fund | Governmental Activities - Internal Service Fund |
|--|---|--|
| Operating revenues: | | |
| Changes for services: | | |
| Daily sales-reimbursable programs | \$ 56,738. | \$ 0. |
| Daily sales-non-reimbursable programs | 51,685. | 0. |
| Miscellaneous income | 15,000. | 0. |
| Fees | 94,934. | 92,000. |
| Total operating revenues | <u>218,357.</u> | <u>92,000.</u> |
| Operating expenses: | | |
| Cost of sales - reimbursable | 65,959. | 0. |
| Cost of sales - non-reimbursable | 15,597. | 0. |
| Salaries and Benefits | 148,601. | 49,936. |
| Cleaning, repair & maintenance | 4,084. | 0. |
| Office Supplies | 997. | 0. |
| Miscellaneous | 15,564. | 0. |
| General supplies | 26,127. | 2,687. |
| Performance fees | 30,000. | 0. |
| Depreciation | 7,852. | 0. |
| Total operating expenses | <u>314,781.</u> | <u>52,623.</u> |
| Operating income/(loss) | <u>(96,424.)</u> | <u>39,377.</u> |
| Nonoperating revenues (expenses): | | |
| State sources: | | |
| State school lunch program | 2,280. | 0. |
| Federal sources: | | |
| National school breakfast program | 27,276. | 0. |
| National school lunch program | 87,790. | 0. |
| Food distribution program | 14,053. | 0. |
| Total nonoperation revenues (expenses) | <u>131,399.</u> | <u>0.</u> |
| Income (loss) before contributions & transfers | 34,975. | 39,377. |
| Operating transfers in/(out): | 0. | 0. |
| Change in net assets | 34,975. | 39,377. |
| Total net position - beginning | 232,423. | 25,691. |
| Prior year adjustment | (4,610.) | 0. |
| Total net position - ending | <u>\$ 262,788.</u> | <u>\$ 65,068.</u> |

See Accompanying Notes to the Basic Financial Statements

HOPEWELL TOWNSHIP BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR YEAR ENDED JUNE 30, 2019

| | Business-Type Activities Enterprise Fund | Governmental Activities - Internal Service Fund |
|--|---|--|
| CASH FLOWS FROM OPERATING ACCT: | | |
| Receipts from customers | \$ 205,203. | \$ 92,000. |
| Payments to employees & benefits | (64,337.) | (49,936.) |
| Payments to suppliers | (230,483.) | (2,687.) |
| Net cash provided by (used for) oper act | <u>(89,617.)</u> | <u>39,377.</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACT: | | |
| State sources | 1,974. | 0. |
| Federal sources | 99,222. | 0. |
| Operating transfers in | 0. | 0. |
| Net cash provided by (used for) non-capital financing act. | <u>101,196.</u> | <u>0.</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Purchase of equipments | (18,429.) | 0. |
| Net cash provided by investing activites | <u>(18,429.)</u> | <u>0.</u> |
| Net increase/(decrease) in cash & cash equivalents | (6,850.) | 39,377. |
| Balances - beginning of year | 179,184. | 16,245. |
| Balances - end of year | <u>\$ 172,334.</u> | <u>\$ 55,622.</u> |
| Reconciliation of operating income (loss) | | |
| to net cash provided (used) by operating activities: | | |
| Operating income (loss) | \$ (96,424.) | \$ 39,377. |
| Adjust to reconcile operating income | | |
| (loss) to net cash provided by (used for) operating act.: | | |
| Depreciation and net amortization | 7,852. | 0. |
| Federal commodities | 14,053. | 0. |
| (Increase) decrease in inventories | (2,042.) | 0. |
| (Increase) decrease in account receivable | (4,673.) | 0. |
| (Increase) decrease in interfund account receivable | (4,723.) | 0. |
| Increase (decrease) in accounts payable | 98. | 0. |
| Increase (decrease) in prepaid fees | (3,481.) | 0. |
| Increase (decrease) in prepaid lunches | (277.) | 0. |
| Total adjustments | <u>6,807.</u> | <u>0.</u> |
| Net cash provided by (used for) opering activities | <u>(89,617.)</u> | <u>\$ 39,377.</u> |

See Accompanying Notes to the Basic Financial Statements

FIDUCIARY FUNDS

HOPEWELL TOWNSHIP BOARD OF EDUCATION
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2019

| | Unemployment Compensation Trust | Student Activity | Payroll/Agency Fund |
|---|---------------------------------------|---------------------|------------------------|
| ASSETS: | | | |
| Cash & Cash Equivalents | \$ 207,808. | \$ 22,868. | \$ 16,346. |
| Due from Agency | 7,845. | 0. | 0. |
| Total Assets | <u>\$ 215,653.</u> | <u>\$ 22,868.</u> | <u>\$ 16,346.</u> |
| DEFERRED OUTFLOW OF RESOURCES: | | | |
| | <u>\$ 0.</u> | <u>\$ 0.</u> | <u>\$ 0.</u> |
| LIABILITIES: | | | |
| Payroll Deductions & Withholdings | 0. | 0. | 1,025. |
| Due to Student Groups | 0. | 22,868. | 0. |
| Due to Unemployment | 0. | 0. | 7,845. |
| Interfund Payable | 5,783. | 0. | 7,476. |
| Total Liabilities | <u>\$ 5,783.</u> | <u>\$ 22,868.</u> | <u>\$ 16,346.</u> |
| DEFERRED INFLOW OF RESOURCES: | | | |
| | <u>0.</u> | <u>\$ 0.</u> | <u>\$ 0.</u> |
| NET POSITION: | | | |
| Held in Trust for Unemployment Claims and Other Purposes | <u>\$ 209,870.</u> | | |

See Accompanying Notes to the Basic Financial Statements

HOPEWELL TOWNSHIP BOARD OF EDUCATION
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR FISCAL YEAR ENDED JUNE 30, 2019

| | <u>Unemployment Compensation Trust</u> |
|--------------------------------------|--|
| ADDITIONS: | |
| Contributions: | |
| Plan Members | \$ 6,220. |
| Total Contributions | <u>6,220.</u> |
| Investment Earnings: | |
| Interest | 210. |
| Net Investment Earnings | <u>210.</u> |
| Total Additions | <u>6,430.</u> |
| DEDUCTIONS: | |
| Unemployment Claims | <u>6,588.</u> |
| Total Deductions | <u>6,588.</u> |
| Change in Net Position | (158.) |
| NET POSITION - BEGINNING OF THE YEAR | <u>210,028.</u> |
| NET POSITION - END OF THE YEAR | <u><u>\$ 209,870.</u></u> |

See Accompanying Notes to the Basic Financial Statements

NOTES TO FINANCIAL STATEMENTS

**HOPEWELL TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Hopewell Township School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A chief school administrator is appointed by the Board and is responsible for the administrative control of the District.

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

A. Reporting Entity

The Hopewell Township School District is a Type II district located in the County of Cumberland, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The board is comprised of nine (9) members elected to three (3) year terms. The purpose of the district is to educate students in grades K-8. The Hopewell Township School District had an enrollment at June 30, 2019 of 486 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.

B. Basic Financial Statements – Governmental Wide Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's general and special revenue activities are classified as governmental activities. The District's food service and SACC programs are classified as business-type activities.

In the governmental-wide Statement of Net Position, both the governmental and business-type activities column (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position are reported in three parts-invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities. The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, vocational programs, student & instruction related services, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. Program revenue include charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenue, are presented as general revenues of the school district.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, federal and state aid, interest income, etc.).

**HOPEWELL TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

B. Basic Financial Statements – Governmental Wide Financial Statements – (Continued)

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities. Fiduciary funds are not included in the government-wide statements.

C. Basic Financial Statements – Fund Financial Statements

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

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by a category are summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category of the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements. The State of New Jersey Department of Education has mandated that all New Jersey School Districts must report all governmental funds as major, regardless of the fund meeting the GASB definition of a major fund. However, the criteria are applied to proprietary funds.

The following fund types are used by the District:

1. 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:

- a. 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.

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.

- b. 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.
- c. 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.
- d. 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.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

C. Basic Financial Statements – Fund Financial Statements – (Continued)

Fund Balances – Governmental Funds

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

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

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

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

The details of the fund balances are included in the Governmental Funds Balance Sheet. When an expenditure is incurred for purposes for which both restricted or unrestricted fund balance is available, the District considers restricted funds to be spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balance are available, the District considers amounts to have been spent first out of committed, then assigned funds and finally unassigned funds as needed.

2. Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, 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:

- a. Enterprise Funds are required to be used to account for operations for which a fee is charged to external users of goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designated to recover similar costs. The District operates a food service fund to provide a child nutrition program for the students of the district. The District also operates a school-aged child care (SACC) program.
- b. Internal Service Funds are used to charge costs for certain activities to individual funds or other governmental entities. The District's internal service fund comprised of the Shared Business Services and Curriculum Coordinator. The Curriculum Coordinator service was inactive during the year.

3. 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 is reported using accounting principles similar to proprietary funds.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type (pension, private purpose and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.), and cannot be used to address activities or obligations of the government, these funds are not incorporated into the entity-wide statements.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

C. Basic Financial Statements – Fund Financial Statements – (Continued)

All fund internal activity is eliminated when carried to the Government-wide statements.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual:

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. “Available” means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

E. Financial Statement Amounts

1. Cash and Cash Equivalents:

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

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public funds in public depositories protected from loss under the provisions of the Government 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.

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

2. Investments:

Investments, including deferred compensation and pension funds, are stated at fair value, (quoted market price or the best available estimate). Interest earned on investments in the Capital Projects Fund is transferred to the general or debt service fund.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

E. Financial Statement Amounts – (Continued)

3. Inventories:

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, 2019.

4. Capital Assets:

Capital assets purchased or acquired with an original cost of \$2,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extended the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

| | |
|-------------------------|-------------|
| Buildings | 20-50 years |
| Machinery and equipment | 5-10 years |
| Improvements | 10-20 years |
| Infrastructure Assets | 50-65 years |

Infrastructure assets include roads, parking lots, underground pipe, etc. The District includes all infrastructure assets as depreciable assets in the financial statements.

5. Revenues:

Substantially all governmental fund revenues are accrued. Property taxes are susceptible to accrual and under New Jersey State Statutes a municipality is required to remit to its school district the entire balance of taxes in the amount 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. Subsidies and grants to proprietary funds, which finance either capital or current operations are reported as non operating revenue. In respect to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and unearned revenue by the recipient. Program revenues are reported as reductions to expenses in the statement of activities.

6. Expenditures:

Expenses are recognized when the related fund liability is incurred. Inventory costs other than those reported in the enterprise fund are reported in the period when inventory items are purchased, rather than in the period used.

7. 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.

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as both an expenditure and a 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 Financial Statements as a Governmental Activity.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

E. Financial Statement Amounts – (Continued)

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

8. Interfund Activity:

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefitting fund and reduces its related costs as reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

9. Budgets/Budgetary Control:

Annual appropriation budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval and, as long as the District budget is within State mandated CAPs, there is no public vote on the budget. If the budget exceeds State mandated CAPs, the voters have an opportunity to approve or reject the budget at the regular election held in November. 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. 6:23-2(g). Transfers of appropriations may be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the County Superintendent of Schools.

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

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

10. Tuition Receivables:

Tuition charges were established by the Boards of Education based on estimated costs. These charges are subject to adjustment when the final costs have been determined.

11. Tuition Payable:

Tuition charges for the fiscal years 2018/19 were based on rates established by the receiving district. These rates are subjected to change when the actual costs have been determined.

12. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those results.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

E. Financial Statement Amounts – (Continued)

13. Allocation of Costs:

In the government-wide statement of activities, the District has not allocated unallocated benefits to various programs.

14. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' Pension and Annuity Fund (TPAF) and Public Employee Retirement System (PERS) and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the TPAF and PERS. For this purpose, benefits payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefits terms. Investments are reported at fair value.

F. New Accounting Standards

The district adopted the following GASB statements:

- **GASB No. 83 – *Certain Asset Retirement Obligations*:** This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of Statement will effective for reporting periods beginning after June 15, 2018. The adoption of GASB 86 did not impact the financial statement of the School District.

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

- **GASB No. 84 – *Fiduciary Activities*:** The objective of the Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefits arrangements that are fiduciary activities. The requirements of Statement will be effective for reporting periods beginning after December 15, 2018. Management is evaluating the potential impact of the adoption of GASB 84 on the School District's financial statements.
- **GASB No. 87 – *Leases*:** The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the connect. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about government's leasing activities. The requirements of Statement will be effective for reporting periods beginning after periods beginnings after December 15, 2019. Management is evaluating the potential impact of the adoption of GASB 87 on the School District's financial statements.

NOTE 2 - 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.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

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

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, 2019, 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.

As of June 30, 2019, cash and cash equivalents in the fund financial statements of the District consisted of the following:

| | |
|------------------|------------------------------|
| | Cash and Cash Equivalents |
| Checking account | \$ 2,945,751. |
| TOTAL | \$ 2,945,751. |

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, 2019, the District's bank balance of \$3,302,955 was insured or collateralized as follows:

| | |
|---------------------------------|---------------|
| Insured by Depository Insurance | \$ 250,000. |
| Collateralized under GUDPA | 3,052,955. |
| TOTAL | \$ 3,302,955. |

**HOPEWELL TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

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

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 3 - 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 \$2,847,475 as shown in the approved LRFP.

The activity of the capital reserve for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

| | |
|-------------------------------------|----------------------|
| Beginning Balance, July 1, 2018 | \$ 301,461. |
| Interest earnings | 705. |
| Deposits | |
| Transfer from Capital Projects Fund | 648,567. |
| Approved in 2018/2019 Budget | 0. |
| Board Resolution | 400,000. |
| Withdrawals | |
| Approved in 2018/2019 Budget | (339,595.) |
| Board Resolution | 0. |
| Ending balance, June 30, 2019 | <u>\$ 1,011,138.</u> |

NOTE 4 - 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, 2018 to June 30, 2019 year is as follows:

| | |
|--------------------------------|--------------------|
| Beginning Balance July 1, 2018 | \$ 499,568. |
| Deposits – Board Resolution | 12,000. |
| Withdrawals – 2018/2019 Budget | (12,000.) |
| Ending balance June 30, 2019 | <u>\$ 499,568.</u> |

The June 30, 2019 maximum maintenance reserve amount is \$499,568.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 - FIXED ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

| | Beginning Balance | Additions | Retirements | Adjustments | Ending Balance |
|--|----------------------|--------------------|--------------|--------------------|----------------------|
| Governmental Activities: | | | | | |
| Capital Assets that are not Being Depreciated: | | | | | |
| Land | \$ 252,500. | \$ 0. | \$ 0. | \$ 0. | \$ 252,500. |
| Construction in progress | 0. | 0. | 0. | 0. | 0. |
| Total Capital Assets not being Depreciated | 252,500. | 0. | 0. | 0. | 252,500. |
| Bldg. & Bldg. Improvements | 14,062,951. | 0. | 0. | 105,995. | 14,168,946. |
| Site Improvements | 385,642. | 335,318. | 0. | 31,396. | 752,356. |
| Machinery & Equipment | 531,040. | 129,227. | 0. | (128,038.) | 532,229. |
| Totals at Historical Cost | 14,979,633. | 464,545. | 0. | 9,353. | 15,453,531. |
| Less: Accum Deprec for: | | | | | |
| Bldg. & Bldg. Improvements | (5,933,996.) | (288,352.) | 0. | (8,148.) | (6,230,496.) |
| Site Improvements | (369,620.) | (10,288.) | 0. | 1. | (379,907.) |
| Machinery & Equipment | (366,398.) | (23,726.) | 0. | (1,693.) | (391,817.) |
| Total Accum Depreciation | (6,670,014.) | (322,366.) | 0. | (9,840.) | (7,002,220.) |
| Total Capital Assets being depreciated net of Accum Depreciation | 8,309,619. | 142,179. | 0. | (487.) | 8,451,311. |
| Government Activities Capital Assets, net | \$ 8,562,119. | \$ 142,179. | \$ 0. | \$ (487.) | \$ 8,703,811. |
| Business-type Activities: | | | | | |
| Equipment | \$ 167,781. | \$ 18,429. | \$ 0. | \$ (4,681.) | \$ 181,529. |
| Less Accum Dep for: | | | | | |
| Equipment | (96,138.) | (7,852.) | 0. | 70. | (103,920.) |
| Business-type Activities Capital Assets, net | \$ 71,643. | \$ 10,577. | \$ 0. | \$ (4,611.) | \$ 77,609. |

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

| | |
|--|----------------------|
| Instruction: | |
| Regular | \$ (161,183.) |
| Special Education | (32,237.) |
| Support Services: | |
| Student & Instruction Related Services | (48,355.) |
| School Administration | (32,237.) |
| General and Business Administrative Services | (32,236.) |
| Plant Operations and Maintenance | (16,118.) |
| Total Depreciation Expense | <u>\$ (322,366.)</u> |

NOTE 6 – OPERATING LEASES

The District has a commitment for copiers under an operating lease. The lease is for a term of 60 months. Total operating lease payments made during the year ended June 30, 2019 were \$10,974. Future minimum lease payments are as follows:

| <u>Year</u> | <u>Amount</u> |
|---------------|-------------------|
| June 30, 2020 | \$10,367. |
| June 30, 2021 | 7,375. |
| June 30, 2022 | 1,562. |
| TOTAL | <u>\$ 19,304.</u> |

**HOPEWELL TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 7 - GENERAL LONG-TERM DEBT

| Type of Debt | Balance at 06/30/18 | Issued | Retired | Balance at 06/30/19 | Amounts Due Within 1 Year |
|---------------------------|------------------------|--------------|----------------------|------------------------|------------------------------|
| Bonds payable | \$ 1,826,000. | \$ 0. | \$ (245,000.) | \$ 1,581,000. | \$ 250,000. |
| Comp. absences payable | 226,957. | 0. | (31,747.) | 195,210. | 7,284. |
| Accrued interest | 24,117. | 0. | (3,130.) | 20,987. | 20,987. |
| Total | \$ 2,077,074. | \$ 0. | \$ (279,877.) | \$ 1,797,197. | \$ 278,271. |
| Business Type Activities: | | | | | |
| Compensated Absences | \$ 0. | \$ 0. | \$ 0. | \$ 0. | \$ 0. |

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:

| Year Ending <u>June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------|----------------------|--------------------|----------------------|
| 2020 | \$ 250,000. | \$ 57,130. | \$ 307,130. |
| 2021 | 275,000. | 47,518. | 322,518. |
| 2022 | 280,000. | 37,393. | 317,393. |
| 2023 | 285,000. | 26,940. | 311,940. |
| 2024 | 250,000. | 15,676. | 265,676. |
| 2025 | 241,000. | 5,182. | 246,182. |
| TOTAL | \$ 1,581,000. | \$ 189,839. | \$ 1,770,839. |

See Exhibit I-1 for further information.

A. Bonds Authorized But Not Issued:

As of June 30, 2019, the district had no authorized but not issued bonds.

B. Capital Leases Payable:

The District is currently not participating in any capital leases.

NOTE 8 – PENSION PLANS

A. Public Employees' Retirement System (PERS)

Plan Description – The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

The vesting and benefits provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

| <u>Tier</u> | <u>Definition</u> |
|-------------|--|
| 1 | Members who were enrolled prior to July 1, 2007 |
| 2 | Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008 |
| 3 | Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010 |
| 4 | Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011 |
| 5 | Members who were eligible to enroll on or after June 28, 2011 |

**HOPEWELL TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 8 – PENSION PLANS – (Continued)

A. Public Employees’ Retirement System (PERS) – (Continued)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2018, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2019, the School District reported a liability of \$1,113,857 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2018, to the measurement date of June 30, 2018. The School District’s proportion of the net pension liability was based on the School District’s actual contributions to the plan relative to the total of all participating employers’ contributions for the year ended June 30, 2018. The School District’s proportion measured as of June 30, 2018, was .0056571133%, which was an increase of .1019157582% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the School District recognized full accrual pension expense of \$96,774 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2018 measurement date. At June 30, 2019, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expended and actual experience | \$ 21,241. | \$ 5,743. |
| Changes of assumptions | 183,545. | 356,152. |
| Net difference between projected and actual earnings on pension plan investments | 0. | 10,448. |
| Changes in proportion and difference between School District contributions and proportionate share of contributions | 147,971. | 10,461. |
| School District contributions subsequent to the measurement date | 112,356. | 0. |
| Total | \$ 465,113. | \$ 382,804. |

**HOPEWELL TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 8 – PENSION PLANS – (Continued)

A. Public Employees’ Retirement System (PERS) – (Continued)

\$112,356 was reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2019, the plan measurement date is June 30, 2018) will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended June 30, | | |
|------------------------|----|------------------|
| 2020 | \$ | 1,387. |
| 2021 | | (1,920.) |
| 2022 | | (13,764.) |
| 2023 | | (11,930.) |
| 2024 | | (3,820.) |
| Total | \$ | <u>(30,047.)</u> |

Actuarial Assumptions

The collective total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions:

| | |
|---------------------------|---------------------------|
| Inflation rate | 2.25 % |
| Salary increases: | |
| Through 2026 | 1.65 – 4.15% based on age |
| Thereafter | 2.65 – 5.15% based on age |
| Investment rate of return | 7.00% |

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Postretirement mortality rate were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

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

**HOPEWELL TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 8 – PENSION PLANS – (Continued)

A. Public Employees’ Retirement System (PERS) – (Continued)

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-----------------------------------|--------------------------|---|
| Risk Mitigation Strategies | 5.00% | 5.51% |
| Cash Equivalents | 5.50% | 1.00% |
| U.S. Treasuries | 3.00% | 1.87% |
| Investment Grade Credit | 10.00% | 3.78% |
| High Yield | 2.50% | 6.82% |
| Global Diversified Credit | 5.00% | 7.10% |
| Credit Oriented Hedge Funds | 1.00% | 6.60% |
| Debt Related Private Equity | 2.00% | 10.63% |
| Debt Related Real Estate | 1.00% | 6.61% |
| Private Real Asset | 2.50% | 11.83% |
| Equity Related Real Estate | 6.25% | 9.23% |
| U.S. Equity | 30.00% | 8.19% |
| Non-U.S. Developed Markets Equity | 11.50% | 9.00% |
| Emerging Markets Equity | 6.50% | 11.64% |
| Buyouts/Venture Capital | 8.25% | 13.08% |

Discount Rate

The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District’s proportionate share of the Net Pension Liability to Changes in the Discount Rate

The following presents the School District’s proportionate share of the net pension liability as of June 30, 2018, calculated using the discount rate of 5.66% as well as what the School District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

| | 1% Decrease (4.66%) | Current Discount Rate (5.66%) | 1% Increase (6.66%) |
|--|---------------------------|-------------------------------------|---------------------------|
| School District’s proportionate share of the net pension liability | \$ 1,400,547. | \$ 1,113,857. | \$ 873,343. |

**HOPEWELL TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 8 – PENSION PLANS – (Continued)

A. Public Employees’ Retirement System (PERS) – (Continued)

Three-Year Trend Information for PERS

| <u>Year Funding</u> | <u>Annual Pension Cost (APC)</u> | <u>Percentage Of APC Contributed</u> |
|-------------------------|--|--|
| June 30, 2019 | \$ 53,711. | 100% |
| June 30, 2018 | 48,023. | 100% |
| June 30, 2017 | 46,280. | 100% |

B. Teacher’s Pension and Annuity (TPAF)

Plan Description - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

| <u>Tier</u> | <u>Definition</u> |
|-------------|--|
| 1 | Members who were enrolled prior to July 1, 2007 |
| 2 | Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008 |
| 3 | Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010 |
| 4 | Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011 |
| 5 | Members who were eligible to enroll on or after June 28, 2011 |

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for TPAF is set by N.J.S.A 18A:66 and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State’s pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2018, the State’s pension contribution was less than the actuarial determined amount.

As mentioned previously, the employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the School District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the School District does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers.

Pension Liability and Pension Expense - The State’s proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2018 was \$21,894,173. The School District’s proportionate share was \$0.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 8 – PENSION PLANS – (Continued)

B. Teacher’s Pension and Annuity (TPAF) – (Continued)

Pension Liability and Pension Expense – (Continued)

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. The State’s proportionate share of the net pension liability associated with the District was based on projection of the State’s long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2018, the State proportionate share of the TPAF net pension liability attributable to the School District was .0344151396%, which a decrease of .0040832277% from its proportion measured as of June 30, 2017.

For the fiscal year ended June 30, 2019, the School District recognized \$1,296,354 in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2018 measurement date.

Actuarial Assumptions – The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

| | |
|---------------------------|------------|
| Inflation rate | 2.25% |
| Salary increases: | |
| 2011-2026 | 1.55-4.55% |
| Thereafter | 2.00-5.45% |
| Investment rate of return | 7.00% |

Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Disability mortality rates were based on the RP-2006 Disabled Retiree Mortality with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

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

**HOPEWELL TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 8 – PENSION PLANS – (Continued)

B. Teacher’s Pension and Annuity (TPAF) – (Continued)

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|-----------------------------------|----------------------|---|
| Risk Mitigation Strategies | 5.00% | 5.51% |
| Cash Equivalents | 5.50% | 1.00% |
| U.S. Treasuries | 3.00% | 1.87% |
| Investment Grade Credit | 10.00% | 3.78% |
| High Yield | 2.50% | 6.82% |
| Global Diversified Credit | 5.00% | 7.10% |
| Credit Oriented Hedge Funds | 1.00% | 6.60% |
| Debt Related Private Equity | 2.00% | 10.63% |
| Debt Related Real Estate | 1.00% | 6.61% |
| Private Real Asset | 2.50% | 11.83% |
| Equity Related Real Estate | 6.25% | 9.23% |
| U.S. Equity | 30.00% | 8.19% |
| Non-U.S. Developed Markets Equity | 11.50% | 9.00% |
| Emerging Markets Equity | 6.50% | 11.64% |
| Buyouts/Venture Capital | 8.25% | 13.08% |

Discount Rate - The discount rate used to measure the total pension liability was 4.86% as of June 30, 2018. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 50% of the actuarially determined contributions. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District’s proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District’s annual required contribution. The following represents the State’s proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 4.86% as well as what the State’s proportionate share of the net pension liability, attributable to the School District’s would be if it were calculated using a discount rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

| | At 1% Decrease (3.86%) | At current discount rate (4.86%) | At 1% Increase (5.86%) |
|--|---------------------------|--|---------------------------|
| State of New Jersey’s Proportionate Share of Net Pension Liability associated with School District | \$ 25,955,174. | \$ 21,959,045. | \$ 18,646,351. |

Pension Plan Fiduciary Net Position - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers’ Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF’s fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 8 – PENSION PLANS – (Continued)

B. Teacher’s Pension and Annuity (TPAF) – (Continued)

Three-Year Trend Information for TPAF
(Paid on Behalf of the District)

| Year <u>Funding</u> | Pension <u>Contribution</u> | Post-Retirement Medical (PRM) <u>Contribution</u> | Long-Term Disability <u>Insurance</u> | Total <u>Contribution</u> |
|------------------------|--------------------------------|---|---|------------------------------|
| June 30, 2019 | \$ 699,055. | \$ 317,090. | \$ 481. | \$ 1,016,626. |
| June 30, 2018 | 519,113. | 335,284. | 345. | 854,742. |
| June 30, 2017 | 388,690. | 323,867. | 488. | 713,045. |

During the fiscal years ended June 30, 2019, 2018 and 2017, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$250,761; \$259,692; and \$262,116; during the same fiscal years for the employer’s share of social security contributions for TPAF members as calculated on their base salaries. These amounts, which are not required to be budgeted, have been included in the financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance in GASB 27.

C. Defined Contribution Plan (DCRP)

Plan Description - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of N.J.S.A. 43:15C-1 et seq. The DCRP provides eligible members with a taxsheltered, defined contribution retirement benefit, along with life insurance and disability coverage.

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in the Public Employees’ Retirement System (PERS) or Teachers’ Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established “maximum compensation” limits;
- Employees enrolled in the Police and Firemen’s Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established “maximum compensation” limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2017 is \$8,300 and is subject to adjustment in future years.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees.

Contributions - The contribution policy is set by N.J.S.A. 43:15C-3 and requires active members and contribution employers. When enrolled in the DCRP, members are required to contribute 5.5% of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3% contribution from the School District.

For the year ended June 30, 2019, employee contributions totaled \$10,664, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$5,817.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 9 - POST RETIREMENT BENEFITS

General Information about the OPEB Plan

Plan description and benefits provided

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2018, the State paid PRM benefits for 148,401 State and local retirees.

The State funds post-retirement medical benefits on a “pay-as-you-go” basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2018, the State contributed \$1.909 billion to pay for pay-as-you-go PRM benefits costs incurred by covered retirees. The increase in the State’s pay-as-you-go contribution between Fiscal Year 2017 and Fiscal Year 2018 is attributed to rising health care costs, an increase in the number of participants qualifying for State-paid PRM benefits at retirement and larger fund balance utilization in Fiscal Year 2017 and in the Fiscal Year 2018. The Fiscal Year 2019 Appropriations Act includes \$1.921 billion as the State’s contribution to fund pay-as-you-go PRM costs.

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. As such, the Fiscal Year 2017 total State OPEB liability to provide these benefits has been re-measured to \$97.1 billion, an increase of \$60.6 billion or 166 percent from the previous year’s \$36.5 billion liability booked in accordance with GASB Statement No. 45. For Fiscal Year 2018, the total OPEB liability for the State is \$90.5 billion, a decrease of \$6.6 billion or 7 percent from the re-measured total OPEB liability in Fiscal Year 2017.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 st. seq. Rules governing the operation and administration of program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

Employees covered by benefit terms:

At June 30, 2018, the following employees were covered by the benefits terms:

TPAF participant retirees:

As of June 30, 2018, there were 112,966 retirees receiving post-retirement medical benefits, and the State contributed \$1.39 billion on their behalf.

PERS participant retirees:

The State paid \$238.9 million toward Chapter 126 benefits for 209,913 eligible retired members in Fiscal Year 2017.

Total OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contribution to OPEB for qualified retired PERS and TPAF participants. The LEA’s proportionate share percentage determined under paragraph 193 and 203 and 205 of GASB No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State’s level and is not specific to the board of education.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 9 - POST RETIREMENT BENEFITS - (Continued)

Actuarial assumptions and other imputes:

The total nonemployer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate: 2.50%

| | TPAF | PERS |
|-------------------|--------------|------------------------------|
| Salary increases: | | |
| Through 2026 | 1.55 – 4.55% | 2.15 – 4.15% based on age |
| Thereafter | 2.0 – 5.45% | 3.15 – 5.15% based on age |

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015, July 1, 2011 – June 30, 2014, and July 1, 2010 – June 30, 2013 for TPAF and PERS, respectively.

100% of all retirees who currently have healthcare coverage are assumed to continue with that coverage. 100% of active members are considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount rate

The discount rate for June 30, 2018 was 3.87%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Total Nonemployer OPEB Liability to changes in the discount rate:

The following presents the total nonemployer OPEB liability as of June 30, 2018, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point higher than the current rate:

| June 30, 2018 | | |
|-------------------------------|---------------------------------|-------------------------------|
| At 1% decrease (2.87%) | At discount rate (3.87%) | At 1% increase (4.87%) |
| \$ 54,512,391,175. | \$ 46,110,832,982. | \$39,432,461,816. |

**HOPEWELL TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 9 - POST RETIREMENT BENEFITS - (Continued)

Sensitivity of Total Nonemployer OPEB Liability to change in the healthcare trend rate:

The following presents the total nonemployer OPEB liability as of June 30, 2018 calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

| June 30, 2018 | | |
|----------------------|-----------------------------------|--------------------|
| 1% decrease | Healthcare cost trend rate | 1% increase |
| \$ 38,113,289,045. | \$ 46,110,832,982. | \$56,687,891,003. |

Changes in the Total OPEB Liability reported by the State of New Jersey:

| | |
|---|--------------------|
| Balance at 6/30/17 | \$ 53,639,841,858. |
| Changes for the year: | |
| Service Cost | 1,984,642,729. |
| Interest on the Total OPEB Liability | 1,970,236,232. |
| Changes of Benefit Terms | 0. |
| Difference Between Expected and Actual Experience | (5,002,065,740.) |
| Changes of Assumptions | (5,291,448,885.) |
| Gross Benefit Payments | (1,232,987,247.) |
| Contributions From the Non-Employer | N/A |
| Contributions From the Member | 42,614,005. |
| Net Investment Income | N/A |
| Administrative Expense | N/A |
| Net Changes | (7,529,008,876.) |
| Balance at 6/30/18 | \$ 46,110,832,982. |

Changes of assumptions and other inputs reflect a change in the discount rate from 3.58% in 2017 to 3.87% in 2018.

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

For the year ended June 30, 2018, the board of education recognized on-behalf OPEB expense and revenue of \$501,355 determined by the State as the total OPEB liability for benefits provided through a defined OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75 and in which there is a special funding situation.

In accordance with GASB No. 75, the Hopewell Township Board of Education's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2018, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------|-------------------------------|
| Difference Between Actual and Expected Experience | \$ 0. | \$ (4,476,086,167.) |
| Net Difference Between Expected and Actual Earnings on OPEB Plan Investments | 0. | 0. |
| Assumption Changes | 0. | (10,335,978,867.) |
| Subtotal | 0. | (14,812,065,034.) |
| Contributions Made in Fiscal Year Ending 2018 After June 30, 2017 Measurement Date | TBD | N/A |
| Total | \$ 0. | \$ (14,812,065,034.) |

**HOPEWELL TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 9 - POST RETIREMENT BENEFITS - (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB will be recognized in OPEB expenses as follows:

| Year ended June 30: | |
|------------------------|-----------------------------|
| 2019 | \$ (1,825,218,593.) |
| 2020 | (1,825,218,593.) |
| 2021 | (1,825,218,593.) |
| 2022 | (1,825,218,593.) |
| 2023 | (1,825,218,593.) |
| Thereafter | <u>(5,685,972,069.)</u> |
| Total | <u>\$ (14,812,065,034.)</u> |

(Contributions made after June 30, 2018 are reported as deferred outflow of resources but are not amortized in the expense.)

Detailed information about the plan's fiduciary net position is available in the separately issued OPEB financial report.

NOTE 10 - 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.

In the district/school-wide *Statement of Net Position*, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year.

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, 2019, a liability existed for compensated absences in the Food Service Fund in the amount of \$0.

NOTE 11 - 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 12 - RISK MANAGEMENT

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

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

**HOPEWELL TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 12 - RISK MANAGEMENT – (Continued)

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> |
|--------------------|-------------------------------|-------------------------------|------------------------|--------------------------|-----------------------|
| 2018-2019 | \$ 0. | \$ 6,220. | \$ 210. | \$ 6,588. | \$ 209,870. |
| 2017-2018 | 0. | 6,191. | 221. | 13,198. | 210,028. |
| 2016-2017 | 0. | 6,966. | 217. | 1,803. | 216,814. |

NOTE 13 - INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

The following interfund balances remained on the balance sheet at June 30, 2019.

| <u>Fund</u> | <u>Interfund Receivable</u> | <u>Interfund Payable</u> |
|-----------------|-----------------------------|--------------------------|
| General Fund | \$ 8,537. | \$ 0. |
| Enterprise Fund | 4,722. | 0. |
| Fiduciary Fund | 0. | 13,259. |
| | <u>\$ 13,259.</u> | <u>\$ 13,259.</u> |

The balance owed by the fiduciary fund to the general fund consists of employee health insurance withheld but not remitted.

| | <u>Transfer To</u> | <u>Transfer From</u> |
|-----------------------|--------------------|----------------------|
| General Fund | \$ 308,972. | \$ 0. |
| Capital Projects Fund | 0. | 336,929. |
| Debt Service Fund | 27,957. | 0. |
| Total | <u>\$ 336,929.</u> | <u>\$ 336,929.</u> |

The transfer of \$339,595 from the general fund to the capital project fund is the budgeted transfer from the capital reserve to the capital project fund. The transfer of \$648,567 from the capital project fund to the general fund is the board resolution transfer of unused capital reserve proceeds to be returned to the capital reserve. The transfer of \$27,957 from the capital project fund to the debt service fund is the budgeted transfer of unused bond proceeds used to pay principal payment on related bonds.

NOTE 14 - CONTINGENT LIABILITIES

GRANT PROGRAM

The Board participates in state and federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The Board is potentially liable for any expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

LITIGATION

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.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 15 - TAX ABATEMENTS

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

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

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, 2019 is \$777,784.

NOTE 17 - DEFICIT FUND BALANCES

The District has a deficit fund balances of \$0 in the General Fund and \$(37,113) in the Special Revenue Fund as of June 30, 2019 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 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 of corrective action. The District deficit in the GAAP funds statements of \$(37,113) is equal to (or) is less than the last state aid payments.

NOTE 18 - FUND BALANCE

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, 2019.

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:

**HOPEWELL TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 18 - FUND BALANCE - (Continued)

RESTRICTED - (Continued)

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, 2019 is \$777,784; \$229,616 has been restricted and designated for utilization in the 2019-2020 budget.

Capital Reserve Account: As of June 30, 2019, the balance in the capital reserve account is \$1,011,138. These funds are restricted for the future approved capital projects of school facilities.

For Maintenance Reserve Account: As of June 30, 2019, the balance in the maintenance reserve account is \$499,568. These funds are restricted for the required maintenance of school facilities in accordance with Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c.73 (S1701).

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, 2019, the School District had \$36,303 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:

For Subsequent Year’s Expenditures: The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2020, \$52,320 of general fund balance at June 30, 2019.

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, 2019, the unassigned fund balance of the general fund was \$(98,236).

Capital Project Fund:

As of June 30, 2019, the Capital Project Fund balance is \$146,602.

Debt Service Fund:

As of June 30, 2019, the Debt Service Fund balance is \$0.

NOTE 19 - SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred from June 30, 2019 through December 18, 2019, the date that the financial statements were available to be issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 20 - 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
FISCAL YEAR ENDED JUNE 30, 2019

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Favorable (Unfavorable) |
|--|--------------------|---------------------|-------------------|-------------------|--|
| Revenues: | | | | | |
| Local sources: | | | | | |
| Local Tax Levy | \$ 3,522,875. | \$ 0. | \$ 3,522,875. | \$ 3,522,875. | \$ 0. |
| Tuition | 43,687. | 0. | 43,687. | 53,349. | 9,662. |
| Interest Earned | 500. | 0. | 500. | 2,882. | 2,382. |
| Miscellaneous | 50,164. | 0. | 50,164. | 91,098. | 40,934. |
| Total local sources | 3,617,226. | 0. | 3,617,226. | 3,670,204. | 52,978. |
| State sources: | | | | | |
| Equalization Aid | 2,683,582. | 0. | 2,683,582. | 2,683,582. | 0. |
| Categorical Transportation Aid | 197,184. | 0. | 197,184. | 197,184. | 0. |
| Special Education Aid | 279,437. | 0. | 279,437. | 279,437. | 0. |
| Security Aid | 89,617. | 0. | 89,617. | 89,617. | 0. |
| Adjustment Aid | 228,122. | (12,000.) | 216,122. | 216,122. | 0. |
| On behalf TPAF pension contribution (non-budgeted) | 0. | 0. | 0. | 1,016,626. | 1,016,626. |
| On behalf TPAF social security contribution (non-budgeted) | 0. | 0. | 0. | 250,761. | 250,761. |
| Additional Non-Public Transportation Aid | 0. | 0. | 0. | 3,190. | 3,190. |
| Total state sources | 3,477,942. | (12,000.) | 3,465,942. | 4,736,519. | 1,270,577. |
| Federal Sources: | | | | | |
| Medical Assistance Program | 12,443. | 0. | 12,443. | 23,076. | 10,633. |
| Total federal sources | 12,443. | 0. | 12,443. | 23,076. | 10,633. |
| Total revenues | 7,107,611. | (12,000.) | 7,095,611. | 8,429,799. | 1,334,188. |

HOPEWELL TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2019

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Favorable (Unfavorable) |
|---|--------------------|---------------------|-------------------|-------------------|--|
| Expenditures: | | | | | |
| Current Expenses: | | | | | |
| Regular Programs - Instruction: | | | | | |
| Preschool - Salaries of Teachers | \$ 60,180. | \$ 0. | \$ 60,180. | \$ 16,863. | \$ 43,317. |
| Kindergarten - Salaries of Teachers | 215,889. | 0. | 215,889. | 149,644. | 66,245. |
| Grades 1 - 5 - Salaries of Teachers | 1,383,475. | (10,000.) | 1,373,475. | 1,221,222. | 152,253. |
| Grades 6 - 8 - Salaries of Teachers | 777,181. | 0. | 777,181. | 715,763. | 61,418. |
| Regular Programs - Home Instruction: | | | | | |
| Salaries of Teachers | 5,210. | 0. | 5,210. | 3,645. | 1,565. |
| Regular programs - Undistributed Instruction: | | | | | |
| Other Salaries for Instruction | 63,875. | 0. | 63,875. | 6,487. | 57,388. |
| Purchased Professional Educational Services | 1,000. | 0. | 1,000. | 0. | 1,000. |
| Other Purchased Services | 14,500. | 1,300. | 15,800. | 15,787. | 13. |
| General Supplies | 231,769. | (65,436.) | 166,333. | 161,137. | 5,196. |
| Textbooks | 5,000. | (4,000.) | 1,000. | 896. | 104. |
| Other Objects | 14,000. | (601.) | 13,399. | 12,487. | 912. |
| Total Regular Programs - Instruction | <u>2,772,079.</u> | <u>(78,737.)</u> | <u>2,693,342.</u> | <u>2,303,931.</u> | <u>389,411.</u> |
| Special Education - Instruction: | | | | | |
| Learning and/or Language Disabilities: | | | | | |
| Salaries of Teachers | 222,380. | (25,514.) | 196,866. | 170,848. | 26,018. |
| Other Salaries for Instruction | 188,223. | 54,846. | 243,069. | 217,555. | 25,514. |
| General Supplies | 5,500. | 0. | 5,500. | 5,500. | 0. |
| Textbooks | 1,000. | 0. | 1,000. | 1,000. | 0. |
| Total Learning and/or Language Disabilities | <u>417,103.</u> | <u>29,332.</u> | <u>446,435.</u> | <u>394,903.</u> | <u>51,532.</u> |

HOPEWELL TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2019

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Favorable (Unfavorable) |
|---|--------------------|---------------------|-----------------|-------------|--|
| Resource Room/Resource Center: | | | | | |
| Salaries of Teachers | \$ 267,728. | \$ 0. | \$ 267,728. | \$ 267,625. | \$ 103. |
| General Supplies | 2,000. | 0. | 2,000. | 1,981. | 19. |
| Textbooks | 500. | 0. | 500. | 500. | 0. |
| Total Resource Room/Resource Center | 270,228. | 0. | 270,228. | 270,106. | 122. |
| Total Special Education - Instruction | 687,331. | 29,332. | 716,663. | 665,009. | 51,654. |
| Basic Skills/Remedial - Instruction: | | | | | |
| Salaries | 48,875. | 0. | 48,875. | 19,425. | 29,450. |
| General Supplies | 2,000. | 0. | 2,000. | 2,000. | 0. |
| Total Basic Skills/Remedial - Instruction | 50,875. | 0. | 50,875. | 21,425. | 29,450. |
| Bilingual Education - Instruction: | | | | | |
| Salaries of Teachers | 13,782. | (5,955.) | 7,827. | 1,907. | 5,920. |
| General Supplies | 800. | 0. | 800. | 264. | 536. |
| Total Bilingual Education - Instruction | 14,582. | (5,955.) | 8,627. | 2,171. | 6,456. |
| School Sponsored Co-Curricular Activities - Instruction: | | | | | |
| Salaries | 33,000. | 1,981. | 34,981. | 34,981. | 0. |
| Total School Sponsored Co-Curricular Activities - Instruction | 33,000. | 1,981. | 34,981. | 34,981. | 0. |
| Other Instructional Programs - Instruction: | | | | | |
| Salaries | 62,747. | 4,827. | 67,574. | 67,574. | 0. |
| Total Other Instructional Programs - Instruction | 62,747. | 4,827. | 67,574. | 67,574. | 0. |
| Total Instruction | 3,620,614. | (48,552.) | 3,572,062. | 3,095,091. | 476,971. |

HOPEWELL TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2019

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Favorable (Unfavorable) |
|---|--------------------|---------------------|-----------------|-----------------|--|
| Undistributed Expenditures: | | | | | |
| Instruction: | | | | | |
| Tuition - Other LEA's Within the State - Special | \$ 96,000. | \$ (38,206.) | \$ 57,794. | \$ 37,350. | \$ 20,444. |
| Tuition - Co. Spec. Services and Regional Day Schls | 48,386. | 0. | 48,386. | 0. | 48,386. |
| Tuition - Private Schls/Handicapped within State | 58,485. | (4,500.) | 53,985. | 37,671. | 16,314. |
| Tuition - Other | 0. | 23,206. | 23,206. | 23,206. | 0. |
| Total Instruction | 202,871. | (19,500.) | 183,371. | 98,227. | 85,144. |
| Attendance and Social Work Services: | | | | | |
| Salaries | 3,481. | 0. | 3,481. | 2,368. | 1,113. |
| Other Purchased Services | 100. | 0. | 100. | 0. | 100. |
| Supplies and Materials | 100. | 0. | 100. | 0. | 100. |
| Total Attendance and Social Work Services | 3,681. | 0. | 3,681. | 2,368. | 1,313. |
| Health Services: | | | | | |
| Salaries | 81,298. | 0. | 81,298. | 78,889. | 2,409. |
| Purchased Prof and Technical Services | 3,800. | (2,015.) | 1,785. | 1,785. | 0. |
| Other Purchased Services | 100. | 600. | 700. | 600. | 100. |
| Supplies and Materials | 3,800. | (2,405.) | 1,395. | 1,377. | 18. |
| Other Objects | 3,000. | (2,767.) | 233. | 233. | 0. |
| Total Health Services | 91,998. | (6,587.) | 85,411. | 82,884. | 2,527. |
| Speech, OT, PT and Related Services: | | | | | |
| Salaries | 74,540. | 745. | 75,285. | 75,285. | 0. |
| Purchased Professional - Educational Services | 85,000. | (32,681.) | 52,319. | 43,473. | 8,846. |
| Supplies and Materials | 1,500. | (761.) | 739. | 685. | 54. |
| Total Other Support Services - Students - Related Services | 161,040. | (32,697.) | 128,343. | 119,443. | 8,900. |

HOPEWELL TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2019

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Favorable (Unfavorable) |
|---|--------------------|---------------------|-----------------|-----------------|--|
| Guidance: | | | | | |
| Salaries of Other Professional Staff | \$ 88,291. | \$ 0. | \$ 88,291. | \$ 83,707. | \$ 4,584. |
| Other Purchased Services | 50. | 0. | 50. | 36. | 14. |
| Supplies and Materials | 2,000. | 0. | 2,000. | 1,814. | 186. |
| Total Other Support Services - Students - Regular | 90,341. | 0. | 90,341. | 85,557. | 4,784. |
| Child Study Teams: | | | | | |
| Salaries of Other Professional Staff | 179,117. | 570. | 179,687. | 176,288. | 3,399. |
| Salaries of Secretarial and Clerical Assistants | 46,423. | 0. | 46,423. | 45,987. | 436. |
| Other Purchased Professional and Tech Service | 1,500. | 9,430. | 10,930. | 10,455. | 475. |
| Misc Purchased Services | 9,000. | (1,746.) | 7,254. | 7,254. | 0. |
| Supplies and Materials | 3,000. | 2,649. | 5,649. | 5,443. | 206. |
| Other Objects | 600. | 829. | 1,429. | 1,429. | 0. |
| Total Other Support Services - Students - Special Services | 239,640. | 11,732. | 251,372. | 246,856. | 4,516. |
| Improvement of Instruction Services: | | | | | |
| Salaries of Supervisor of Instruction | 77,791. | 0. | 77,791. | 77,413. | 378. |
| Salaries of Sec and Clerical Assist | 47,471. | 4,000. | 51,471. | 49,416. | 2,055. |
| Purchased Professional Educational Services | 3,000. | 0. | 3,000. | 2,670. | 330. |
| Other Purchased Services | 3,000. | (1,848.) | 1,152. | 1,152. | 0. |
| Supplies and Materials | 1,500. | (200.) | 1,300. | 0. | 1,300. |
| Total Improvement of Instr. Serv./Other Supp. Serv. - Instr. Staff | 132,762. | 1,952. | 134,714. | 130,651. | 4,063. |
| Educational Media Services - School Library: | | | | | |
| Salaries | 64,980. | 0. | 64,980. | 64,198. | 782. |
| Other Purchased Services | 12,000. | 6,050. | 18,050. | 17,573. | 477. |
| Supplies and Materials | 4,000. | 0. | 4,000. | 3,049. | 951. |
| Total Educational Media Services\School Library | 80,980. | 6,050. | 87,030. | 84,820. | 2,210. |

HOPEWELL TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2019

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Favorable (Unfavorable) |
|--|--------------------|---------------------|-----------------|-----------------|--|
| Support Services - General Administration: | | | | | |
| Salaries | \$ 61,829. | 0. | \$ 61,829. | \$ 61,829. | \$ 0. |
| Legal Services | 25,000. | 21,500. | 46,500. | 46,283. | 217. |
| Audit Services | 24,000. | (2,500.) | 21,500. | 21,500. | 0. |
| Communications/Telephone | 30,000. | 2,523. | 32,523. | 30,146. | 2,377. |
| Board Member Expense | 600. | (526.) | 74. | 0. | 74. |
| Other Purchased Services | 10,500. | 2,826. | 13,326. | 12,326. | 1,000. |
| Supplies and Materials | 4,500. | (2,400.) | 2,100. | 2,027. | 73. |
| BOE In-House Training/Meeting Supplies | 500. | 0. | 500. | 77. | 423. |
| Miscellaneous Expenditures | 4,000. | (1,457.) | 2,543. | 2,483. | 60. |
| Board of Ed Dues | 6,500. | (966.) | 5,534. | 5,534. | 0. |
| Total Support Services - General Administration | 167,429. | 19,000. | 186,429. | 182,205. | 4,224. |
| Support Services - School Administration: | | | | | |
| Salaries of Principals | 76,163. | 0. | 76,163. | 75,489. | 674. |
| Salaries of Secretarial and Clerical Assistants | 31,814. | 0. | 31,814. | 22,943. | 8,871. |
| Other Purchased Services | 5,000. | 0. | 5,000. | 1,221. | 3,779. |
| Supplies and Materials | 5,000. | 0. | 5,000. | 3,224. | 1,776. |
| Other Objects | 3,200. | 0. | 3,200. | 820. | 2,380. |
| Total Support Services - School Administration | 121,177. | 0. | 121,177. | 103,697. | 17,480. |
| Central Services: | | | | | |
| Salaries | 174,506. | 2,427. | 176,933. | 176,796. | 137. |
| Misc Purchased Service | 13,500. | 16,676. | 30,176. | 30,176. | 0. |
| Supplies and Materials | 4,000. | 527. | 4,527. | 4,246. | 281. |
| Other Objects | 1,065. | 0. | 1,065. | 1,065. | 0. |
| Total Central Services | 193,071. | 19,630. | 212,701. | 212,283. | 418. |

HOPEWELL TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2019

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Favorable (Unfavorable) |
|---|--------------------|---------------------|-----------------|------------|--|
| Administration Information Technology: | | | | | |
| Purchased Technical Services | \$ 20,282. | \$ (630.) | \$ 19,652. | \$ 19,597. | \$ 55. |
| Total Administration Information Technology | 20,282. | (630.) | 19,652. | 19,597. | 55. |
| Required Maintenance for School Facilities | | | | | |
| Cleaning, Repair and Maintenance Services | 128,600. | (22,228.) | 106,372. | 96,860. | 9,512. |
| General Supplies | 48,800. | (26,981.) | 21,819. | 21,797. | 22. |
| Other Objects | 38,000. | 0. | 38,000. | 36,550. | 1,450. |
| Total Allowable Maintenance for School Facilities | 215,400. | (49,209.) | 166,191. | 155,207. | 10,984. |
| Custodial Services: | | | | | |
| Salaries | 168,153. | 13,208. | 181,361. | 181,120. | 241. |
| Purchased Professional and Tech Services | 3,900. | (2,948.) | 952. | 0. | 952. |
| Cleaning, Repair and Maintenance Services | 193,762. | (106,580.) | 87,182. | 81,041. | 6,141. |
| Insurance | 45,580. | 8,000. | 53,580. | 52,683. | 897. |
| Misc Purchased Services | 520. | 1,000. | 1,520. | 704. | 816. |
| General Supplies | 31,000. | 17,216. | 48,216. | 44,240. | 3,976. |
| Energy (Natural Gas) | 18,000. | 7,224. | 25,224. | 25,224. | 0. |
| Energy (Electricity) | 170,980. | (2,254.) | 168,726. | 168,726. | 0. |
| Other Objects | 500. | 117. | 617. | 617. | 0. |
| Total Other Operation and Maintenance of Plant Services | 632,395. | (65,017.) | 567,378. | 554,355. | 13,023. |
| Care and Upkeep of Grounds: | | | | | |
| Salaries | 9,785. | 0. | 9,785. | 6,533. | 3,252. |
| Cleaning, Repair and Maintenance | 10,000. | 21,749. | 31,749. | 30,374. | 1,375. |
| General Supplies | 2,000. | (664.) | 1,336. | 1,189. | 147. |
| Total Care and Upkeep of Grounds | 21,785. | 21,085. | 42,870. | 38,096. | 4,774. |
| Total Operation and Maintenance of Plant Services | 869,580. | (93,141.) | 776,439. | 747,658. | 28,781. |

HOPEWELL TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2019

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Favorable (Unfavorable) |
|---|--------------------|---------------------|-----------------|------------|--|
| Students Transportation Services: | | | | | |
| Contracted Services - Aid in Lieu of Pay - Nonpublic | \$ 14,000. | \$ (1,000.) | \$ 13,000. | \$ 10,000. | \$ 3,000. |
| Contracted Services - Aid in Lieu of Pay - Charter School | 0. | 1,000. | 1,000. | 1,000. | 0. |
| Contracted Services - Aid in Lieu of Pay - Choice School | 5,000. | 0. | 5,000. | 4,360. | 640. |
| Contracted Services (not Home/School) - Vendors | 20,000. | (1,042.) | 18,958. | 16,628. | 2,330. |
| Contracted Services & Public Carriers | 332,796. | 1,042. | 333,838. | 257,838. | 76,000. |
| Contracted Services (Special Ed.) - Joint Agreements | 145,000. | 17,948. | 162,948. | 155,132. | 7,816. |
| Total Student Transportation Services | 516,796. | 17,948. | 534,744. | 444,958. | 89,786. |
| Unallocated Benefits: | | | | | |
| Social Security Contributions | 64,000. | 10,828. | 74,828. | 74,828. | 0. |
| Other Retirement Contributions | 55,544. | 21,090. | 76,634. | 76,634. | 0. |
| Workmen's Compensation | 48,053. | (6,000.) | 42,053. | 41,367. | 686. |
| Health Benefits | 1,001,631. | (14,704.) | 986,927. | 759,886. | 227,041. |
| Tuition Reimbursement | 12,000. | (7,835.) | 4,165. | 4,165. | 0. |
| Other Employee Benefits | 15,782. | 3,475. | 19,257. | 19,257. | 0. |
| Total Unallocated Benefits | 1,197,010. | 6,854. | 1,203,864. | 976,137. | 227,727. |
| On-Behalf TPAF Pension Contribution (Non-Budgeted) | 0. | 0. | 0. | 1,016,626. | (1,016,626.) |
| Reimbursed TPAF Soc. Sec. Contribution (Non-Budgeted) | 0. | 0. | 0. | 250,761. | (250,761.) |
| Total Undistributed Expenditures | 4,088,658. | (69,389.) | 4,019,269. | 4,804,728. | (785,459.) |
| Total General Current Expense | 7,709,272. | (117,941.) | 7,591,331. | 7,899,819. | (308,488.) |

HOPEWELL TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2019

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Favorable (Unfavorable) |
|---|--------------------|---------------------|---------------------|-------------------|--|
| CAPITAL OUTLAY: | | | | | |
| Equipment: | | | | | |
| Preschool | \$ 0. | \$ 7,458. | \$ 7,458. | \$ 7,458. | \$ 0. |
| Kindergarten | 19,008. | 0. | 19,008. | 17,007. | 2,001. |
| Undistributed Expenditures: | | | | | |
| Administration Information Technology | 0. | 13,767. | 13,767. | 13,767. | 0. |
| Required Maintenance for School Facilities | 0. | 113,160. | 113,160. | 90,995. | 22,165. |
| Total Equipment and Undistributed Expenditures | 19,008. | 134,385. | 153,393. | 129,227. | 24,166. |
| Facilities Acquisition and Construction Services: | | | | | |
| Assessment for Debt Service on SDA Funding | 17,182. | 0. | 17,182. | 17,182. | 0. |
| Total Facilities Acquisition and Construction Services | 17,182. | 0. | 17,182. | 17,182. | 0. |
| Total Capital Outlay Expenditures | 36,190. | 134,385. | 170,575. | 146,409. | 24,166. |
| TOTAL EXPENDITURES | 7,745,462. | 16,444. | 7,761,906. | 8,046,228. | (284,322.) |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (637,851.) | (28,444.) | (666,295.) | 383,571. | 1,049,866. |
| Other Financing Sources: | | | | | |
| Operating Transfer In: | | | | | |
| Transfer to/from Capital Project Fund | 0. | 0. | 0. | 648,567. | 648,567. |
| Operating Transfer Out: | | | | | |
| Capital Reserve - Transfer to Capital Projects Fund | (339,595.) | 0. | (339,595.) | (339,595.) | 0. |
| Total other financing sources (uses): | (339,595.) | 0. | (339,595.) | 308,972. | 648,567. |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources uses | (977,446.) | (28,444.) | (1,005,890.) | 692,543. | 1,698,433. |

HOPEWELL TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2019

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Favorable (Unfavorable) |
|-----------------------|--------------------|---------------------|-----------------|---------------|--|
| Fund balance, July 1 | \$ 1,937,760. | \$ 0. | \$ 1,937,760. | \$ 1,937,760. | \$ 0. |
| Fund balance, June 30 | \$ 960,314. | \$ (28,444.) | \$ 931,870. | \$ 2,630,303. | \$ 1,698,433. |

Recapitulation:

Restricted fund balance:

- Capital Reserve
- Maintenance reserve
- Excess surplus designated for subsequent year's expenditures
- Excess surplus-current year

Committed fund balance:

- Year-end encumbrances

Assigned fund balance:

- Designated for subsequent year's expenditures

Unassigned fund balance:

| | |
|--|-----------------------------|
| | 1,011,138. |
| | 499,568. |
| | 229,616. |
| | 548,168. |
| | 36,303. |
| | 52,320. |
| | 253,190. |
| | <u>2,630,303.</u> |
| | <u>(351,426.)</u> |
| | <u><u>\$ 2,278,877.</u></u> |

Reconciliation to Governmental Funds Statements (GAAP):

Last State Aid Payments not recognized on GAAP basis

Fund balance per Governmental Funds (GAAP)

HOPEWELL TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|--------------------|---------------------|--------------------|--------------------|--------------------------------|
| REVENUES: | | | | | |
| Local sources | \$ 2,757. | \$ 0. | \$ 2,757. | \$ 1,186. | \$ (1,571.) |
| State Sources | 371,130. | 0. | 371,130. | 272,934. | \$ (98,196.) |
| Federal sources | 302,404. | 0. | 302,404. | 268,311. | (34,093.) |
| Total Revenues | \$ 676,291. | \$ 0. | \$ 676,291. | \$ 542,431. | \$ (133,860.) |
| EXPENDITURES: | | | | | |
| Instruction: | | | | | |
| Salaries of teachers | \$ 115,089. | \$ 0. | \$ 115,089. | \$ 115,089. | \$ 0. |
| Other salaries for instruction | 79,577. | 0. | 79,577. | 68,772. | 10,805. |
| Purchased Professional -Educational Services | 109,660. | 0. | 109,660. | 69,801. | 39,859. |
| Purchased Professional and Technical Services | 5,600. | 0. | 5,600. | 5,579. | 21. |
| Other purchased services | 114,599. | 0. | 114,599. | 101,982. | 12,617. |
| General supplies | 41,326. | 0. | 41,326. | 40,645. | 681. |
| Total instruction | 465,851. | 0. | 465,851. | 401,868. | 63,983. |
| Support Services: | | | | | |
| Salaries of Secretaries & Clerical Assistants | 11,323. | 0. | 11,323. | 5,085. | 6,238. |
| Personal services - employee benefits | 69,568. | 0. | 69,568. | 47,998. | 21,570. |
| Other purchased professional services | 18,000. | 0. | 18,000. | 0. | 18,000. |
| Contr. Serv.-Trans. | 81,500. | 0. | 81,500. | 76,150. | 5,350. |
| Other purchased services | 24,340. | 0. | 24,340. | 10,144. | 14,196. |
| Supplies and materials | 3,709. | 0. | 3,709. | 1,186. | 2,523. |
| Other Items | 2,000. | 0. | 2,000. | 0. | 2,000. |
| Total support services | 210,440. | 0. | 210,440. | 140,563. | 69,877. |
| Total expenditures | 676,291. | 0. | 676,291. | 542,431. | 133,860. |
| Excess (Deficiency) of Revenues Over (Under) | | | | | |
| Expenditures and Other Financing Sources (Uses) | \$ 0. | \$ 0. | \$ 0. | \$ 0. | \$ 0. |

**NOTES TO REQUIRED SUPPLEMENTARY
INFORMATION – Part II**

HOPEWELL TOWNSHIP BOARD OF EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

| | General Fund | Special Revenue Fund |
|--|---------------|----------------------|
| Sources/inflows of resources: Actual amounts (budgetary) "revenues" from the budgetary comparison schedules | \$ 9,078,366. | \$ 542,431. |
| Differences - budget to GAAP: Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized | 0. | 0. |
| | 0. | 0. |
| State aid payment recognized for GAAP statement in the current year, previously recognized for budgetary purposes | 335,956. | 0. |
| State aid payment recognized for budgetary purposes not recognized for GAAP statements until the subsequent year | (351,426.) | (37,113.) |
| Total revenues as reported in the statement of revenues, expenditures and changes in fund balances - governmental funds. | \$ 9,062,896. | \$ 505,318. |
| Uses/outflow of resources: Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule. | \$ 8,385,823. | \$ 542,431. |
| 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. | 0. | 1,500. |
| | 0. | 0. |
| Total Expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds | \$ 8,385,823. | \$ 543,931. |

REQUIRED SUPPLEMENTARY INFORMATION–PART III

**SCHEDULES RELATED TO ACCOUNTING AND
REPORTING FOR PENSIONS (GASB 68)**

HOPEWELL TOWNSHIP SCHOOL DISTRICT
SCHEDULES OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PERS

Last Six Fiscal Years

| | Measurement Date | | | | | | | |
|--|------------------|---------------|---------------|---------------|-------------|-------------|------|------|
| | 2017 | | 2016 | | 2015 | | 2014 | 2013 |
| District's proportion of the net pension liability (asset) | 0.00565711% | 0.00513389% | 0.00520945% | 0.00509217% | 0.00445701% | 0.00437729% | | |
| | \$ 1,113,857. | \$ 1,195,087. | \$ 1,542,889. | \$ 1,143,090. | \$ 834,475. | \$ 836,587. | | |
| District's proportionate share of the net pension liability (asset) | \$ 439,765. | \$ 393,070. | \$ 390,582. | \$ 342,827. | \$ 357,938. | N/A | | |
| District's covered-employee payroll | 253.28% | 304.04% | 395.02% | 333.43% | 233.13% | N/A | | |
| District 's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 53.60% | 48.10% | 40.14% | 47.93% | 52.08% | 48.72% | | |
| Plan fiduciary net position as a percentage of the total pension liability | | | | | | | | |

SOURCE: GASB 68 report on Public Employee's Retirement System; District Records

NOTE: This schedule is required by GASB 68 to be show information for a 10 year period. Additional years will be presented as they become available.

HOPEWELL TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
Last Six Fiscal Years

| | <u>PERS</u> | | | | | |
|--|-----------------------------|------------|------------|------------|------------|------------|
| | Fiscal Year Ending June 30, | | 2017 | | 2016 | |
| | 2018 | 2018 | 2017 | 2016 | 2015 | 2014 |
| Contractually required contribution | \$ 56,504. | \$ 47,560. | \$ 46,280. | \$ 43,779. | \$ 36,743. | \$ 32,982. |
| Contributions in relation to the contractually required contribution | (56,504.) | (47,560.) | (46,280.) | (43,779.) | (36,743.) | (32,982.) |
| Contribution deficiency (excess) | 0. | 0. | 0. | 0. | 0. | 0. |

| | | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|-----|
| District's covered-employee payroll | \$ 439,765. | \$ 393,070. | \$ 390,582. | \$ 342,827. | \$ 357,938. | N/A |
| Contributions as a percentage of covered-employee payroll | 12.85% | 12.10% | 11.85% | 12.77% | 10.27% | N/A |

| | <u>TPAF</u> | | | | | |
|--|-----------------------------|---------------|---------------|---------------|---------------|------|
| | Fiscal Year Ending June 30, | | 2017 | | 2016 | |
| | 2018 | 2018 | 2017 | 2016 | 2015 | 2014 |
| Contractually required contribution | N/A | N/A | N/A | N/A | N/A | N/A |
| Contributions in relation to the contractually required contribution | N/A | N/A | N/A | N/A | N/A | N/A |
| Contribution deficiency (excess) | N/A | N/A | N/A | N/A | N/A | N/A |
| District's covered-employee payroll | \$ 3,491,841. | \$ 3,460,481. | \$ 3,649,797. | \$ 3,490,672. | \$ 3,495,758. | N/A |
| Contributions as a percentage of covered-employee payroll | N/A | N/A | N/A | N/A | N/A | N/A |

SOURCE: GASB 68 report on Public Employees Retirement System/Teachers' Pension and Annuity Fund; District Records

NOTE: This schedule is required by GASB 68 to be show information for a 10 year period. Additional years will be presented as they become available.

HOPEWELL TOWNSHIP SCHOOL DISTRICT
SCHEDULES OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

TPAF
Last Six Fiscal Years

| | Measurement Date Ending June 30, | | | | | |
|---|-------------------------------------|----------------|----------------|----------------|----------------|----------------|
| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
| District's proportion of the net pension liability (asset) | N/A | N/A | N/A | N/A | N/A | N/A |
| District's proportionate share of the net pension liability (asset) | N/A | N/A | N/A | N/A | N/A | N/A |
| State's proportionate share of the net pension liability (asset) associated with the District | \$ 21,894,173. | \$ 23,299,063. | \$ 27,729,244. | \$ 22,240,528. | \$ 16,154,778. | \$ 17,137,375. |
| Total | \$ 21,894,173. | \$ 23,299,063. | \$ 27,729,244. | \$ 22,240,528. | \$ 16,154,778. | \$ 17,137,375. |
| District's covered-employee payroll | \$ 3,491,841. | \$ 3,460,481. | \$ 3,649,797. | \$ 3,490,672. | \$ 3,459,758. | N/A |
| District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | N/A | N/A | N/A | N/A | N/A | N/A |
| Plan fiduciary net position as a percentage of the total pension liability | 26.49% | 25.41% | 22.33% | 28.71% | 33.64% | 33.76% |

SOURCE: GASB 68 report on Teachers' Pension and Annuity Fund; District Records

NOTE: This schedule is required by GASB 68 to be show information for a 10 year period. Additional years will be presented as they become available.

**NOTES TO REQUIRED SUPPLEMENTARY
INFORMATION – Part III**

**HOPEWELL TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
PENSION SCHEDULES
JUNE 30, 2019**

Note 1. Teachers' Pension and Annuity Fund (TPAF)

Changes of benefits terms. The vesting and benefits provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death, and disability benefits. All benefits vest after years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the member's accounts.

Changes of assumptions. Mortality rates were based on the RP-2000 Health Annuitant Mortality for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active member are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvement for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

Note 2. Public Employees' Retirement System (PERS)

Changes of benefits terms. The vesting and benefits provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

Changes of assumptions. Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA.

Note 3. Schedule of School District's Proportionate Share of the Net Pension Liability – PERS/TPAF and Schedule of Employer's Contribution for PERS/TPAF

The information presented in these required supplementary schedules was determined as part of the audit of the State of New Jersey Division of Pension and Benefits. Additional information for the pension schedules can be found in the notes to the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION—PART IV

**SCHEDULES RELATED TO ACCOUNTING AND
REPORTING FOR OPEB (GASB 75)**

HOPEWELL TOWNSHIP SCHOOL DISTRICT
SCHEDULES OF DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
PERS AND TPAF
Last Three Fiscal Years

| | Measurement Date | | |
|--|-----------------------|-----------------------|-----------------------|
| | Ending June 30, | | |
| | 2018 | 2017 | 2016 |
| District's proportion of the net OPEB liability (asset) | 0.00% | 0.00% | 0.00% |
| District's proportionate share of the net OPEB liability (asset) | \$ 0. | \$ 0. | \$ 0. |
| State's proportionate share of the net OPEB liability (asset) associated with the District | 19,440,326. | 23,646,195. | 24,443,190. |
| Total | \$ 19,440,326. | \$ 23,646,195. | \$ 24,443,190. |
| District's covered payroll | \$ 3,931,606. | \$ 3,853,551. | \$ 4,040,379. |
| District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll | 0.00% | 0.00% | 0.00% |
| Plan fiduciary net position as a percentage of the total OPEB liability | 0.00% | 0.00% | 0.00% |
| State's proportionate share of OPEB associated with the District: | | | |
| Service Cost | \$ 584,568. | \$ 1,054,418. | |
| Interest Cost | 858,557. | 749,169. | |
| Differences between Expected and Actual Experiences | (2,916,258.) | 0. | |
| Changes in Assumptions | (2,230,875.) | (3,124,004.) | |
| Member Contributions | 17,966. | 20,168. | |
| Benefit Payments | (519,827.) | (547,696.) | |
| Changes in Total OPEB Liability | (4,205,869.) | (1,847,945.) | |
| State's proportionate share of the net OPEB liability (asset) associated with the District - | | | |
| Beginning Balance | 23,646,195. | 25,494,140. | |
| Ending Balance | <u>\$ 19,440,326.</u> | <u>\$ 23,646,195.</u> | |
| State's proportionate share of the net OPEB liability associated with the District - as a percentage of its covered-employee payroll | 494.46% | 613.62% | |

SOURCE: GASB 75 report on State of New Jersey Health Benefits Program; District Records

NOTE: This schedule is required by GASB 75 to show information for a 10 year period. However, information is only currently available for two years. Additional years will be presented as they become available.

NOTE: Due to merger of the Shiloh Borough School District into the Hopewell Township School District on June 30, 2009 as described in Note 20, these amounts includes both the Hopewell Township the Shiloh Borough shares.

HOPEWELL TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OPEB CONTRIBUTIONS
PERS AND TPAF
Last Three Fiscal Years

| | Fiscal Year Ending June 30, | | |
|--|-----------------------------|---------------|---------------|
| | 2018 | 2017 | 2016 |
| District's proportion of the OPEB Contribution | 0.00% | 0.00% | 0.00% |
| District's proportionate of the OPEB Contribution | \$ 0. | \$ 0. | \$ 0. |
| State's proportionate share of the OPEB contribution associated with the District | 501,355. | 1,103,035. | 1,721,410. |
| Total | 501,355. | 1,103,035. | 1,721,410. |
| District's covered payroll | \$ 3,931,606. | \$ 3,853,551. | \$ 4,040,379. |
| District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll | 0.00% | 0.00% | 0.00% |
| Plan fiduciary net position as a percentage of the total OPEB liability | 0.00% | 0.00% | 0.00% |

SOURCE: GASB 75 report on State of New Jersey Health Benefits Program; District records

NOTE: This schedule is required by GASB 75 to show information for a 10 year period.
However, information is only currently available for two years.
Additional years will be presented as they become available.

NOTE: Due to merger of the Shiloh Borough School District into the Hopewell Township School District on June 30, 2009 as described in Note 20, these amounts includes both the Hopewell Township the Shiloh Borough shares.

**NOTES TO REQUIRED SUPPLEMENTARY
INFORMATION – Part IV**

HOPEWELL TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
OPEB SCHEDULES
JUNE 30, 2019

Note 1. State Health Benefit Local Education Retired Employees OPEB Plan

Benefit Changes

None

Changes of Actuarial Assumptions

The discount rate changed from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018.

**OTHER SUPPLEMENTARY
INFORMATION**

**SCHOOL BASED BUDGET
SCHEDULES**

N/A

SPECIAL REVENUE FUND

HOPEWELL TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

| | Title I Part A | Title II Part A | Title IV | I.D.E.A. Part B Basic | REAP | Preschool Education | Safety Program | Totals 2019 |
|---|-------------------|--------------------|------------|--------------------------|------------|------------------------|-------------------|----------------|
| Revenues: | | | | | | | | |
| Local sources | \$ 0. | \$ 0. | \$ 0. | \$ 0. | \$ 0. | \$ 0. | \$ 1,186. | \$ 1,186. |
| State Sources | 0. | 0. | 0. | 0. | 0. | 272,934. | 0. | 272,934. |
| Federal sources | 95,188. | 15,723. | 14,777. | 101,982. | 40,641. | 0. | 0. | 268,311. |
| Total revenues | \$ 95,188. | \$ 15,723. | \$ 14,777. | \$ 101,982. | \$ 40,641. | \$ 272,934. | \$ 1,186. | \$ 542,431. |
| Expenditures: | | | | | | | | |
| Instruction: | | | | | | | | |
| Salaries of Teachers | \$ 72,000. | \$ 0. | \$ 0. | \$ 0. | \$ 0. | \$ 43,089. | \$ 0. | \$ 115,089. |
| Other Salaries for Instruction | 0. | 0. | 0. | 0. | 40,641. | 28,131. | 0. | 68,772. |
| Purchased Professional - Educational Services | 0. | 0. | 0. | 0. | 0. | 69,801. | 0. | 69,801. |
| Purchased Professional and Technical Services | 0. | 5,579. | 0. | 0. | 0. | 0. | 0. | 5,579. |
| Other Purchased Services (400-500 series) | 0. | 0. | 0. | 101,982. | 0. | 0. | 0. | 101,982. |
| General Supplies | 868. | 0. | 14,777. | 0. | 0. | 25,000. | 0. | 40,645. |
| Total instruction | 72,868. | 5,579. | 14,777. | 101,982. | 40,641. | 166,021. | 0. | 401,868. |
| Support services: | | | | | | | | |
| Salaries-Secretarial/Clerical | 0. | 0. | 0. | 0. | 0. | 5,085. | 0. | 5,085. |
| Personal Services - Employee Benefits | 22,320. | 0. | 0. | 0. | 0. | 25,678. | 0. | 47,998. |
| Contr. Serv.- Trans. | 0. | 0. | 0. | 0. | 0. | 76,150. | 0. | 76,150. |
| Other Purchased Services (400-500 series) | 0. | 10,144. | 0. | 0. | 0. | 0. | 0. | 10,144. |
| Supplies & Materials | 0. | 0. | 0. | 0. | 0. | 0. | 1,186. | 1,186. |
| Total support services | 22,320. | 10,144. | 0. | 0. | 0. | 106,913. | 1,186. | 140,563. |
| Total expenditures | \$ 95,188. | \$ 15,723. | \$ 14,777. | \$ 101,982. | \$ 40,641. | \$ 272,934. | \$ 1,186. | \$ 542,431. |

HOPEWELL TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRE-SCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

| | Total | | |
|---------------------------------------|-------------|-------------|------------|
| | Budgeted | Actual | Variance |
| Expenditures: | | | |
| Instruction: | | | |
| Salaries - Teachers | \$ 43,089. | \$ 43,089. | \$ 0. |
| Other Salaries for Instruction | 37,710. | 28,131. | 9,579. |
| Purchased Prof Serv | 115,260. | 69,801. | 45,459. |
| Supplies | 25,000. | 25,000. | 0. |
| Total Instruction | 221,059. | 166,021. | 55,038. |
| Support Services: | | | |
| Salaries - Secretarial/Clerical | 11,323. | 5,085. | 6,238. |
| Personal Services - Employee Benefits | 47,248. | 25,678. | 21,570. |
| Purchased Professional Services | 8,000. | 0. | 8,000. |
| Contracted Services | 81,500. | 76,150. | 5,350. |
| Other Objects | 2,000. | 0. | 2,000. |
| Total Support Services | 150,071. | 106,913. | 43,158. |
| Total Expenditures | \$ 371,130. | \$ 272,934. | \$ 98,196. |

Calculation of Budget and Carryover

| | |
|---|-------------------|
| Total Revised 2018-2019 Pre-School Education Aid Allocation | \$ 371,130. |
| Add: Actual Pre-School Education Aid Carryover (June 30, 2018) | 0. |
| Total Pre-School Education Aid Funds Available for 2018-2019 Budget | <u>371,130.</u> |
| Less: 2018-2019 Budgeted Pre-School Education Aid Including Prior Year Budget C/O | <u>371,130.</u> |
| Available and Unbudgeted Pre-School Education Aid Funds as of June 30, 2019 | <u>0.</u> |
| Add: June 30, 2019 Unexpended/(Over-Expended) Pre-School Education Aid | <u>98,196.</u> |
| 2018-2019 Carryover - Pre-School Education Aid/Pre-School | <u>\$ 98,196.</u> |
| 2018-2019 Pre-School Education Aid Carryover Budgeted for Pre-School Programs 2019-2020 | <u>\$ 0.</u> |

CAPITAL PROJECTS FUND

HOPEWELL TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2019

| Project Description | Total Authorized Cost | Prior Year's Expenditures | Current Year Expenditures | Adjustment | Unexpended Balance |
|----------------------------------|--------------------------|------------------------------|------------------------------|----------------------|-----------------------|
| Hopewell Crest: | | | | | |
| Solar Heat & HVAC Project (2009) | \$ 2,821,375. | \$ 2,679,050. | \$ 0. | \$ 0. | \$ 142,325. |
| Land Acquisition | 375,000. | 347,043. | 0. | (27,957.) | 0. |
| Cooling Tower | 300,000. | 177,416. | 0. | (122,584.) | 0. |
| Site Improvements | 525,983. | 0. | 0. | (525,983.) | 0. |
| Site Improvements | 339,595. | 0. | 335,318. | 0. | 4,277. |
| Total | \$ 4,361,953. | \$ 3,203,509. | \$ 335,318. | \$ (676,524.) | \$ 146,602. |

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, 2019

| | |
|--|---------------------------|
| Revenues and Other Financing Sources: | |
| Transfer from Capital Reserve | <u>\$ 339,595.</u> |
| Total Revenues and other financing sources | <u>339,595.</u> |
| Expenditures and Other Financing Uses: | |
| Purchased Professional and Technical Services | 74,958. |
| Construction Services | 260,360. |
| Transfer to Debt Service Fund | 27,957. |
| Transfer to Capital Reserve | <u>648,567.</u> |
| Total Expenditures and Other Financing Uses | <u>1,011,842.</u> |
| Excess (Deficiency) or Revenues Over (Under) Expenditures | (672,247.) |
| Fund balance - July 1 | <u>818,849.</u> |
| Fund balance - June 30 | <u><u>\$ 146,602.</u></u> |

HOPEWELL TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
HOPEWELL CREST REFERENDUM PROJECTS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019

| | Prior Periods | Current Year | Totals | Revised Authorized Cost |
|---|------------------|--------------|---------------|-------------------------------|
| Revenues and other financing sources: | | | | |
| Bond proceeds | \$ 2,821,000. | \$ 0. | \$ 2,821,000. | \$ 2,821,000. |
| Transfer from capital outlay | 375. | 0. | 375. | 375. |
| Total revenues and other financing uses | 2,821,375. | 0. | 2,821,375. | 2,821,375. |
| Expenditures and Other Financing Uses: | | | | |
| Purchased prof/tech services | 276,701. | 0. | 276,701. | 217,875. |
| Construction services | 2,218,766. | 0. | 2,218,766. | 2,513,500. |
| Other | 53,583. | 0. | 53,583. | 90,000. |
| Transfer to Debt Service Fund | 130,000. | 0. | 130,000. | 0. |
| Total expenditures and other financing uses | 2,679,050. | 0. | 2,679,050. | 2,821,375. |
| Excess (deficiency) or revenues over (under) expenditures | \$ 142,325. | \$ 0. | \$ 142,325. | \$ 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 | 100.00% | | | |
| Original Target Completion Date | | | | |
| Revised Target Completion Date | October, 2012 | | | |

HOPEWELL TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
LAND ACQUISITION
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019

| | Prior Periods | Current Year | Totals | Revised Authorized Cost |
|---|---------------|--------------|-------------|-------------------------------|
| Revenues and other financing sources: | | | | |
| Bond proceeds | \$ 375,000. | \$ 0. | \$ 375,000. | \$ 375,000. |
| Total revenues and other financing sources | 375,000. | 0. | 375,000. | 375,000. |
| Expenditures and Other Financing Uses: | | | | |
| Land acquisition | 252,000. | 0. | 252,000. | 252,000. |
| Construction services | 72,361. | 0. | 72,361. | 0. |
| Purchased professional and technical services | 21,557. | 0. | 21,557. | 10,055. |
| Other | 1,125. | 0. | 1,125. | 112,945. |
| Transfer to Capital Reserve | 0. | 27,957. | 27,957. | 0. |
| Total expenditures and other financing uses | 347,043. | 27,957. | 375,000. | 375,000. |
| Excess (deficiency) or revenues over (under) expenditures | \$ 27,957. | \$ (27,957.) | \$ 0. | \$ 0. |

Additional project information:

| | |
|---|-------------|
| Project Number | N/A |
| Grant Date | N/A |
| Bond Authorization Date | 12/15/2014 |
| Bonds Authorized | \$ 375,000. |
| Bonds Issued | \$ 375,000. |
| Original Authorized Cost | \$ 375,000. |
| Additional Authorized Cost | \$ 0. |
| Revised Authorized Cost | \$ 375,000. |
| Percentage Increase Over Original Authorized Cost | 0.00% |
| Percentage Completion | 100.00% |
| Original Target Completion Date | 6/30/2016 |
| Revised Target Completion Date | 6/30/2016 |

HOPEWELL TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
HOPEWELL CREST COOLING TOWER.
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019

| | Prior Periods | Current Year | Totals | Revised Authorized Cost |
|---|---------------|---------------|-------------|-------------------------------|
| Revenues and other financing sources: | | | | |
| Transfer from capital outlay | \$ 300,000. | \$ 0. | \$ 300,000. | \$ 300,000. |
| Total revenues and other financing sources | 300,000. | 0. | 300,000. | 300,000. |
| Expenditures and Other Financing Uses: | | | | |
| Purchased Professional and Technical Services | 53,177. | 0. | \$ 53,177. | 60,000. |
| Construction Services | 121,439. | 0. | \$ 121,439. | 230,000. |
| Other | 2,800. | 0. | \$ 2,800. | 10,000. |
| Transfer to Capital Reserve | 0. | 122,584. | \$ 122,584. | 0. |
| Total expenditures and other financing uses | 177,416. | 122,584. | 300,000. | 300,000. |
| Excess (deficiency) or revenues over (under) expenditures | \$ 122,584. | \$ (122,584.) | \$ 0. | \$ 0. |
| Additional project information: | | | | |
| Project Number | | | | N/A |
| Grant Date | | | | N/A |
| Bond Authorization Date | | | | N/A |
| Bonds Authorized | | | | N/A |
| Bonds Issued | | | | N/A |
| Original Authorized Cost | \$ 300,000. | | | |
| Additional Authorized Cost | \$ 0. | | | |
| Revised Authorized Cost | \$ 300,000. | | | |
| Percentage Increase Over Original Authorized Cost | | | | N/A |
| Percentage Completion | | | | 100% |
| Original Target Completion Date | | | | 6/30/2018 |
| Revised Target Completion Date | | | | 6/30/2018 |

HOPEWELL TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
HOPEWELL CREST SITE IMPROVEMENTS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019

| | Prior Periods | Current Year | Totals | Revised Authorized Cost |
|---|--------------------|----------------------|-----------------|-------------------------------|
| Revenues and other financing sources: | | | | |
| Transfer from capital outlay | \$ 525,983. | \$ 0. | \$ 525,983. | \$ 525,983. |
| Total revenues and other financing sources | <u>525,983.</u> | <u>0.</u> | <u>525,983.</u> | <u>525,983.</u> |
| Expenditures and Other Financing Uses: | | | | |
| Purchased Professional and Technical Services | 0. | 0. | 0. | 20,000. |
| Construction Services | 0. | 0. | 0. | 505,983. |
| Transfer to Capital Reserve | 0. | 525,983. | 525,983. | 0. |
| Total expenditures and other financing uses | <u>0.</u> | <u>525,983.</u> | <u>525,983.</u> | <u>525,983.</u> |
| Excess (deficiency) or revenues over (under) expenditures | <u>\$ 525,983.</u> | <u>\$ (525,983.)</u> | <u>\$ 0.</u> | <u>\$ 0.</u> |
| Additional project information: | | | | |
| Project Number | | | | N/A |
| Grant Date | | | | N/A |
| Bond Authorization Date | | | | N/A |
| Bonds Authorized | | | | N/A |
| Bonds Issued | | | | N/A |
| Original Authorized Cost | \$ 525,983. | | | |
| Additional Authorized Cost | \$ 0. | | | |
| Revised Authorized Cost | \$ 525,983. | | | |
| Percentage Increase Over Original Authorized Cost | | | | N/A |
| Percentage Completion | | | | 0% |
| Original Target Completion Date | | | 6/30/2019 | |
| Revised Target Completion Date | | | 6/30/2019 | |

HOPEWELL TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
HOPEWELL CREST SITE IMPROVEMENTS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019

| | Prior Periods | Current Year | Totals | Revised Authorized Cost |
|--|---------------|---------------|-------------|-------------------------------|
| Revenues and other financing sources: | | | | |
| Transfer from capital outlay | \$ 339,595. | \$ 0. | \$ 339,595. | \$ 339,595. |
| Total revenues and other financing sources | 339,595. | 0. | 339,595. | 339,595. |
| Expenditures and Other Financing Uses: | | | | |
| Purchased Professional and Technical Services | 0. | 74,958. | \$ 74,958. | 75,000. |
| Construction Services | 0. | 260,360. | \$ 260,360. | 264,595. |
| Total expenditures and other financing uses | 0. | 335,318. | 335,318. | 339,595. |
| Excess (deficiency) or revenues over (under) expenditures | \$ 339,595. | \$ (335,318.) | \$ 4,277. | \$ 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 | \$ 339,595. | | | |
| Additional Authorized Cost | \$ 0. | | | |
| Revised Authorized Cost | \$ 339,595. | | | |
| Percentage Increase Over Original Authorized Cost | | | | N/A |
| Percentage Completion | | | | 100% |
| Original Target Completion Date | | | | 6/30/2019 |
| Revised Target Completion Date | | | | 6/30/2019 |

PROPRIETARY FUNDS

ENTERPRISE FUND

HOPEWELL TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2019

| | Food Service | School - Aged Child Care | Total |
|---------------------------------------|-----------------|-----------------------------|-------------|
| ASSETS: | | | |
| Current Assets: | | | |
| Cash and cash equivalents | \$ 56,864. | \$ 115,470. | \$ 172,334. |
| Accounts receivable: | | | |
| Federal | 20,908. | 0. | 20,908. |
| State | 398. | 0. | 398. |
| Interfund | 4,723. | 0. | 4,723. |
| Other | 6,550. | 6,956. | 13,506. |
| Inventories | 3,366. | 0. | 3,366. |
| Total current assets | 92,809. | 122,426. | 215,235. |
| Fixed assets: | | | |
| Equipment | 181,529. | 0. | 181,529. |
| Accumulated depreciation | (103,920.) | 0. | (103,920.) |
| Total fixed assets | 77,609. | 0. | 77,609. |
| Total assets | \$ 170,418. | \$ 122,426. | \$ 292,844. |
| DEFERRED OUTFLOW OF RESOURCES: | | | |
| | \$ 0. | \$ 0. | \$ 0. |
| LIABILITIES AND FUND EQUITY: | | | |
| Current Liabilities: | | | |
| Accounts payable | \$ 18,331. | \$ 0. | \$ 18,331. |
| Prepaid Fees | 0. | 8,869. | 8,869. |
| Prepaid Lunches | 2,856. | 0. | 2,856. |
| Total current liabilities | 21,187. | 8,869. | 30,056. |
| Total liabilities | \$ 21,187. | \$ 8,869. | \$ 30,056. |
| DEFERRED INFLOW OF RESOURCES: | | | |
| | \$ 0. | \$ 0. | \$ 0. |
| NET POSITION: | | | |
| Invested in capital assets | \$ 77,609. | \$ 0. | \$ 77,609. |
| Unrestricted | 71,622. | 113,557. | 185,179. |
| Total net position | \$ 149,231. | \$ 113,557. | \$ 262,788. |

HOPEWELL TOWNSHIP BOARD OF EDUCATION
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
JUNE 30, 2019

| | Food Service | School - Aged Child Care | Total |
|---|--------------------|-----------------------------|--------------------|
| OPERATING REVENUES: | | | |
| Local sources: | | | |
| Daily sales-reimbursable program: | | | |
| School lunch program | \$ 50,110. | \$ 0. | \$ 50,110. |
| School breakfast program | 6,628. | 0. | 6,628. |
| Daily sales-non-reimbursable programs | 51,685. | 0. | 51,685. |
| Fees | 15,000. | 94,934. | 109,934. |
| Total operating revenues | 123,423. | 94,934. | 218,357. |
| OPERATING EXPENSES: | | | |
| Cost of sales - Reimbursable | 65,959. | 0 | 65,959. |
| Cost of sales - Non-Reimbursable | 15,597. | 0 | 15,597. |
| Salaries | 73,093. | 64,337. | 137,430. |
| Employee benefits | 11,171. | 0. | 11,171. |
| Repairs and maintenance | 4,084. | 0. | 4,084. |
| Supplies and materials | 22,644. | 3,483. | 26,127. |
| Depreciation | 7,852. | 0. | 7,852. |
| Miscellaneous | 10,059. | 5,505. | 15,564. |
| Office Supplies | 997. | 0. | 997. |
| Performance fees | 30,000. | 0. | 30,000. |
| Total operating expenses | 241,456. | 73,325. | 314,781. |
| Operating income/(loss) | (118,033.) | 21,609. | (96,424.) |
| Nonoperating revenues (expenses): | | | |
| State sources: | | | |
| State school lunch program | 2,280. | 0. | 2,280. |
| Federal sources: | | | |
| National school breakfast program | 27,276. | 0. | 27,276. |
| National school lunch program | 87,790. | 0. | 87,790. |
| U.S.D.A. commodities | 14,053. | 0. | 14,053. |
| Total nonoperation revenues | 131,399. | 0. | 131,399. |
| Change in net assets before operating transfers in/(out) | 13,366. | 21,609. | 34,975. |
| Operating transfer in/(out): | | | |
| Operating transfer in | 0. | 0. | 0. |
| Total operating transfer in/(out) | 0. | 0. | 0. |
| Change in net position | 13,366. | 21,609. | 34,975. |
| Net position - July 1 | 140,475. | 91,948. | 232,423. |
| Prior year adjustment | (4,610.) | 0. | (4,610.) |
| Net position - June 30 | \$ 149,231. | \$ 113,557. | \$ 262,788. |

HOPEWELL TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR YEAR ENDED JUNE 30, 2019

| | Food Service Fund | School - Aged Child Care | Total |
|---|----------------------|-----------------------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from customers | \$ 112,451. | \$ 92,752. | \$ 205,203. |
| Cash payments to suppliers | (218,676.) | (11,807.) | (230,483.) |
| Payments to employees | 0. | (64,337.) | (64,337.) |
| Net cash provided (used) by operating activities | (106,225.) | 16,608. | (89,617.) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | | |
| State sources | 1,974. | 0. | 1,974. |
| Federal sources | 99,222. | 0. | 99,222. |
| Net cash provided by non-capital financing activities | 101,196. | 0. | 101,196. |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | |
| Purchase of equipment | (18,429.) | 0. | (18,429.) |
| Net cash provided by investing activities | (18,429.) | 0. | (18,429.) |
| Net increase/(decrease) in cash and cash equivalents | (23,458.) | 16,608. | (6,850.) |
| Cash and cash equivalents - July 1 | 80,322. | 98,862. | 179,184. |
| Cash and cash equivalents - June 30 | \$ 56,864. | \$ 115,470. | \$ 172,334. |
| Reconciliation of operating income/(loss) to net cash provided/(used) by operating activities: | | | |
| Operating income/(loss) | \$ (118,033.) | \$ 21,609. | \$ (96,424.) |
| Adjustments to reconcile operating loss to cash provided (used) by operating activities: | | | |
| Depreciation expense | 7,852. | 0. | 7,852. |
| Federal commodities | 14,053. | 0. | 14,053. |
| Change in assets and liabilities: | | | |
| (Increase)/decrease in inventory | (2,042.) | 0. | (2,042.) |
| (Increase)/decrease in accounts receivable | (5,972.) | 1,299. | (4,673.) |
| (Increase)/decrease in interfund accounts receivable | (4,723.) | 0. | (4,723.) |
| Increase/(decrease) in accounts payable | 2,917. | (2,819.) | 98. |
| Increase/(decrease) in prepaid fees | 0. | (3,481.) | (3,481.) |
| Increase/(decrease) in prepaid lunches | (277.) | 0. | (277.) |
| Net cash provided by (used) by operating activities | \$ (106,225.) | \$ 16,608. | \$ (89,617.) |

INTERNAL SERVICE FUND

HOPEWELL TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2019

| | Shared Business Service | Curriculum Coordinator | Total |
|---------------------------------------|-------------------------------|---------------------------|------------|
| ASSETS: | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 59,237. | \$ 5,831. | \$ 65,068. |
| Total assets | \$ 59,237. | \$ 5,831. | \$ 65,068. |
| DEFERRED OUTFLOW OF RESOURCES: | | | |
| | 0. | 0. | 0. |
| LIABILITIES: | | | |
| Current Liabilities: | | | |
| Accounts payable | \$ 0. | \$ 0. | \$ 0. |
| Prepaid Fees | 0. | 0. | 0. |
| Total current liabilities | 0. | 0. | 0. |
| Total liabilities | 0. | 0. | 0. |
| DEFERRED INFLOW OF RESOURCES: | | | |
| | 0. | 0. | 0. |
| NET POSITION: | | | |
| Unrestricted | 59,237. | 5,831. | 65,068. |
| Total net position | \$ 59,237. | \$ 5,831. | \$ 65,068. |

HOPEWELL TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

| | Shared Business Services | Curriculum Coordinator | Total |
|----------------------------|--------------------------------|---------------------------|------------|
| OPERATING REVENUES: | | | |
| Federal sources | | | |
| Fee | \$ 92,000. | \$ 0. | \$ 92,000. |
| Total operating revenues | 92,000. | 0. | 92,000. |
| OPERATING EXPENSES: | | | |
| Salaries and benefits | 49,936. | 0. | 49,936. |
| General Supplies | 2,687. | 0. | 2,687. |
| Total operating expenses | 52,623. | 0. | 52,623. |
| Operating income/(loss) | 39,377. | 0. | 39,377. |
| Change in net position | 39,377. | 0. | 39,377. |
| NET POSITION - JULY 1 | 19,860. | 5,831. | 25,691. |
| NET POSITION - JUNE 30 | \$ 59,237. | \$ 5,831. | \$ 65,068. |

HOPEWELL TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

| | Shared Business Services | Curriculum Coordinator | Total |
|--|--------------------------------|---------------------------|-------------------|
| CASH FLOW FROM OPERATING ACTIVITIES: | | | |
| Receipts from customers | \$ 92,000. | \$ 0. | \$ 92,000. |
| Payment to suppliers | (2,687.) | 0. | (2,687.) |
| Payment to employees | (38,000.) | 0. | (38,000.) |
| Payment to employee benefits | (11,936.) | 0. | (11,936.) |
| Net cash provided (used) by operating activities | <u>39,377.</u> | <u>0.</u> | <u>39,377.</u> |
| CASH FLOWS FOR FINANCING ACTIVITIES: | | | |
| Repayment of interfund loan | 0. | 0. | 0. |
| Net cash provided (used) by financing activities | <u>0.</u> | <u>0.</u> | <u>0.</u> |
| Net increase/decrease in cash and cash equivalents | 39,377. | 0. | 39,377. |
| Cash and cash equivalents - July 1 | <u>19,860.</u> | <u>5,831.</u> | <u>16,245.</u> |
| Cash and cash equivalents - June 30 | <u>\$ 59,237.</u> | <u>\$ 5,831.</u> | <u>\$ 55,622.</u> |
| Reconciliation of operating income/(loss) to net cash provided/ (used) by operating activities: | | | |
| Operating income (loss) | \$ 39,377. | \$ 0. | \$ 39,377. |
| Adjustments to reconcile operating loss to cash provided (used) by operating activities: | | | |
| Depreciation | 0. | 0. | 0. |
| Change in assets and liabilities: | | | |
| (Increase)/decrease in account receivable | 0. | 0. | 0. |
| Net cash provided (used in) operating activities | <u>\$ 39,377.</u> | <u>\$ 0.</u> | <u>\$ 39,377.</u> |

FIDUCIARY FUND

HOPEWELL TOWNSHIP BOARD OF EDUCATION
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2019

| | Student Activity | Payroll/ Agency Fund | Unemployment Compensation Trust | Total |
|-----------------------------------|---------------------|----------------------------|---------------------------------------|---------------------------|
| ASSETS: | | | | |
| Cash & Cash Equivalents | \$ 22,868. | \$ 16,346. | \$ 207,808. | \$ 247,022. |
| Due from Agency | 0. | 0. | 7,845. | 7,845. |
| Total Assets | <u>22,868.</u> | <u>16,346.</u> | <u>215,653.</u> | <u>254,867.</u> |
| DEFERRED OUTFLOW OF RESOURCES: | <u>\$ 0.</u> | <u>\$ 0.</u> | <u>\$ 0.</u> | <u>\$ 0.</u> |
| LIABILITIES: | | | | |
| Payroll Deductions & Withholdings | \$ 0. | \$ 1,025. | \$ 0. | \$ 1,025. |
| Due to Student Groups | 22,868. | 0. | 0. | 22,868. |
| Due to Unemployment | 0. | 7,845. | 0. | 7,845. |
| Interfund Payable | 0. | 7,476. | 5,783. | 13,259. |
| Total Liabilities | <u>22,868.</u> | <u>16,346.</u> | <u>5,783.</u> | <u>44,997.</u> |
| DEFERRED INFLOW OF RESOURCES: | <u>\$ 0.</u> | <u>\$ 0.</u> | <u>\$ 0.</u> | <u>\$ 0.</u> |
| NET POSITION: | <u>0.</u> | <u>0.</u> | <u>209,870.</u> | <u>209,870.</u> |
| Total Net Position | <u><u>\$ 0.</u></u> | <u><u>\$ 0.</u></u> | <u><u>\$ 209,870.</u></u> | <u><u>\$ 209,870.</u></u> |

HOPEWELL TOWNSHIP BOARD OF EDUCATION
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR FISCAL YEAR ENDED JUNE 30, 2019

| | Unemployment Compensation Trust | Total |
|-------------------------|---------------------------------------|--------------------|
| ADDITIONS: | | |
| Contributions: | | |
| Plan Members | \$ 6,220. | \$ 6,220. |
| Total Contributions | <u>6,220.</u> | <u>6,220.</u> |
| Investment Earnings: | | |
| Interest | 210. | 210. |
| Net Investment Earnings | <u>210.</u> | <u>210.</u> |
| Total Additions | <u>6,430.</u> | <u>6,430.</u> |
| DEDUCTIONS: | | |
| Unemployment Claims | <u>6,588.</u> | <u>6,588.</u> |
| Total Deductions | <u>6,588.</u> | <u>6,588.</u> |
| Change in Net Position | (158.) | (158.) |
| NET POSITION, JULY 1 | <u>210,028.</u> | <u>210,028.</u> |
| NET POSITION, JUNE 30 | <u>\$ 209,870.</u> | <u>\$ 209,870.</u> |

HOPEWELL TOWNSHIP BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND SCHEDULE
OF RECEIPTS AND DISBURSEMENTS
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

| | Cash Balance July 1, 2018 | Cash Receipts | Interest | Cash Disbursements | Cash Balance June 30, 2019 |
|-----------------------------------|---------------------------------|-------------------|---------------|-----------------------|----------------------------------|
| Student Activities | \$ 17,503. | \$ 28,393. | \$ 24. | \$ 23,868. | \$ 22,052. |
| In Memory of Christina Heminghaus | 642. | 173. | 1. | 0. | 816. |
| Total | <u>\$ 18,145.</u> | <u>\$ 28,566.</u> | <u>\$ 25.</u> | <u>\$ 23,868.</u> | <u>\$ 22,868.</u> |

HOPEWELL TOWNSHIP BOARD OF EDUCATION
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

| | <u>Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> |
|--|---------------------|----------------------|----------------------|----------------------|
| | <u>July 1, 2018</u> | | | <u>June 30, 2019</u> |
| ASSETS: | | | | |
| Cash & Cash Equivalents | \$ 16,046. | \$ 4,938,344. | \$ 4,938,044. | \$ 16,346. |
| Total Assets | <u>\$ 16,046.</u> | <u>\$ 4,938,344.</u> | <u>\$ 4,938,044.</u> | <u>\$ 16,346.</u> |
| LIABILITIES: | | | | |
| Net Payroll & Payroll Deductions and Withholdings | \$ 7,143. | \$ 4,931,925. | \$ 4,938,044. | \$ 1,024. |
| Interfund Payable | 7,278. | 198. | 0. | 7,476. |
| Due to Unemployment | 1,625. | 6,221. | 0. | 7,846. |
| Total Liabilities | <u>\$ 16,046.</u> | <u>\$ 4,938,344.</u> | <u>\$ 4,938,044.</u> | <u>\$ 16,346.</u> |

LONG-TERM DEBT

HOPEWELL TOWNSHIP BOARD OF EDUCATION
DEBT SERVICE FUND
SCHEDULE OF SERIAL BONDS
JUNE 30, 2019

| Issue | Date of Issue | Amount of Issue | Annual Maturities Date | Annual Maturities Amount | Interest Rate | Balance | |
|--|---------------|-----------------|------------------------|--------------------------|---------------|----------------------|----------------------|
| | | | | | | July 1, 2018 | June 30, 2019 |
| Hopewell Crest School Alterations and Improvements | 7/2/2009 | \$ 2,821,000. | 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% | \$ 1,576,000. | \$ 1,376,000. |
| Land Acquisition | 12/15/2014 | \$ 375,000. | 1/15/2019 | 45,000. | 2.250% | | |
| | | | 1/15/2020 | 45,000. | 2.250% | | |
| | | | 1/15/2021 | 50,000. | 2.250% | | |
| | | | 1/15/2022 | 55,000. | 2.250% | | |
| | | | 1/15/2023 | 55,000. | 2.250% | 250,000. | 205,000. |
| | | | | | | <u>\$ 1,826,000.</u> | <u>\$ 1,581,000.</u> |

HOPEWELL TOWNSHIP BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

| | Original Budget | Budget Transfer | Final Budget | Actual | Variance Final to Actual |
|--|--------------------|--------------------|-----------------|-----------------|--------------------------------|
| REVENUES: | | | | | |
| Local sources: | | | | | |
| Local tax levy | \$ 170,020. | \$ 0. | \$ 170,020. | \$ 170,020. | \$ 0. |
| State sources: | | | | | |
| Debt service aid - type II | 113,266. | 0. | 113,266. | 113,266. | 0. |
| Total revenues | 283,286. | 0. | 283,286. | 283,286. | 0. |
| EXPENDITURES: | | | | | |
| Regular debt service: | | | | | |
| Interest | 66,243. | 0. | 66,243. | 66,243. | 0. |
| Redemption of principal | 245,000. | 0. | 245,000. | 245,000. | 0. |
| Total regular debt service | 311,243. | 0. | 311,243. | 311,243. | 0. |
| Total expenditures | 311,243. | 0. | 311,243. | 311,243. | 0. |
| Excess (deficiency) of revenues (over)/under expenditures | (27,957.) | 0. | (27,957.) | (27,957.) | 0. |
| Other financing sources: | | | | | |
| Transfers from capital project fund | 27,957. | 0. | 27,957. | 27,957. | 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 SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

Fiscal Year Ending June 30,

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Governmental activities | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 5,394,747. | \$ 5,952,901. | \$ 6,444,402. | \$ 6,468,101. | \$ 6,438,497. | \$ 6,296,403. | \$ 6,177,012. | \$ 6,536,521. | \$ 6,736,119. | \$ 7,122,811. |
| Restricted | 885,823. | 1,090,463. | 1,194,323. | 1,476,497. | 1,568,752. | 2,439,897. | 2,803,080. | 2,642,017. | 2,504,289. | 2,523,715. |
| Unrestricted | (349,525.) | (109,087.) | (194,769.) | (265,813.) | (84,478.) | (255,798.) | (1,139,309.) | (1,338,549.) | (1,354,008.) | (1,374,530.) |
| Total governmental activities net position | \$ 5,931,045. | \$ 6,934,277. | \$ 7,443,956. | \$ 7,678,785. | \$ 7,922,771. | \$ 8,480,502. | \$ 7,840,783. | \$ 7,839,989. | \$ 7,886,400. | \$ 8,271,996. |
| Business-type activities | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 35,626. | \$ 47,872. | \$ 54,799. | \$ 53,744. | \$ 53,109. | \$ 77,764. | \$ 66,755. | \$ 63,724. | \$ 71,642. | \$ 77,609. |
| Unrestricted | 75,675. | 68,515. | 63,641. | 75,625. | 96,327. | 66,436. | 126,655. | 157,631. | 160,781. | 185,179. |
| Total business-type activities net position | \$ 111,301. | \$ 116,387. | \$ 118,440. | \$ 129,369. | \$ 149,436. | \$ 144,200. | \$ 193,410. | \$ 221,355. | \$ 232,423. | \$ 262,788. |
| District-wide | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 5,430,373. | \$ 6,000,773. | \$ 6,499,201. | \$ 6,521,845. | \$ 6,491,606. | \$ 6,374,167. | \$ 6,243,767. | \$ 6,600,245. | \$ 6,807,761. | \$ 7,200,420. |
| Restricted | 885,823. | 1,090,463. | 1,194,323. | 1,476,497. | 1,568,752. | 2,439,897. | 2,803,080. | 2,642,017. | 2,504,289. | 2,523,715. |
| Unrestricted | (273,850.) | (40,572.) | (131,128.) | (190,188.) | 11,849. | (189,362.) | (1,012,654.) | (1,180,918.) | (1,193,227.) | (1,189,351.) |
| Total district net position | \$ 6,042,346. | \$ 7,050,664. | \$ 7,562,396. | \$ 7,808,154. | \$ 8,072,207. | \$ 8,624,702. | \$ 8,034,193. | \$ 8,061,344. | \$ 8,118,823. | \$ 8,534,784. |

HOPEWELL TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

| | Fiscal Year Ending June 30, | | | | | | | | | |
|---|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| Expenses | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular | \$ 2,831,507. | \$ 2,567,611. | \$ 2,498,408. | \$ 2,576,806. | \$ 2,678,503. | \$ 2,554,514. | \$ 2,577,743. | \$ 2,576,906. | \$ 2,640,790. | \$ 2,465,114. |
| Special education | 644,900. | 547,145. | 792,994. | 843,754. | 895,195. | 838,490. | 874,128. | 910,526. | 945,751. | 1,099,114. |
| Other special education | 134,794. | 62,851. | 62,580. | 59,956. | 13,706. | 38,082. | 18,204. | 14,878. | 26,325. | 23,596. |
| Other instruction | 65,052. | 67,763. | 67,442. | 66,421. | 88,869. | 83,026. | 94,302. | 91,260. | 92,701. | 102,555. |
| Support Services: | | | | | | | | | | |
| Tuition | 326,540. | 323,931. | 68,093. | 98,519. | 63,750. | 60,647. | 183,681. | 92,058. | 55,085. | 98,227. |
| Student & instruction related services | 830,138. | 714,806. | 732,084. | 707,910. | 676,662. | 691,540. | 733,725. | 778,456. | 838,513. | 893,499. |
| School Administrative Services | 157,449. | 178,087. | 168,375. | 167,214. | 152,571. | 159,916. | 154,631. | 138,793. | 132,546. | 135,934. |
| General & business administration services | 369,262. | 373,655. | 338,614. | 343,044. | 339,146. | 356,042. | 335,315. | 372,243. | 403,930. | 446,322. |
| Plant Operations and Maintenance | 583,003. | 649,069. | 596,599. | 663,959. | 693,012. | 689,352. | 731,179. | 703,984. | 778,729. | 763,775. |
| Pupil transportation | 428,332. | 472,070. | 429,168. | 394,344. | 431,103. | 425,661. | 520,748. | 440,541. | 538,917. | 444,958. |
| Employee benefits | 1,435,119. | 1,521,983. | 1,595,067. | 1,790,339. | 1,684,436. | 1,770,005. | 2,956,700. | 3,968,116. | 4,426,182. | 3,381,492. |
| Interest on long-term debt | 215,917. | 172,892. | 175,227. | 117,163. | 110,154. | 102,652. | 94,553. | 86,011. | 72,057. | 63,113. |
| Internal Service | 0. | 6,175. | 170,096. | 176,561. | 164,028. | 63,530. | 45,108. | 0. | 0. | 52,623. |
| Amortization of Debt Issuance Cost | 2,163. | 2,163. | 2,163. | 2,163. | 0. | 0. | 0. | 0. | 0. | 0. |
| Transfer to Charter School | 0. | 0. | 0. | 0. | 0. | 0. | 0. | 0. | 887. | 0. |
| State Debt Service Assessment | 0. | 13,962. | 8,120. | 11,143. | 17,182. | 17,182. | 17,182. | 17,182. | 17,182. | 17,182. |
| Total governmental activities expenses | 8,024,176. | 7,674,163. | 7,705,030. | 8,019,296. | 8,008,317. | 7,850,639. | 9,337,199. | 10,190,954. | 10,969,595. | 9,987,504. |
| Business-type activities: | | | | | | | | | | |
| Food service | 213,447. | 213,265. | 224,308. | 212,326. | 205,788. | 229,139. | 203,240. | 223,253. | 235,609. | 241,456. |
| Child Care | 237,726. | 9,206. | 1,509. | 0. | 0. | 24,166. | 43,802. | 53,417. | 66,184. | 73,325. |
| Total business-type activities expense | 451,173. | 222,471. | 225,817. | 212,326. | 205,788. | 253,305. | 247,042. | 276,670. | 301,793. | 314,781. |
| Total district expenses | \$ 8,475,349. | \$ 7,896,634. | \$ 7,930,847. | \$ 8,231,622. | \$ 8,214,105. | \$ 8,103,944. | \$ 9,584,241. | \$ 10,467,624. | \$ 11,271,388. | \$ 10,302,285. |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Internal Service | \$ 0. | \$ 6,175. | \$ 182,075. | \$ 177,382. | \$ 169,500. | \$ 66,250. | \$ 49,808. | \$ 0. | \$ 0. | \$ 92,000. |
| Operating grants and contributions | 507,214. | 504,850. | 610,799. | 723,185. | 656,433. | 742,269. | 1,951,636. | 2,672,938. | 3,318,397. | 2,346,041. |
| Total governmental activities program revenues | 507,214. | 511,025. | 792,874. | 900,567. | 825,933. | 808,519. | 2,001,444. | 2,672,938. | 3,318,397. | 2,438,041. |
| Business-type activities: | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Food service | 119,119. | 119,024. | 116,172. | 108,741. | 114,329. | 100,078. | 113,270. | 89,194. | 100,423. | 123,423. |
| Other | 259,095. | 0. | 0. | 0. | 0. | 36,315. | 74,004. | 85,942. | 83,256. | 94,934. |
| Operating grants and contributions | 115,874. | 108,274. | 114,905. | 114,514. | 111,526. | 111,676. | 113,659. | 132,952. | 129,182. | 131,399. |
| Total business-type activities program revenues | 494,088. | 227,298. | 231,077. | 223,255. | 225,855. | 248,069. | 300,933. | 308,088. | 312,861. | 349,756. |
| Total district program revenues | \$ 1,001,302. | \$ 738,323. | \$ 1,023,951. | \$ 1,123,822. | \$ 1,051,788. | \$ 1,056,588. | \$ 2,302,377. | \$ 2,981,026. | \$ 3,631,258. | \$ 2,787,797. |

HOPEWELL TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

| | Fiscal Year Ending June 30, | | | | | | | | | |
|---------------------------------|-----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental activities | \$ (7,516,962.) | \$ (7,163,138.) | \$ (6,912,156.) | \$ (7,118,729.) | \$ (7,182,384.) | \$ (7,042,120.) | \$ (7,335,755.) | \$ (7,518,016.) | \$ (7,651,198.) | \$ (7,549,463.) |
| Business-type activities | 42,915. | 4,827. | 5,260. | 10,929. | 20,067. | (5,236.) | 53,891. | 31,418. | 11,068. | 34,975. |
| Total district-wide net expense | \$ (7,474,047.) | \$ (7,158,311.) | \$ (6,906,896.) | \$ (7,107,800.) | \$ (7,162,317.) | \$ (7,047,356.) | \$ (7,281,864.) | \$ (7,486,598.) | \$ (7,640,130.) | \$ (7,514,488.) |

General Revenues and Other Changes in Net Position

| | | | | | | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Governmental activities: | | | | | | | | | | |
| Property taxes levied for general purposes, net | \$ 2,907,627. | \$ 2,962,827. | \$ 3,052,927. | \$ 3,156,810. | \$ 3,156,810. | \$ 3,274,440. | \$ 3,322,725. | \$ 3,389,179. | \$ 3,456,963. | \$ 3,522,875. |
| Taxes levied for debt service | 451,588. | 675,548. | 493,211. | 266,529. | 275,873. | 279,699. | 321,586. | 202,163. | 198,842. | 170,020. |
| Grants and contributions | 4,313,773. | 4,099,663. | 4,095,044. | 3,719,258. | 3,837,076. | 3,818,517. | 3,882,550. | 3,771,975. | 3,889,976. | 4,094,136. |
| Tuition Received | 137,740. | 118,914. | 128,998. | 153,485. | 113,307. | 155,818. | 159,165. | 69,689. | 58,630. | 53,349. |
| Investment earnings | 20,070. | 14,581. | 17,891. | 15,527. | 7,816. | 10,086. | 5,688. | 3,225. | 2,990. | 2,882. |
| Miscellaneous income | 11,458. | 294,837. | 122,229. | 49,700. | 59,280. | 61,291. | 119,356. | 86,615. | 90,208. | 92,284. |
| Adjustment to carrying value of fixed assets per appraisal | (28,639.) | 0. | 0. | (7,751.) | 0. | 0. | (308,859.) | 0. | 0. | 0. |
| Transfers | 0. | 0. | (2,140.) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| Total governmental activities | 7,813,617. | 8,166,370. | 7,908,160. | 7,353,558. | 7,450,162. | 7,599,851. | 7,502,211. | 7,522,846. | 7,697,609. | 7,935,546. |

| | | | | | | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Business-type activities: | | | | | | | | | | |
| Investment earnings | 853. | 259. | 9. | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| Adjustment to carrying value of fixed assets per appraisal | (7,200.) | 0. | 0. | 0. | 0. | 0. | (4,681.) | 0. | 0. | 0. |
| Transfers | 0. | 0. | 2,140. | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| Total business-type activities | (6,347.) | 259. | 2,149. | 0. | 0. | 0. | (4,681.) | 0. | 0. | 0. |
| Total district-wide | \$ 7,807,270. | \$ 8,166,629. | \$ 7,910,309. | \$ 7,353,558. | \$ 7,450,162. | \$ 7,599,851. | \$ 7,497,530. | \$ 7,522,846. | \$ 7,697,609. | \$ 7,935,546. |

Change in Net Position

| | | | | | | | | | | |
|--------------------------|-------------|---------------|---------------|-------------|-------------|-------------|-------------|------------|------------|-------------|
| Governmental activities | \$ 296,655. | \$ 1,003,232. | \$ 996,004. | \$ 234,829. | \$ 267,778. | \$ 557,731. | \$ 166,456. | \$ 4,830. | \$ 46,411. | \$ 386,083. |
| Business-type activities | 36,568. | 5,086. | 7,409. | 10,929. | 20,067. | (5,236.) | 49,210. | 31,418. | 11,068. | 34,975. |
| Total district | \$ 333,223. | \$ 1,008,318. | \$ 1,003,413. | \$ 245,758. | \$ 287,845. | \$ 552,495. | \$ 215,666. | \$ 36,248. | \$ 57,479. | \$ 421,058. |

HOPEWELL TOWNSHIP SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Fiscal Year Ending June 30,

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|------------------------------------|--------------|-------------|-------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| General Fund | | | | | | | | | | |
| Reserved | \$ 40,318. | \$ 311,374. | \$ 907,681. | \$ 1,204,120. | \$ 1,461,809. | \$ 2,104,998. | \$ 2,485,556. | \$ 2,430,273. | \$ 1,685,440. | \$ 2,377,113. |
| Unreserved | (70,275.) | (21,502.) | (61,004.) | (60,408.) | (50,881.) | (82,591.) | (64,078.) | (89,369.) | (83,636.) | (98,236.) |
| Total general fund | \$ (29,957.) | \$ 289,872. | \$ 846,677. | \$ 1,143,712. | \$ 1,410,928. | \$ 2,022,407. | \$ 2,421,478. | \$ 2,340,904. | \$ 1,601,804. | \$ 2,278,877. |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | | | | | | | | | | |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue fund | \$ 0. | \$ 0. | \$ 0. | \$ 0. | \$ 0. | \$ 0. | \$ 0. | \$ 0. | \$ 0. | \$ (37,113.) |
| Capital projects fund | 860,786. | 844,089. | 335,567. | 272,377. | 272,377. | 384,822. | 318,621. | 212,841. | 818,849. | 146,602. |
| Debt service fund | (51.) | 0. | 0. | 0. | 0. | 0. | (1,097.) | (1,097.) | 0. | 0. |
| Total all other governmental funds | \$ 860,735 | \$ 844,089 | \$ 335,567 | \$ 272,377 | \$ 272,377 | \$ 384,822 | \$ 317,524 | \$ 211,744 | \$ 818,849 | \$ 109,489 |

HOPEWELL TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Fiscal Year Ending June 30,

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|------------------------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenues | | | | | | | | | | |
| Tax levy | \$ 3,359,215. | \$ 3,638,375. | \$ 3,546,138. | \$ 3,423,339. | \$ 3,432,683. | \$ 3,554,139. | \$ 3,644,311. | \$ 3,591,342. | \$ 3,655,805. | \$ 3,692,895. |
| Tuition charges | 137,740. | 118,914. | 128,998. | 153,485. | 113,307. | 155,818. | 159,165. | 69,689. | 58,630. | 53,349. |
| Interest earnings | 20,070. | 14,581. | 17,891. | 15,527. | 7,816. | 10,086. | 5,688. | 3,225. | 2,990. | 2,882. |
| Miscellaneous | 11,458. | 294,837. | 122,229. | 49,700. | 59,280. | 436,291. | 119,356. | 86,615. | 90,208. | 92,284. |
| State sources | 3,809,787. | 4,159,519. | 4,268,781. | 4,147,525. | 4,188,112. | 4,261,945. | 4,421,253. | 4,501,894. | 4,658,791. | 5,070,136. |
| Federal sources | 1,011,200. | 444,994. | 437,062. | 294,919. | 305,397. | 298,841. | 337,167. | 245,242. | 345,619. | 291,387. |
| Total revenue | 8,349,470. | 8,671,220. | 8,521,099. | 8,084,495. | 8,106,595. | 8,717,120. | 8,686,940. | 8,498,007. | 8,812,043. | 9,202,933. |
| Expenditures | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular Instruction | 2,698,098. | 2,408,660. | 2,352,216. | 2,423,718. | 2,518,041. | 2,392,986. | 2,436,269. | 2,432,329. | 2,494,417. | 2,303,931. |
| Special education instruction | 618,218. | 515,355. | 763,756. | 813,136. | 863,102. | 806,184. | 845,833. | 881,610. | 916,476. | 1,066,877. |
| Other special instruction | 134,794. | 62,851. | 62,580. | 59,956. | 13,706. | 38,082. | 18,204. | 14,878. | 26,325. | 23,596. |
| School sponsored/other instruction | 65,052. | 67,763. | 67,442. | 66,421. | 88,869. | 83,026. | 94,302. | 91,260. | 92,701. | 102,555. |
| Support Services: | | | | | | | | | | |
| Tuition | 326,540. | 323,931. | 68,093. | 98,519. | 63,750. | 60,647. | 183,681. | 92,058. | 55,085. | 98,227. |
| Student & inst. related services | 790,116. | 667,121. | 688,226. | 661,984. | 628,523. | 643,081. | 691,282. | 735,083. | 794,601. | 845,144. |
| General administration | 165,089. | 175,816. | 150,181. | 160,025. | 120,478. | 127,610. | 134,870. | 145,237. | 158,730. | 182,205. |
| School administrative services | 130,767. | 146,297. | 139,137. | 136,597. | 143,647. | 149,983. | 126,336. | 109,877. | 103,271. | 103,697. |
| Central Services | 177,491. | 166,049. | 159,195. | 152,401. | 163,406. | 173,753. | 172,150. | 198,090. | 215,925. | 231,880. |
| Plant operations and maintenance | 569,662. | 633,174. | 581,979. | 648,650. | 676,966. | 673,199. | 717,031. | 689,526. | 764,091. | 747,658. |
| Pupil transportation | 428,332. | 472,070. | 429,168. | 394,344. | 431,103. | 425,661. | 520,748. | 440,541. | 538,917. | 444,958. |
| Employee benefits | 1,439,682. | 1,575,451. | 1,573,584. | 1,766,331. | 1,707,685. | 1,743,088. | 1,825,478. | 2,094,058. | 2,198,029. | 2,291,522. |
| Capital outlay | 2,028,268. | 50,017. | 408,330. | 98,769. | 38,504. | 288,146. | 158,600. | 316,471. | 274,528. | 481,727. |
| Transfer to charter school | 0. | 0. | 0. | 0. | 0. | 0. | 0. | 0. | 887. | 0. |
| Debt service: | | | | | | | | | | |
| Principal | 690,000. | 840,000. | 870,000. | 250,000. | 270,000. | 285,000. | 331,000. | 355,000. | 235,000. | 245,000. |
| Interest and other charges | 117,264. | 263,482. | 156,789. | 119,799. | 111,599. | 102,750. | 101,559. | 88,343. | 75,055. | 66,243. |
| Total expenditures | 10,379,373. | 8,368,037. | 8,470,676. | 7,850,650. | 7,839,379. | 7,993,196. | 8,357,343. | 8,684,361. | 8,944,038. | 9,235,220. |

HOPEWELL TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

| | Fiscal Year Ending June 30, | | | | | | | | | |
|---|-----------------------------|-------------|------------|-------------|-------------|-------------|-------------|---------------|---------------|--------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| Excess (Deficiency) of revenues over (under) expenditures | (2,029,903) | 303,183 | 50,423 | 233,845 | 267,216 | 723,924 | 329,597 | (186,354) | (131,995) | (32,287) |
| Other Financing sources (uses) | | | | | | | | | | |
| Proceeds from sale of bonds | 2,821,000. | 0. | 0. | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| Transfers in | 0. | 50. | 141,952. | 0. | 0. | 0. | 70,052. | 430,000. | 868,542. | 1,016,119. |
| Transfers out | 0. | (50.) | (144,092.) | 0. | 0. | 0. | (70,052.) | (430,000.) | (868,542.) | (1,016,119.) |
| Total other financing sources (uses) | 2,821,000. | 0. | (2,140.) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| Net change in fund balances | \$ 791,097. | \$ 303,183. | \$ 48,283. | \$ 233,845. | \$ 267,216. | \$ 723,924. | \$ 329,597. | \$ (186,354.) | \$ (131,995.) | \$ (32,287.) |
| Debt service as a percentage of noncapital expenditures | 9.67% | 13.27% | 12.74% | 4.77% | 4.89% | 5.03% | 5.28% | 5.30% | 3.58% | 3.56% |

Source: District records

HOPEWELL TOWNSHIP SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED

| Fiscal Year Ending June 30, | Interst on Investments | E-Rate | Prior Year Refunds | SREC | Merger Account | Miscellaneous | Tuition | Total Other Local Revenues |
|--------------------------------|---------------------------|---------|-----------------------|----------|-------------------|---------------|-------------|----------------------------------|
| 2010 | \$ 20,070. | \$ 0. | \$ 100. | \$ 0. | \$ 0. | \$ 11,458. | \$ 137,740. | \$ 169,368. |
| 2011 | 14,581. | 0. | 0. | 236,667. | 44,210. | 13,960. | 118,914. | 428,332. |
| 2012 | 17,891. | 0. | 0. | 107,285. | 0. | 9,405. | 128,998. | 263,579. |
| 2013 | 15,527. | 0. | 0. | 36,894. | 0. | 9,782. | 153,485. | 215,688. |
| 2014 | 7,816. | 0. | 0. | 46,969. | 0. | 12,311. | 113,307. | 180,403. |
| 2015 | 10,086. | 0. | 0. | 53,118. | 0. | 4,876. | 155,818. | 223,898. |
| 2016 | 5,688. | 0. | 0. | 101,694. | 0. | 16,764. | 159,165. | 283,311. |
| 2017 | 3,225. | 0. | 0. | 75,135. | 0. | 11,480. | 69,689. | 159,529. |
| 2018 | 2,990. | 13,424. | 1,149. | 54,054. | 0. | 19,803. | 58,630. | 150,050. |
| 2019 | 2,882. | 11,113. | 1,174. | 52,937. | 0. | 25,874. | 53,349. | 147,329. |

Source: District records

REVENUE CAPACITY

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

| | Year Ended Dec. 31 | Net Assessed Valuations | Estimated Full Cash Valuations | Percentage of Net Assessed to Estimated Full Cash Valuations |
|----------------------|--------------------------|----------------------------|--------------------------------------|--|
| Township of Hopewell | 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% |
| | 2013 | 247,157,724. | 341,939,345. | 72.28% |
| | 2014 | 246,887,661. | 336,618,453. | 73.34% |
| | 2015 | 246,696,220. | 366,880,823. | 67.24% |
| | 2016 | 246,422,975. | 309,412,642. | 79.64% |
| | 2017 | 306,925,085. | 317,724,721. | 96.60% |
| | 2018 | 308,026,641. | 338,257,362. | 91.06% |
| Borough of Shiloh | 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% |
| | 2013 | 33,263,798. | 36,155,078. | 92.00% |
| | 2014 | 33,263,798. | 34,568,674. | 96.23% |
| | 2015 | 33,125,352. | 30,905,136. | 107.18% |
| | 2016 | 32,989,468. | 28,278,737. | 116.66% |
| | 2017 | 32,906,419. | 30,666,180. | 107.31% |
| | 2018 | 32,841,163. | 31,562,180. | 104.05% |

Source: Abstract of Ratables, County Board of Taxation

HOPEWELL TOWNSHIP SCHOOL DISTRICT
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 | |
| 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 |
| 2013 | N/A | N/A | 1.286 | 0.588 | 0.241 | 1.364 | 3.479 |
| 2014 | N/A | N/A | 1.338 | 0.671 | 0.248 | 1.421 | 3.678 |
| 2015 | N/A | N/A | 1.366 | 0.652 | 0.274 | 1.372 | 3.664 |
| 2016 | N/A | N/A | 1.327 | 0.698 | 0.302 | 1.408 | 3.735 |
| 2017 | N/A | N/A | 1.094 | 0.597 | 0.248 | 1.201 | 3.140 |
| 2018 | N/A | N/A | 1.096 | 0.604 | 0.258 | 1.282 | 3.240 |

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 SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
 LAST TEN FISCAL YEARS
 (Rate per \$100 of Assessed Value)

| Fiscal Year Ended June 30, | Shiloh 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 District | Borough of Shiloh | Cumberland County | |
| 2009 | \$ 0.708 | \$ 0.000 | \$ 0.708 | \$ 0.976 | \$ 0.533 | \$ 1.765 | \$ 3.982 |
| 2010 | 0.794 | 0.000 | 0.794 | 1.203 | 0.544 | 1.732 | 4.273 |
| 2011 | 0.552 | 0.000 | 0.552 | 0.488 | 0.318 | 0.922 | 2.280 |
| 2012 | 0.639 | 0.000 | 0.639 | 0.487 | 0.317 | 0.825 | 2.268 |
| 2013 | 0.770 | 0.000 | 0.770 | 0.570 | 0.317 | 1.068 | 2.725 |
| 2014 | 0.761 | 0.000 | 0.761 | 0.586 | 0.318 | 1.086 | 2.751 |
| 2015 | 0.835 | 0.000 | 0.835 | 0.506 | 0.318 | 1.032 | 2.691 |
| 2016 | 0.977 | 0.000 | 0.977 | 0.347 | 0.318 | 0.958 | 2.600 |
| 2017 | 0.915 | 0.000 | 0.915 | 0.363 | 0.318 | 1.080 | 2.676 |
| 2018 | 0.970 | 0.000 | 0.970 | 0.289 | 0.319 | 1.132 | 2.710 |

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
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO

| Taxpayer | 2018 | | | 2009 | | |
|---------------------------------|------------------------|-----------------|--|------------------------|-----------------|--|
| | Taxable Assessed Value | Rank (Optional) | % of Total District Net Assessed Value | Taxable Assessed Value | Rank (Optional) | % of Total District Net Assessed Value |
| LTC Mgmt LLC | \$ 11,303,400. | 1 | 3.67% | | | |
| Cumberland Mutual Fire Ins. Co. | 6,520,000. | 2 | 2.12% | \$ 5,330,200. | 1 | 2.29% |
| Green Olive Properties LLC | 2,962,900. | 3 | 0.96% | | | |
| Sunny Slope Farms of NJ | 2,005,100. | 4 | 0.65% | 1,758,300. | 2 | 0.76% |
| ACM Realty LLC | 1,496,400. | 5 | 0.49% | 1,218,000. | 4 | 0.52% |
| Rosypal | 1,490,600. | 6 | 0.48% | | | |
| Hopewell Amish Market, LLC | 1,259,900. | 7 | 0.41% | | | |
| Halka Nurseries Inc. | 1,220,100. | 8 | 0.40% | | | |
| Taxpayer 1 | 1,189,300. | 9 | 0.39% | | | |
| Taxpayer 2 | 1,181,800. | 10 | 0.38% | 1,014,200. | 5 | 0.44% |
| Solavista LLC | | | | 1,256,200. | 3 | 0.54% |
| Taxpayer 3 | | | | 853,900. | 6 | 0.37% |
| Blue Sterling Nursery, LLC | | | | 835,200. | 7 | 0.36% |
| Cottages at Dutch Neck | | | | 775,000. | 8 | 0.33% |
| Verizon Comm. | | | | 761,711. | 9 | 0.33% |
| Taxpayer 4 | | | | 611,700. | 10 | 0.26% |
| Total | \$ 30,629,500. | | 9.94% | \$ 14,414,411. | | 6.20% |

Source: Municipal Tax Assessor

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

| Taxpayer | 2018 | | | 2009 | | |
|----------------------------|------------------------|-----------------|--|------------------------|-----------------|--|
| | Taxable Assessed Value | Rank (Optional) | % of Total District Net Assessed Value | Taxable Assessed Value | Rank (Optional) | % of Total District Net Assessed Value |
| Clamar LLC | \$ 754,600. | 1 | 2.30% | | | |
| Taxpayer # 1 | 617,600. | 2 | 1.88% | \$ 314,600. | 3 | 1.61% |
| Sarju Realty LLC | 495,200. | 3 | 1.51% | | | |
| Taxpayer #2 | 423,800. | 4 | 1.29% | | | |
| Solavista LLC | 422,800. | 5 | 1.29% | 510,800. | 1 | 2.62% |
| DeWilde Farm Associates LP | 375,700. | 6 | 1.14% | 228,000. | 5 | 1.17% |
| Taxpayer #3 | 356,200. | 7 | 1.08% | 217,200. | 7 | 1.11% |
| Taxpayer #4 | 341,100. | 8 | 1.04% | | | |
| Taxpayer #5 | 289,800. | 9 | 0.88% | | | |
| Taxpayer #6 | 283,300. | 10 | 0.86% | | | |
| Taxpayer #7 | | | | 470,800. | 2 | 2.41% |
| Rima Neha Realty LLC | | | | 250,000. | 4 | 1.28% |
| Taxpayer #8 | | | | 264,000. | 6 | 1.35% |
| Taxpayer #9 | | | | 207,200. | 8 | 1.06% |
| Taxpayer #11 | | | | 187,900. | 9 | 0.96% |
| Dr. John Gould | | | | 185,600. | 10 | 0.95% |
| Total | \$ 4,360,100. | | 13.28% | \$ 2,836,100. | | 14.54% |

Source: Municipal Tax Assessor

HOPEWELL TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

| Fiscal Year Ended June 30, | Taxes Levies For and Collections | Collected Within the Fiscal Year of the Levy (a) | | Collection in Subsequent Year |
|-------------------------------------|---|---|-----------------------|--|
| | | Amount | Percentage of Levy | |
| 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% | |
| 2014 | 3,176,756. | 3,176,756. | 100.00% | |
| 2015 | 3,301,761. | 3,301,761. | 100.00% | |
| 2016 | 3,367,862. | 3,367,862. | 100.00% | |
| 2017 | 3,269,341. | 3,269,341. | 100.00% | |
| 2018 | 3,354,764. | 3,354,764. | 100.00% | |
| 2019 | 3,374,610. | 3,374,610. | 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 municipal 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 the school year.

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

| Fiscal Year Ended June 30, | Taxes Levies For and Collections | Collected Within the Fiscal Year of the Levy (a) | | Collection in Subsequent Year |
|-------------------------------------|---|---|-----------------------|--|
| | | Amount | Percentage of Levy | |
| 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% | |
| 2014 | 255,927. | 255,927. | 100.00% | |
| 2015 | 252,378. | 252,378. | 100.00% | |
| 2016 | 276,449. | 276,449. | 100.00% | |
| 2017 | 322,001. | 322,001. | 100.00% | |
| 2018 | 301,041. | 301,041. | 100.00% | |
| 2019 | 318,285. | 318,285. | 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 municipal 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 the school year.

DEBT CAPACITY

HOPEWELL TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT TYPE
LAST TEN FISCAL YEARS

| Fiscal Year Ended June 30, | Governmental Activities | | | | Business-Type Activities | | Total District | Percentage of Personal Income (a) | Per Capita (a) |
|----------------------------|------------------------------|-------------------------------|----------------|---------------------------|--------------------------|---------------|----------------|-----------------------------------|----------------|
| | General Obligation Bonds (b) | Certificates of Participation | Capital Leases | Anticipation Notes (BANs) | Capital Leases | | | | |
| 2010 | \$ 4,887,000. | \$ 0. | \$ 0. | \$ 0. | \$ 0. | \$ 4,887,000. | 2.65% | \$ 961. | |
| 2011 | 4,047,000. | 0. | 0. | 0. | 0. | 4,047,000. | 2.31% | 799. | |
| 2012 | 3,177,000. | 0. | 0. | 0. | 0. | 3,177,000. | 1.77% | 631. | |
| 2013 | 2,927,000. | 0. | 0. | 0. | 0. | 2,927,000. | 1.64% | 583. | |
| 2014 | 2,657,000. | 0. | 0. | 0. | 0. | 2,657,000. | 1.48% | 530. | |
| 2015 | 2,747,000. | 0. | 0. | 0. | 0. | 2,747,000. | 1.54% | 554. | |
| 2016 | 2,416,000. | 0. | 0. | 0. | 0. | 2,416,000. | 1.34% | 488. | |
| 2017 | 2,061,000. | 0. | 0. | 0. | 0. | 2,061,000. | 1.12% | 419. | |
| 2018 | 1,826,000. | 0. | 0. | 0. | 0. | 1,826,000. | 0.95% | 375. | |
| 2019 | 1,581,000. | 0. | 0. | 0. | 0. | 1,581,000. | 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 SCHOOL DISTRICT
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 | | |
| 2010 | \$ 4,887,000. | \$ 0. | \$ 4,887,000. | 2.10% | \$ 961. |
| 2011 | 4,047,000. | 0. | 4,047,000. | 1.71% | 799. |
| 2012 | 3,177,000. | 0. | 3,177,000. | 1.34% | 631. |
| 2013 | 2,927,000. | 0. | 2,927,000. | 1.23% | 583. |
| 2014 | 2,657,000. | 0. | 2,657,000. | 1.08% | 530. |
| 2015 | 2,747,000. | 0. | 2,747,000. | 1.11% | 554. |
| 2016 | 2,416,000. | 0. | 2,416,000. | 0.98% | 488. |
| 2017 | 2,061,000. | 0. | 2,061,000. | 0.84% | 419. |
| 2018 | 1,826,000. | 0. | 1,826,000. | 0.59% | 375. |
| 2019 | 1,581,000. | 0. | 1,581,000. | 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, 2019

| Governmental Unit | Debt Outstanding | Estimated Percentage Applicable (a) | Estimated Share of Overlapping Debt |
|--|---------------------|---|---|
| Debt Repaid With Property Taxes: | | | |
| Township of Hopewell | \$ 1,422,475. | 100.00% | \$ 1,422,475. |
| Borough of Shiloh | 0. | 100.00% | 0. |
| County of Cumberland - Township's Share | 98,195,796. | 3.83% | 3,764,827. |
| County of Cumberland - Borough's Share | 98,195,796. | 0.36% | 351,541. |
| Other Debt | | | |
| Cumberland Regional School District - Township's Share | 1,288,177. | 100.00% | 1,288,177. |
| Cumberland Regional School District - Borough's Share | 120,727. | 100.00% | 120,727. |
| Subtotal, Overlapping Debt | | | 6,947,747. |
| Township of Hopewell School District Direct Debt | | | 1,581,000. |
| Total Direct & Overlapping Debt | | | <u>\$ 8,528,747.</u> |

Sources: Assessed value data used to estimate applicable percentages provided by County Board of Taxation.
Debt outstanding data provided by each government 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 Twp. 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
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

| | 2010* | 2011* | 2012* | 2013* | 2014* | 2015* | 2016* | 2017* | 2018* | 2019* |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Debt Limit | \$ 11,890,482. | \$ 11,984,096. | \$ 11,522,417. | \$ 11,170,801. | \$ 10,997,066. | \$ 10,660,659. | \$ 10,392,231. | \$ 10,243,938. | \$ 10,557,539. | \$ 10,934,814. |
| Total Net Debt Applicable to Limit | 4,887,000. | 4,047,000. | 2,927,000. | 2,927,000. | 2,657,000. | 2,747,000. | 2,416,000. | 2,061,000. | 1,826,000. | 1,581,000. |
| Legal Debt Margin | \$ 7,003,482. | \$ 7,937,096. | \$ 8,595,417. | \$ 8,243,801. | \$ 8,340,066. | \$ 7,913,659. | \$ 7,976,231. | \$ 8,182,938. | \$ 8,731,539. | \$ 9,353,814. |
| Total Net Debt Applicable to the Limit as a Percentage of Debt Limit | 41.10% | 33.77% | 25.40% | 26.20% | 24.16% | 25.77% | 23.25% | 20.12% | 17.30% | 14.46% |

Legal Debt Margin Calculation for Fiscal Year 2019

| Equalized Valuation Basis | |
|---------------------------|-------------------|
| 2018 | \$ 373,145,822. |
| 2017 | 366,041,432. |
| 2016 | 354,294,163. |
| | \$ 1,093,481,417. |

Average Equalized Valuation of Taxable Property

\$ 364,493,806.

Debt Limit (3 % of Average Equalization Value)

\$ 10,934,814. (a)

Total Net Debt Applicable to Limit

1,581,000.

Legal Debt Margin

\$ 9,353,814.

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.

* - Includes both Hopewell and Shiloh Information

**DEMOGRAPHIC AND ECONOMIC
INFORMATION**

HOPEWELL TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

| Year | Population (a) | Personal Income (b) | Per Capita Personal Income (c) | Unemployment Rate (d) |
|-------|----------------|------------------------|--|--------------------------|
| *2009 | 5,506 | \$ 184,148,170. | \$ 33,445. | 8.00% |
| *2010 | 5,083 | 174,850,117. | 34,399. | 8.30% |
| *2011 | 5,067 | 179,437,671. | 35,413. | 9.60% |
| *2012 | 5,036 | 178,616,848. | 35,468. | 10.85% |
| *2013 | 5,024 | 179,984,800. | 35,825. | 7.30% |
| *2014 | 5,015 | 177,872,020. | 35,468. | 6.85% |
| *2015 | 4,962 | 179,887,386. | 36,253. | 6.10% |
| *2016 | 4,946 | 184,797,398. | 37,363. | 4.95% |
| *2017 | 4,919 | 191,314,667. | 38,893. | 4.40% |
| *2018 | 4,863 | N/A | N/A | 4.90% |

* - 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 N.J. Dept. of Labor and Workforce Development

OPERATING INFORMATION

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

| Function/Program | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|-----------|-----------|-----------|-----------|-----------|-------------|-------------|-----------|-----------|-------------|
| Instruction: | | | | | | | | | | |
| Regular | 33 | 29 | 28 | 28.5 | 28.5 | 28.5 | 30 | 30 | 29 | 29 |
| Special Education | 14 | 9 | 10.5 | 10 | 10 | 10 | 7 | 7.5 | 6.5 | 6.5 |
| Other Special Education | 9 | 10 | 8.5 | 8 | 8 | 8 | 12 | 12 | 13.5 | 14 |
| Other Instruction | 18 | 12 | 12 | 12 | 12 | 11.5 | 6.5 | 4 | 4 | 4 |
| Support Services: | | | | | | | | | | |
| Student & Instruction Related Services | 8 | 7 | 7 | 7 | 7 | 7 | 6 | 7 | 5 | 5 |
| School Administrative Services | 3 | 4 | 4 | 3.5 | 3.5 | 3.5 | 3 | 3.5 | 3.5 | 3.5 |
| Other Administrative Services | 4 | 3 | 3 | 3 | 3 | 3 | 2.5 | 2 | 2.5 | 2.5 |
| Plant Operations & Maintenance | 2 | 3 | 2 | 2 | 2 | 2 | 2.5 | 2 | 2 | 2 |
| Total | 91 | 77 | 75 | 74 | 74 | 73.5 | 69.5 | 68 | 66 | 66.5 |

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 | | | | |
| 2010 | 549 | \$ 7,543,841. | \$13,741. | 4.29% | 45 | 1:20 | N/A | 538.4 | 515.2 | (0.63)% | 95.69% |
| 2011 | 541 | 7,214,538. | 13,336. | (2.95)% | 44 | 1:17 | N/A | 533.4 | 511.6 | (0.93)% | 95.91% |
| 2012 | 514 | 7,035,557. | 13,688. | 0.29% | 44.4 | 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% |
| 2014 | 518 | 7,419,276. | 14,323. | 0.12% | 44.4 | 1:11 | N/A | 515.1 | 491.0 | 1.32% | 95.32% |
| 2015 | 493 | 7,317,300. | 14,842. | 3.62% | 44.4 | 1:11 | N/A | 490.0 | 466.5 | (4.87)% | 95.20% |
| 2016 | 497 | 7,766,184. | 15,626. | 5.28% | 43.5 | 1:14 | N/A | 494.1 | 468.3 | 0.84% | 94.78% |
| 2017 | 488 | 7,924,547. | 16,239. | 3.92% | 41.5 | 1:17 | N/A | 484.2 | 458.0 | (2.00)% | 94.57% |
| 2018 | 479 | 8,349,599. | 17,431. | 7.34% | 40.5 | 1:18 | N/A | 478.3 | 448.5 | (1.21)% | 93.77% |
| 2019 | 486 | 8,442,250. | 17,371. | (0.34)% | 41.0 | 1:19 | N/A | 501.8 | 476.3 | 2.49% | 94.92% |

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

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

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

| District Building | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <u>Elementary:</u> | | | | | | | | | | |
| 122 Sewell Road | | | | | | | | | | |
| Square Feet | 83,475 | 83,475 | 83,475 | 83,475 | 83,475 | 83,475 | 83,475 | 83,475 | 83,475 | 83,475 |
| Capacity (Students) | 709 | 709 | 709 | 709 | 709 | 709 | 709 | 709 | 709 | 709 |
| Enrollment | 541 | 514 | 514 | 514 | 518 | 515 | 497 | 488 | 479 | 486 |

Number of Schools at June 30, 2019
 Elementary = 1

Source: District records, ASSA

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

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

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

*School Facilities

| Project #(s) | Primary School | Total |
|-------------------------|----------------|---------------|
| 2010 | \$ 133,293. | \$ 133,293. |
| 2011 | 114,101. | 114,101. |
| 2012 | 77,198. | 77,198. |
| 2013 | 176,592. | 176,592. |
| 2014 | 125,702. | 125,702. |
| 2015 | 137,526. | 137,526. |
| 2016 | 123,393. | 123,393. |
| 2017 | 112,592. | 112,592. |
| 2018 | 155,886. | 155,886. |
| 2019 | 155,207. | 155,207. |
| Total School Facilities | \$ 1,311,490. | \$ 1,311,490. |

* 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, 2019
UNAUDITED

| | <u>Coverage</u> | <u>Deductible</u> |
|--|-----------------|-------------------|
| Commercial Package Coverage-Utica National Insurance Company | | |
| Property - Blanket Building & Contents | \$ 22,059,096. | \$ 1,000. |
| Increase Cost of Construction | 5,000,000. | |
| Utility Services | 500,000. | |
| Fire Dept Service Charge | 5,000. | |
| Lock Replacement | 25,000. | |
| Fire Protection Device Recharge | 1,000. | |
| Underground Pipes | 10,000. | |
| Tree Debris Removal | 5,000. | 1,000. |
| Personal Effects and Property of Others | 10,000. | |
| Outdoor Property | 25,000. | |
| Property in Vehicles | 10,000. | 500. |
| Property in Transit | 100,000. | |
| Debris Removal | 100,000. | |
| Utility Services/Direct Damage | 50,000. | |
| Pollutant Clean-up | 90,000. | |
| Spoilage | 25,000. | |
| Flood | 1,015,000. | 25,000. |
| Earthquake | 1,000,000. | 25,000. |
| Fungus, Wet Rot, Dry Rot, and Bateria | 50,000. | |
| Comprehensive General Liability | | |
| General Aggregate | 3,000,000. | |
| Occurance Limit | 1,000,000. | |
| Employee Benefits Liability | 1,000,000. | 1,000. |
| Abuse/Molestation | 1,000,000. | |
| Limited Pollution Coverage Extension | 100,000. | |
| SchoolDistrict/Educators Legal Liability | 1,000,000. | 7,500. |
| Employment-Related Practices | 1,000,000. | 5,000. |
| Cyber Suite | 1,000,000. | 10,000. |
| Crime | | |
| Employee Dishonesty/Faithful Performance | 100,000. | 500. |
| Forgery | 100,000. | 500. |
| Computer and Funds Transfer Fraud | 100,000. | 0. |
| Money & Securities | 25,000. | 500. |
| Electronic Data Processing | | |
| Hardware | 225,000. | 250. |
| Media & Computer Programs | 66,000. | 250. |

HOPEWELL TOWNSHIP BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2019
UNAUDITED

| | <u>Coverage</u> | <u>Deductible</u> |
|---|-----------------|-------------------|
| Inland Marine | | |
| Valuable Papers | 100,000. | 500. |
| Signs | 30,000. | 500. |
| Accounts Receivable | 50,000. | |
| Fine Arts | 15,000. | 500. |
| Musical Instruments | 500,000. | 500. |
| Camera, Projection Machine | 50,000. | 500. |
| Misc School Equip | 500,000. | 500. |
| EDP Hardware | 75,000. | 500. |
| Data & Media | 10,000. | 500. |
| EDP Extra Exp | 10,000. | |
| Commercial Auto Policy | 1,000,000. | |
| Commercial Umbrella Coverage | 4,000,000. | |
| Workers Comp-New Jersey School Insurance Group | 2,000,000. | |
| Basic Student Accident Coverage-Berkley Life and Health Insurance | 1,000,000. | |
| Catastrophic Student Accident Coverage-United States Fire Insurance | 2,500,000. | 25,000. |
| Surety Bonds | | |
| Treasurer - Susan Anastasio-Quinonoes-Selective Ins Co of America | 250,000. | |
| Business Administrator - Stephanie Kuntz - Ohio Casualty Ins Co | 10,000. | |

Source: District Records

SINGLE AUDIT SECTION

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

Independent Auditor's Report

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, 2019, 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 December 18, 2019.

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 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 weaknesses. However, material weaknesses 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 from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Respectfully submitted,



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

December 18, 2019



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 AND ON INTERNAL
CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS, AND REPORT ON SCHEDULE OF EXPENDITURES OF STATE
AWARDS, REQUIRED BY UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08

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 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 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 state programs for the year ended June 30, 2019. Hopewell Township Board of Education's major 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 state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); 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 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and New Jersey OMB's Circular 15-08, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major 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 state program. However, our audit does not provide a legal determination of the Hopewell Township Board of Education's compliance.

Opinion on Each Major 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 state programs for the fiscal year ended June 30, 2019.

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 referred to 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 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 state program and to test and report on internal control over compliance in accordance with Uniform Guidance, 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 a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of 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 not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance and NJ OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



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

December 18, 2019

HOPEWELL TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

| Federal Grantor/Pass-Through Grantor/ Program Title | Federal CFDA No. | Federal FAIN No. | Grant or State Project Number | Program or Award Amount | Grant Period From To | Balance 06/30/18 | Carryover/ (Walkover) Amount | Cash Received | Budgetary Expenditures | Adjustments |
|--|---------------------|---------------------|----------------------------------|-------------------------------|-------------------------|---------------------|------------------------------------|------------------|---------------------------|-------------|
| U.S. Department of Education Passed General Fund: | | | | | | | | | | |
| Medical Asst Program | 93.778 | 1605NJ5MAP | | \$ 23,073. | 07/01/18 - 06/30/19 | \$ 0. | \$ 0. | \$ 23,076. | \$ (23,076.) | \$ 0. |
| Total General Fund | | | | | | 0. | 0. | 23,076. | (23,076.) | 0. |
| U.S. Department of Education Passed through State Department of Education: | | | | | | | | | | |
| Special Revenue Fund: | | | | | | | | | | |
| Title I, Part A | 84.010A | S010A150030 | NCLB-227019 | 95,984. | 07/01/18 - 06/30/19 | 0. | 0. | 55,650. | (95,188.) | 0. |
| Title I, Part A | 84.010A | S010A150030 | NCLB-227018 | 96,050. | 07/01/17 - 06/30/18 | (28,632.) | 0. | 28,632. | 0. | 0. |
| Title I, Part A | 84.010A | S010A150030 | NCLB-227017 | 96,196. | 07/01/16 - 06/30/17 | 1. | 0. | 0. | 0. | (1.) |
| Title II, Part A | 84.367A | S367A150029 | NCLB-227019 | 18,356. | 07/01/18 - 06/30/19 | 0. | 0. | 16,097. | (15,723.) | 0. |
| Title II, Part A | 84.367A | S367A150029 | NCLB-227018 | 16,139. | 07/01/17 - 06/30/18 | (7,296.) | 0. | 7,298. | 0. | (2.) |
| Title IV | 84.424 | S424A170031 | NCLB-227019 | 10,000. | 07/01/18 - 06/30/19 | 0. | 0. | 14,000. | (14,777.) | 0. |
| Title IV | 84.424 | S424A170031 | NCLB-227018 | 10,000. | 07/01/17 - 06/30/18 | (1.) | 0. | 0. | 0. | 1. |
| IDEA Part B Basic FT | 84.027 | H027A150100 | FT-227018 | 113,117. | 07/01/18 - 06/30/19 | 0. | 0. | 96,659. | (101,982.) | 0. |
| IDEA Part B Basic FT | 84.027 | H027A150100 | FT-227019 | 11,987. | 07/01/17 - 06/30/18 | (22,223.) | 0. | 22,223. | 0. | 0. |
| IDEA Preschool | 84.173 | H173A150114 | PS-227019 | 1,482. | 07/01/18 - 06/30/19 | 0. | 0. | 0. | 0. | 0. |
| REAP | 84.358 | S358B150030 | | 41,867. | 07/01/18 - 09/30/19 | 0. | 0. | 29,193. | (40,641.) | 0. |
| REAP | 84.358 | S358B150030 | | 42,479. | 07/01/17 - 09/30/18 | (10,943.) | 0. | 10,943. | 0. | 0. |
| Total Special Revenue Fund | | | | | | (69,094.) | 0. | 280,695. | (268,311.) | (2.) |
| U.S. Department of Agriculture Passed through State Department of Education | | | | | | | | | | |
| Enterprise Fund: | | | | | | | | | | |
| Food Distribution Program | 10.555 | 16161NJ304N1099 | N/A | 14,053. | 07/01/18 - 06/30/19 | 0. | 0. | 14,053. | (12,166.) | 0. |
| Food Distribution Program | 10.555 | 16161NJ304N1099 | N/A | 15,305. | 07/01/17 - 06/30/18 | 416. | 0. | 0. | (416.) | 0. |
| National School Breakfast Program | 10.553 | 16161NJ304N1099 | N/A | 27,276. | 07/01/18 - 06/30/19 | 0. | 0. | 21,675. | (27,276.) | 0. |
| National School Breakfast Program | 10.553 | 16161NJ304N1099 | N/A | 26,769. | 07/01/17 - 06/30/18 | (1,759.) | 0. | 1,759. | 0. | 0. |
| National School Lunch Program | 10.555 | 16161NJ304N1099 | N/A | 87,790. | 07/01/18 - 06/30/19 | 0. | 0. | 72,482. | (87,790.) | 0. |
| National School Lunch Program | 10.555 | 16161NJ304N1099 | N/A | 84,856. | 07/01/17 - 06/30/18 | (3,305.) | 0. | 3,305. | 0. | 0. |
| Total Enterprise Fund | | | | | | (4,648.) | 0. | 113,274. | (127,648.) | 0. |
| Total Federal Awards | | | | | | \$ (73,742.) | \$ 0. | \$ 417,045. | \$ (419,035.) | \$ (2.) |

The Accompanying Notes to Schedules of Expenditures of Federal Awards and Financial Assistance are an Integral Part of this Schedule.

HOPEWELL TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

| Federal Grantor/Pass-Through Grantor/ Program Title | Federal CFDA No. | Federal FAIN No. | Grant or State Project Number | Program or Award Amount | Grant Period From To | Repayment of Prior Years' Balances | Balance at June 30, 2019 | | Due to Grantor | Note Reference |
|--|---------------------|---------------------|----------------------------------|-------------------------------|-------------------------|--|--------------------------|---------------------|-------------------|-------------------|
| | | | | | | | Accounts Receivable | Deferred Revenue | | |
| U.S. Department of Education Passed General Fund: Medical Asst Program Total General Fund | 93.778 | 1605NJ5MAP | | \$ 23,073. | 07/01/18 - 06/30/19 | \$ 0. | 0. | \$ 0. | 0. | 0. |
| U.S. Department of Education Passed through State Department of Education: Special Revenue Fund: | | | | | | | | | | |
| Title I, Part A | 84.010A | S010A150030 | NCLB-227019 | 95,984. | 07/01/18 - 06/30/19 | 0. | (39,538.) | 0. | 0. | 0. |
| Title I, Part A | 84.010A | S010A150030 | NCLB-227018 | 96,050. | 07/01/17 - 06/30/18 | 0. | 0. | 0. | 0. | 0. |
| Title I, Part A | 84.010A | S010A150030 | NCLB-227017 | 96,196. | 07/01/16 - 06/30/17 | 0. | 0. | 0. | 0. | 0. |
| Title II, Part A | 84.367A | S367A150029 | NCLB-227019 | 18,356. | 07/01/18 - 06/30/18 | 0. | 0. | 374. | 0. | 0. |
| Title II, Part A | 84.367A | S367A150029 | NCLB-227018 | 16,139. | 07/01/17 - 06/30/18 | 0. | 0. | 0. | 0. | 0. |
| Title IV | 84.424 | S424A170031 | NCLB-227019 | 10,000. | 07/01/18 - 06/30/19 | 0. | (777.) | 0. | 0. | 0. |
| Title IV | 84.424 | S424A170031 | NCLB-227018 | 10,000. | 07/01/17 - 06/30/18 | 0. | 0. | 0. | 0. | 0. |
| IDEA Part B Basic FT | 84.027 | H027A150100 | FT-227019 | 113,117. | 07/01/18 - 06/30/19 | 0. | (5,323.) | 0. | 0. | 0. |
| IDEA Part B Basic FT | 84.027 | H027A150100 | FT-227018 | 111,987. | 07/01/17 - 06/30/18 | 0. | 0. | 0. | 0. | 0. |
| IDEA Preschool | 84.173 | H173A150114 | PS-227019 | 1,482. | 07/01/18 - 06/30/19 | 0. | 0. | 0. | 0. | 0. |
| REAP | 84.358 | S358B150030 | | 41,867. | 07/01/18 - 09/30/19 | 0. | (11,448.) | 0. | 0. | 0. |
| REAP | 84.358 | S358B150030 | | 42,479. | 07/01/17 - 09/30/18 | 0. | 0. | 0. | 0. | 0. |
| Total Special Revenue Fund | | | | | | 0. | (57,086.) | 374. | 0. | 0. |
| U.S. Department of Agriculture Passed through State Department of Education Enterprise Fund: | | | | | | | | | | |
| Food Distribution Program | 10.555 | 16161NJ304N1099 | N/A | 14,053. | 07/01/18 - 06/30/19 | 0. | 0. | 1,887. | 0. | 0. |
| Food Distribution Program | 10.555 | 16161NJ304N1099 | N/A | 15,305. | 07/01/17 - 06/30/18 | 0. | 0. | 0. | 0. | 0. |
| National School Breakfast Program | 10.553 | 16161NJ304N1099 | N/A | 27,276. | 07/01/18 - 06/30/19 | 0. | (5,601.) | 0. | 0. | 0. |
| National School Breakfast Program | 10.553 | 16161NJ304N1099 | N/A | 26,769. | 07/01/17 - 06/30/18 | 0. | 0. | 0. | 0. | 0. |
| National School Lunch Program | 10.555 | 16161NJ304N1099 | N/A | 87,790. | 07/01/18 - 06/30/19 | 0. | (15,308.) | 0. | 0. | 0. |
| National School Lunch Program | 10.555 | 16161NJ304N1099 | N/A | 84,856. | 07/01/17 - 06/30/18 | 0. | 0. | 0. | 0. | 0. |
| Total Enterprise Fund | | | | | | 0. | (20,909.) | 1,887. | 0. | 0. |
| Total Federal Awards | | | | | | \$ 0. | \$ (77,995.) | \$ 2,261. | \$ 0. | 0. |

The Accompanying Notes to 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, 2019

| State Grantor/Program Title | Grant or State Project No. | Program or Award Amount | Grant Period | | Deferred Revenue (Accts Receivable) | Due to Grantor | Carryover/ (Walkover) Amount | Cash Received | Budgetary Expenditures | Adjustments/ Repayment of Prior Years' Balances |
|---|----------------------------|-------------------------|--------------|----------|-------------------------------------|----------------|------------------------------|---------------|------------------------|---|
| | | | From | To | | | | | | |
| State Department of Education | | | | | | | | | | |
| General Fund: | | | | | | | | | | |
| Equalization Aid | 19-495-034-5120-078 | \$ 2,683,582. | 07/01/18 - | 06/30/19 | \$ 0. | \$ 0. | \$ 0. | \$ 2,683,582. | \$ (2,683,582.) | \$ 0. |
| Transportation Aid | 19-495-034-5120-014 | 197,184. | 07/01/18 - | 06/30/19 | 0. | 0. | 0. | 197,184. | (197,184.) | 0. |
| Categorical/Special Education Aid | 19-495-034-5120-089 | 279,437. | 07/01/18 - | 06/30/19 | 0. | 0. | 0. | 279,437. | (279,437.) | 0. |
| Categorical Security Aid | 19-495-034-5120-084 | 89,617. | 07/01/18 - | 06/30/19 | 0. | 0. | 0. | 89,617. | (89,617.) | 0. |
| Adjustment Aid | 19-495-034-5120-085 | 216,122. | 07/01/18 - | 06/30/19 | 0. | 0. | 0. | 216,122. | (216,122.) | 0. |
| On Behalf Reimb TPAF Post Retirement Medical | 19-495-034-5095-001 | 317,090. | 07/01/18 - | 06/30/19 | 0. | 0. | 0. | 317,090. | (317,090.) | 0. |
| On Behalf Reimb TPAF Pension | 19-495-034-5095-002 | 699,055. | 07/01/18 - | 06/30/19 | 0. | 0. | 0. | 699,055. | (699,055.) | 0. |
| On Behalf Reimb TPAF Non-Contributory Insurance | 19-495-034-5095-004 | 481. | 07/01/18 - | 06/30/19 | 0. | 0. | 0. | 481. | (481.) | 0. |
| Reimbursed TPAF Social Security Contributions | 19-495-034-5095-003 | 250,761. | 07/01/18 - | 06/30/19 | 0. | 0. | 0. | 250,761. | (250,761.) | 0. |
| Additional Non-Public Trans | 19-495-034-5120 | 3,190. | 07/01/18 - | 06/30/19 | 0. | 0. | 0. | 0. | (3,190.) | 0. |
| Additional Non-Public Trans | 18-495-034-5120 | 2,320. | 07/01/17 - | 06/30/18 | (2,320.) | 0. | 0. | 2,320. | 0. | 0. |
| Total General Fund | | | | | (2,320.) | 0. | 0. | 4,735,649. | (4,736,519.) | 0. |
| Special Revenue Fund: | | | | | | | | | | |
| Pre-School Education Aid | 19-495-034-5120-086 | 371,130. | 07/01/18 - | 06/30/19 | 0. | 0. | 0. | 371,130. | (272,934.) | 0. |
| Total Special Revenue Fund | | | | | 0. | 0. | 0. | 371,130. | (272,934.) | 0. |
| Debt Service Fund: | | | | | | | | | | |
| Debt Service Aid Type II | 19-495-034-5120-125 | 113,266. | 07/01/18 - | 06/30/19 | 0. | 0. | 0. | 113,266. | (113,266.) | 0. |
| State Department of Agriculture | | | | | | | | | | |
| Enterprise Fund: | | | | | | | | | | |
| National School Lunch Program (State Share) | 19-100-010-3350-023 | 2,280. | 07/01/18 - | 06/30/19 | 0. | 0. | 0. | 1,882. | (2,280.) | 0. |
| National School Lunch Program (State Share) | 18-100-010-3350-023 | 2,262. | 07/01/17 - | 06/30/18 | (92.) | 0. | 0. | 92. | 0. | 0. |
| Total Enterprise Fund | | | | | (92.) | 0. | 0. | 1,974. | (2,280.) | 0. |
| Total State Financial Assistance | | | | | \$ (2,412.) | \$ 0. | \$ 0. | \$ 5,222,019. | \$ (5,124,999.) | \$ 0. |
| Less: On-Behalf TPAF Pension System Contributions | | | | | | | | | \$ (1,016,626.) | |
| On-Behalf Teachers' Pension and Annuity Fund | 19-495-034-5095-002 | | | | | | | | | |
| On-Behalf Teachers' Pension and Annuity Fund - Post Retirement Medical | 19-495-034-5095-001 | | | | | | | | | |
| On-Behalf Teachers' Pension & Annuity Fund - Non-contributory Insurance | 19-495-034-5095-004 | | | | | | | | | |
| Total for State Financial Assistance-Major Program Determination | | | | | | | | | \$ (4,108,373.) | |

The Accompanying Notes to 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, 2019

| State Grantor/Program Title | Grant or State Project No. | Program or Award Amount | Grant Period | | 6/30/2019 | MEMO | | Note Reference |
|---|----------------------------|-------------------------|--------------|----------|-------------|-----------------------|------------------|----------------|
| | | | From | To | | (Accounts Receivable) | Deferred Revenue | |
| State Department of Education | | | | | | | | |
| General Fund: | | | | | | | | |
| Equalization Aid | 19-495-034-5120-078 | \$ 2,683,582. | 07/01/18 | 06/30/19 | \$ 0. | \$ 0. | 273,190. | \$ 2,683,582. |
| Transportation Aid | 19-495-034-5120-014 | 197,184. | 07/01/18 | 06/30/19 | 0. | 0. | 19,718. | 197,184. |
| Categorical/Special Education Aid | 19-495-034-5120-089 | 279,437. | 07/01/18 | 06/30/19 | 0. | 0. | 27,944. | 279,437. |
| Categorical Security Aid | 19-495-034-5120-084 | 89,617. | 07/01/18 | 06/30/19 | 0. | 0. | 8,962. | 89,617. |
| Adjustment Aid | 19-495-034-5120-085 | 216,122. | 07/01/18 | 06/30/19 | 0. | 0. | 21,612. | 216,122. |
| On Behalf Reimb TPAF Post Retirement Medical | 19-495-034-5095-001 | 317,090. | 07/01/18 | 06/30/19 | 0. | 0. | 0. | 317,090. |
| On Behalf Reimb TPAF Pension | 19-495-034-5095-002 | 699,055. | 07/01/18 | 06/30/19 | 0. | 0. | 0. | 699,055. |
| On Behalf Reimb TPAF Non-Contributory Insurance | 19-495-034-5095-004 | 481. | 07/01/18 | 06/30/19 | 0. | 0. | 0. | 481. |
| Reimbursed TPAF Social Security Contributions | 19-495-034-5095-003 | 250,761. | 07/01/18 | 06/30/19 | 0. | 0. | 0. | 250,761. |
| Additional Non-Public Trans | 19-495-034-5120 | 3,190. | 07/01/18 | 06/30/19 | (3,190.) | 0. | 0. | 3,190. |
| Additional Non-Public Trans | 18-495-034-5120 | 2,320. | 07/01/17 | 06/30/18 | 0. | 0. | 0. | 0. |
| Total General Fund | | | | | (3,190.) | 0. | 351,426. | 4,736,519. |
| Special Revenue Fund: | | | | | | | | |
| Pre-School Education Aid | 19-495-034-5120-086 | 371,130. | 07/01/18 | 06/30/19 | 0. | 98,196. | 37,113. | 272,934. |
| Total Special Revenue Fund | | | | | 0. | 98,196. | 37,113. | 272,934. |
| Debt Service Fund: | | | | | | | | |
| Debt Service Aid Type II | 19-495-034-5120-125 | 113,266. | 07/01/18 | 06/30/19 | 0. | 0. | 0. | 113,266. |
| State Department of Agriculture | | | | | | | | |
| Enterprise Fund: | | | | | | | | |
| National School Lunch Program (State Share) | 19-100-010-3350-023 | 2,280. | 07/01/18 | 06/30/19 | (398.) | 0. | 0. | 2,280. |
| National School Lunch Program (State Share) | 18-100-010-3350-023 | 2,262. | 07/01/17 | 06/30/18 | 0. | 0. | 0. | 0. |
| Total Enterprise Fund | | | | | (398.) | 0. | 0. | 2,280. |
| Total State Financial Assistance | | | | | \$ (3,588.) | \$ 98,196. | \$ 0. | \$ 5,124,999. |

The Accompanying Notes to Schedules of Expenditures of Federal 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, 2019

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 2 CFR 200 - *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. 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 \$(15,470) for the general fund and \$(37,113) 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 | \$ 23,076. | \$ 4,721,049. | \$ 4,744,125. |
| Special Revenue Fund | 268,311. | 235,821. | 504,132. |
| Debt Service Fund | 0. | 113,266. | 113,266. |
| Food Service Fund | 103,095. | 2,281. | 105,376. |
| Total Financial Assistance | <u>\$ 394,482.</u> | <u>\$ 5,072,417.</u> | <u>\$ 5,466,899.</u> |

HOPEWELL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2019

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, 2019. 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, 2019.

NOTE 6. SUBRECIPIENTS

The District had no expenditures to subrecipients during the year ended June 30, 2019.

NOTE 7. INDIRECT COSTS

The District has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

HOPEWELL TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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 No
- 2. Significant Deficiencies identified that are not considered to be material weaknesses? Yes None Reported

Noncompliance material to general purpose financial statements noted? Yes No

Federal Awards

No major federal programs

State Awards

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000.

Auditee qualified as low risk auditee? Yes No

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

Internal Control over major programs:

- 1. Material weakness(es) identified? Yes No
- 2. Significant Deficiencies identified that are not considered to be material weaknesses? Yes None reported

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08? Yes No

Identification of major programs:

| <u>GMIS Number(s)</u> | <u>Name of State Program</u> |
|------------------------------|-------------------------------------|
| 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, 2019

(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, 2019
STATUS OF PRIOR YEAR FINDINGS

None Reported