

**HOPEWELL TOWNSHIP  
SCHOOL DISTRICT**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**JUNE 30, 2021**

**Responsibility of the Management of  
Hopewell Township School District  
Cumberland County, New Jersey**



**HOPEWELL TOWNSHIP  
SCHOOL DISTRICT**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**For the Fiscal Year Ended June 30, 2021**

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# 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

March 10, 2022

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

Dear Board Members:

The annual comprehensive financial report of the Hopewell Township District for the fiscal year ended June 30, 2021, 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 annual comprehensive 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, as well as 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 PreK 3 through 8. These include regular and special education for handicapped youngsters. The District completed the - fiscal year with an enrollment of 495.0 students, which is an decrease from the previous year's enrollment. The following details the changes in the student enrollment of the district over the last 10 years.

**AVERAGE DAILY ENROLLMENT**

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2011-2012	517.6	(2.96)
2012-2013	508.4	(1.78)
2013-2014	515.1	1.32
2014-2015	490.0	(4.87)
2015-2016	494.1	.84
2016-2017	484.2	(2.00)
2017-2018	478.3	(1.22)
2018-2019	501.8	4.91
2019-2020	500.5	(.26)
2020-2021	488.3	(2.43)

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. 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, 2021.

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.
7. **DEBT ADMINISTRATION:** At June 30, 2021, the District's outstanding debt issues included \$946,000 of general obligation bonds for additions and renovations to the Crest School and \$110,000 of general obligation bonds for land acquisition.
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 BKC, CPAs, PC, 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,

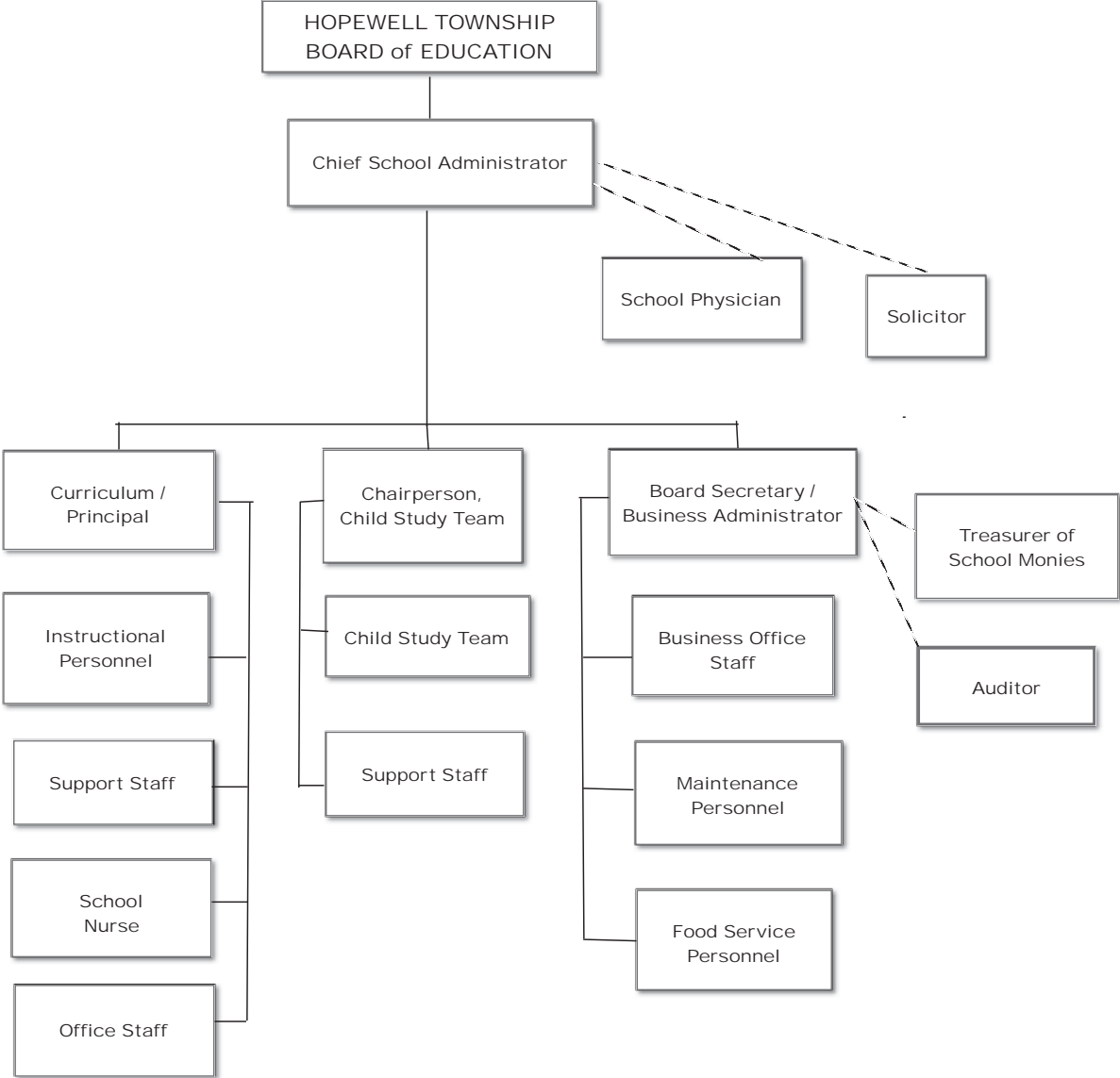


Meghan Lammersen  
Superintendent/Principal



Stephanie Kuntz  
Business Administrator/Board Secretary

# Hopewell Township School District Organizational Chart



**HOPEWELL TOWNSHIP BOARD OF EDUCATION  
BOARD OF EDUCATION  
Roster of Officials  
June 30, 2021**

<b>Members of the Board of Education</b>	<b>Title</b>	<b>Term Expires</b>
Kenneth Freitag	President	2022
Edward Kennedy	Vice President	2021
Karen Johns		2021
Arthur Marchand		2022
Ross Stanger		2022
Sharon Campbell		2023
Frank DeVita		2023
Christopher Krutzsch		2023
Vacant		
<b>Other Officials</b>	<b>Title</b>	
Meghan Lammersen	Superintendent/Principal	
Stephanie Kuntz	Business Administrator/Board Secretary	
Susan Anatasio-Quinones	Treasurer of School Monies	
Alicia D'Anella	Solicitor	

**HOPEWELL TOWNSHIP SCHOOL DISTRICT  
BOARD OF EDUCATION  
Consultants and Advisors  
June 30, 2021**

**ARCHITECT**

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

**ATTORNEY**

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

**AUDIT FIRM**

BKC, CPAs, PC  
39 State Route 12, Suite 2  
Flemington, NJ 08822

**OFFICIAL DEPOSITORY**

Newfield National Bank  
Southwest Boulevard  
Newfield, NJ 08344



Certified Public Accountants, PC  
[www.bkc-cpa.com](http://www.bkc-cpa.com)

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## Independent Auditors' Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Hopewell Township School District (the District) in the County of Cumberland, as of and for the year ended June 30, 2021, and the related Notes to the Financial Statements, which collectively comprise the District's Basic Financial Statements as listed in the Table of Contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express an opinion 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 District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Hopewell Township School District, as of June 30, 2021, 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.

### Change in Accounting Principle

The District adopted new accounting guidance as promulgated by GASB Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

### 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 Schedules, Schedules Related to Accounting and Reporting for Pensions, and Schedules Related to Accounting and Reporting for Other Postemployment Employee Benefits listed in the Table of Contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's Basic Financial Statements. The introduction section, combining and individual fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and Schedule of Expenditures of State Financial Assistance required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also not a required part of the basic financial statements.

The combining and individual fund financial statements, Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of State Financial Assistance 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 combining and individual fund financial statements, Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



**BKC, CPAs, PC**



Michael Holk, CPA, PSA  
NO. 20CS00265600

March 10, 2022  
Flemington, New Jersey

**REQUIRED SUPPLEMENTARY INFORMATION - PART I**



**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
**Unaudited**

The discussion and analysis of Hopewell Township School District's (the District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

**Financial Highlights**

Key financial highlights for 2021 are as follows:

- In total, net position increased \$198,808 which represents a 2.25% increase from 2020.
- General revenues accounted for \$11,334,067 in revenue or 90.95% of all revenues. Program specific revenues in the form of charges for services, operating grants, and contributions accounted for \$1,127,329 or 9.05% to total revenues of \$12,461,396.
- Total assets of governmental activities decreased by \$109,045, as cash and cash equivalents decreased by \$234,577, receivables and other assets increased by \$354,470, and capital assets decreased by \$228,938.
- The School District had \$12,262,588 in expenses; only \$1,127,329 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) were \$11,334,067.
- Among major funds, the general fund had \$8,984,941 in revenues, \$8,699,654 in expenditures and transfers in of \$59,237 from the internal service fund. The general fund's balance increased \$344,524 from 2020.

**Using this Annual Comprehensive Financial Report (ACFR)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Hopewell Township School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Hopewell Township School District, the general fund is by far the most significant fund.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
**Unaudited**

**Reporting the School District as a Whole**

**Statement of Net Position and the Statement of Activities**

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question; "How did we do financially during fiscal year 2021?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in those assets. This change in net position is important because it tells the reader that, for the School District as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. No financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District reports governmental activities. Governmental activities are the activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

**Reporting the School District's Most Significant Funds**

**Fund Financial Statements**

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund, special revenue fund, capital projects fund and debt service fund.

**Governmental Funds**

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds measure and report the operating results by measuring cash on hand and other assets that can be easily converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provided.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
**Unaudited**

Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**The School District as a Whole**

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position at June 30, 2021 compared to June 30, 2020.

**Table 1**  
**Net Position**

	06/30/21	06/30/20	Variance	
			Dollars	Percent
<b>Assets</b>				
Current & other assets	\$ 2,661,586	\$ 2,569,161	\$ 92,425	3.60%
Capital assets	9,274,426	9,491,209	(216,783)	-2.28%
Total assets	11,936,012	12,060,370	(124,358)	-1.03%
<b>Deferred outflows of resources</b>				
Deferred amount on pension activity	292,449	293,243	(794)	-0.27%
Total deferred outflows of resources	292,449	293,243	(794)	-0.27%
<b>Liabilities</b>				
Long-term liabilities	2,268,676	2,563,923	(295,247)	-11.52%
Other liabilities	505,106	572,944	(67,838)	-11.84%
Total liabilities	2,773,782	3,136,867	(363,085)	-11.57%
<b>Deferred inflows of resources</b>				
Deferred amount on pension activity	426,871	387,746	39,125	10.09%
Total deferred inflows of resources	426,871	387,746	39,125	10.09%
<b>Net position</b>				
Net investment in capital assets	8,218,426	8,160,209	58,217	0.71%
Restricted	1,425,968	1,401,436	24,532	1.75%
Unrestricted	(616,586)	(732,645)	116,059	15.84%
Total net position	\$ 9,027,808	\$ 8,829,000	\$ 198,808	2.25%

Total assets decreased \$124,358. Cash and cash equivalents decreased by \$265,706, receivables and other assets increased by \$358,131, and capital assets decreased by \$216,783. Unrestricted net position, the part of net position that can be used to finance day to day activities without constraints established by grants or legal requirements, of the School District increased by \$116,059.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
**Unaudited**

The negative balance in unrestricted net position is the result of reporting required by GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

Table 2 shows the changes in net position for the fiscal year ended June 30, 2021 compared to June 30, 2020.

**Table 2**  
**Changes in Net Position**

	06/30/21	06/30/20	Variance	
			Dollars	Percent
<b>Revenues</b>				
Program revenues				
Charges for services	\$ 181,882	\$ 201,270	\$ (19,388)	-9.63%
Operating grants and contributions	945,447	681,570	263,877	38.72%
General revenues				
Property taxes	3,715,389	3,766,381	(50,992)	-1.35%
Grants and entitlements	7,394,744	6,205,915	1,188,829	19.16%
Other	223,934	131,021	92,913	70.91%
<b>Total revenues</b>	<u>12,461,396</u>	<u>10,986,157</u>	<u>1,475,239</u>	<u>13.43%</u>
<b>Expenses</b>				
Instruction				
Regular	5,739,894	5,005,449	734,445	14.67%
Special	1,927,665	1,500,377	427,288	28.48%
Other	42,920	138,159	(95,239)	-68.93%
Support services				
Tuition	84,033	150,586	(66,553)	-44.20%
Student & instructional related services	1,850,931	1,560,329	290,602	18.62%
General & business administration	655,239	549,304	105,935	19.29%
School administration	286,585	254,188	32,397	12.75%
Maintenance	831,695	828,186	3,509	0.42%
Transportation	440,505	536,518	(96,013)	-17.90%
Charter school	53,022	17,438	35,584	204.06%
Food service	230,609	231,236	(627)	-0.27%
Child care	58,770	74,766	(15,996)	-21.39%
Interest on long-term debt	60,720	71,579	(10,859)	-15.17%
<b>Total expenses</b>	<u>12,262,588</u>	<u>10,918,115</u>	<u>1,344,473</u>	<u>12.31%</u>
<b>Increase (decrease) in net position</b>	<u>\$ 198,808</u>	<u>\$ 68,042</u>	<u>\$ 130,766</u>	<u>192.18%</u>

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
**Unaudited**

**Governmental Activities**

Local property taxes made up 30.45% of revenues for governmental activities for the Hopewell Township School District for fiscal year 2021.

Instruction comprises 62.88% of district expenses. Support services expenses and interest on long term debt make up 37.12% of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 provides a summary of the School District's cost of governmental services in fiscal year ending June 30, 2021 compared to June 30, 2020.

**Table 3**  
**Cost of Governmental Services**

	Total Cost of Services		Net Cost of Services	
	06/30/21	06/30/20	06/30/21	06/30/20
Instruction	\$ 7,710,479	\$ 6,643,985	\$ 7,102,341	\$ 6,253,789
Support services				
Tuition	84,033	150,586	-	22,582
Student & instructional staff	1,850,931	1,560,329	1,719,941	1,517,390
General & business administration	655,239	549,304	655,239	549,304
School administration	286,585	254,188	286,585	254,188
Plant operations & maintenance	831,695	828,186	831,695	828,186
Pupil transportation	440,505	536,518	396,790	505,993
Charter school	53,022	17,438	53,022	17,438
Food services	230,609	231,236	(4,219)	487
Child care	58,770	74,766	33,145	14,339
Interest on long-term debt	60,720	71,579	60,720	71,579
Total expenses	<u>\$ 12,262,588</u>	<u>\$ 10,918,115</u>	<u>\$ 11,135,259</u>	<u>\$ 10,035,275</u>

Instructional expenses include activities dealing directly with the teaching of pupils and the interaction between teacher and student.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students.

General administration, school administration, and business administration include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in a safe and effective working condition.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
**Unaudited**

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.

The dependence upon tax revenues is apparent. For all activities, general revenue support is 90.95%. The community, as a whole, is the primary support or funding source for the Hopewell Township School District.

### **The School District's Funds**

Information about the School District's major funds starts in the section entitled Fund Financial Statements. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$9,985,439 and expenditures of \$9,788,321. The general fund had a increase in fund balance of \$344,524.

### **General Fund Budgeting Highlights**

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund.

The School District uses program-based budgeting. The budgeting systems are designed to tightly control total program budgets but provide the flexibility for program management.

For the general fund, budgetary basis revenue was \$7,473,477, \$258,101 above original budgeted estimates of \$7,215,376. This difference was due primarily to increased tuition and other miscellaneous revenues.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
**Unaudited**

**Capital Assets**

At the end of the fiscal year 2021, the School District had \$9,274,426 invested in land, building, furniture, equipment and vehicles. Table 4 shows June 30, 2021 balances compared to June 30, 2020.

**Table 4**  
**Capital Assets at Year End (Net of Depreciation)**

	06/30/21	06/30/20	Variance	
			Dollars	Percent
Land	\$ 257,900	\$ 257,900	\$ -	0.00%
Construction in progress	12,330	-	12,330	*
Land (site) improvements	1,229,958	1,294,696	(64,738)	-5.00%
Buildings & improvements	7,498,624	7,687,492	(188,868)	-2.46%
Furniture & equipment	275,614	251,121	24,493	9.75%
	<u>\$ 9,274,426</u>	<u>\$ 9,491,209</u>	<u>\$ (216,783)</u>	<u>-2.28%</u>

\* = Undefined

Overall capital assets decreased \$216,783 from fiscal year 2020 to fiscal year 2021. Increases in capital assets were offset by depreciation expenses for the year.

**Long-term liabilities**

At June 30, 2021, the School District had \$2,268,676 of outstanding long-term liabilities. This amount is detailed in Table 5 below for June 30, 2021 compared to June 30, 2020.

**Table 5**  
**Long-Term Liabilities at Year End**

	06/30/21	06/30/20	Variance	
			Dollars	Percent
General obligation bonds payable	\$ 1,056,000	\$ 1,331,000	\$ (275,000)	-20.66%
Compensated absences payable	212,260	197,556	14,704	7.44%
PERS net pension liability	1,000,416	1,035,367	(34,951)	-3.38%
	<u>\$ 2,268,676</u>	<u>\$ 2,563,923</u>	<u>\$ (295,247)</u>	<u>-11.52%</u>

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
**Unaudited**

**For the Future**

The District has committed itself to financial excellence. The School District plans to continue its sound fiscal management to meet the challenges of the future. The safety and security of our students, staff, parents and community is a priority for the district.

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, kindly contact Stephanie Kuntz, School Business Administrator/Board Secretary at Hopewell Township School District, 122 Sewall Road, Bridgeton, NJ, 08032.



## **DISTRICT-WIDE FINANCIAL STATEMENTS**

The Statement of Net Position and the Statement of Activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Statement of Net Position**  
**June 30, 2021**

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 571,712	\$ 110,632	\$ 682,344
Due from other funds, net	-	4,849	4,849
Receivables, net	519,233	21,628	540,861
Inventory	-	7,612	7,612
<b>Restricted assets</b>			
Capital reserve account - cash	661,805	-	661,805
Maintenance reserve - cash	477,477	-	477,477
Student activities - cash	29,264	-	29,264
Unemployment claims - cash	208,478	-	208,478
Capital projects - cash	48,896	-	48,896
<b>Capital assets, net</b>			
Land	257,900	-	257,900
Construction in progress	12,330	-	12,330
Other capital assets, net of depreciation	8,899,689	104,507	9,004,196
Total assets	<u>11,686,784</u>	<u>249,228</u>	<u>11,936,012</u>
Deferred outflows of resources	<u>292,449</u>	<u>-</u>	<u>292,449</u>
<b>Liabilities</b>			
Accounts payable	59,441	14,880	74,321
Due to other governments	1,176	-	1,176
Accrued interest	14,273	-	14,273
Due to other funds, net	4,849	-	4,849
Other current liabilities	53,182	-	53,182
Payroll deductions and withholdings payable	8,262	-	8,262
Unearned revenue	326,676	15,066	341,742
Unemployment compensation claims payable	7,301	-	7,301
<b>Long-term liabilities</b>			
Due within one year	280,000	-	280,000
Due beyond one year	1,988,676	-	1,988,676
Total liabilities	<u>2,743,836</u>	<u>29,946</u>	<u>2,773,782</u>
Deferred inflows of resources	<u>426,871</u>	<u>-</u>	<u>426,871</u>

See accompanying notes to financial statements.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Statement of Net Position (continued)**  
**June 30, 2021**

	Governmental Activities	Business-Type Activities	Total
Net position			
Net investment in capital assets	\$ 8,113,919	\$ 104,507	\$ 8,218,426
Restricted for			
Capital reserve	661,805	-	661,805
Maintenance reserve	477,477	-	477,477
Student activities	29,264	-	29,264
Unemployment claims	202,695	-	202,695
Capital projects	48,896	-	48,896
Internal service fund	5,831	-	5,831
Unrestricted	(731,361)	114,775	(616,586)
Total net position	\$ 8,808,526	\$ 219,282	\$ 9,027,808

See accompanying notes to financial statements.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2021**

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business-Type Activities	Total
Governmental activities								
Instruction								
Regular	\$ 2,755,993	\$ 2,983,901	\$ 88,896	\$ 322,139	\$ -	\$ (5,328,859)	\$ -	\$ (5,328,859)
Special education	693,793	962,190	-	114,545	-	(1,541,438)	-	(1,541,438)
Other special education	133,329	138,353	-	82,558	-	(189,124)	-	(189,124)
Other instruction	39,069	3,851	-	-	-	(42,920)	-	(42,920)
Support services								
Tuition	84,033	-	-	84,033	-	-	-	-
Students & instruction related services	1,022,633	828,298	25,737	105,253	-	(1,719,941)	-	(1,719,941)
General & business administration services	484,723	170,516	-	-	-	(655,239)	-	(655,239)
School administration services	150,647	135,938	-	-	-	(286,585)	-	(286,585)
Plant operations & maintenance	738,138	93,557	-	-	-	(831,695)	-	(831,695)
Pupil transportation	440,505	-	-	43,715	-	(396,790)	-	(396,790)
Charter schools	53,022	-	-	-	-	(53,022)	-	(53,022)
Interest on long-term debt	60,720	-	-	-	-	(60,720)	-	(60,720)
Total governmental activities	<u>6,656,605</u>	<u>5,316,604</u>	<u>114,633</u>	<u>752,243</u>	<u>-</u>	<u>(11,106,333)</u>	<u>-</u>	<u>(11,106,333)</u>
Business-type activities								
Food service	230,609	-	41,624	193,204	-	-	4,219	4,219
Child care	58,770	-	25,625	-	-	-	(33,145)	(33,145)
Total business-type activities	<u>289,379</u>	<u>-</u>	<u>67,249</u>	<u>193,204</u>	<u>-</u>	<u>-</u>	<u>(28,926)</u>	<u>(28,926)</u>
Total primary government	<u>\$ 6,945,984</u>	<u>\$ 5,316,604</u>	<u>\$ 181,882</u>	<u>\$ 945,447</u>	<u>\$ -</u>	<u>(11,106,333)</u>	<u>(28,926)</u>	<u>(11,135,259)</u>
General revenues, special items and transfers								
Property taxes levied for general purposes						3,609,744	-	3,609,744
Property taxes levied for debt service						105,645	-	105,645
Federal and state aid not restricted						7,394,744	-	7,394,744
Investment earnings						2,031	-	2,031
Miscellaneous income						221,657	-	221,657
Sale of equipment						-	246	246
Total general revenues, special items and transfers						<u>11,333,821</u>	<u>246</u>	<u>11,334,067</u>
Change in net position						227,488	(28,680)	198,808
Net position - beginning (restated)						8,581,038	247,962	8,829,000
Net position - ending						<u>\$ 8,808,526</u>	<u>\$ 219,282</u>	<u>\$ 9,027,808</u>

See accompanying notes to financial statements.

## **FUND FINANCIAL STATEMENTS**

The individual fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2021**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 377,341	\$ 188,540	\$ -	\$ -	\$ 565,881
Receivables from other governments					
State	33,081	-	-	-	33,081
Federal	-	143,520	-	-	143,520
Local	317,079	-	-	-	317,079
Other accounts receivables	25,553	-	-	-	25,553
Restricted cash and cash equivalents	1,347,760	29,264	48,896	-	1,425,920
Total assets	<u>\$ 2,100,814</u>	<u>\$ 361,324</u>	<u>\$ 48,896</u>	<u>\$ -</u>	<u>\$ 2,511,034</u>
<b>Liabilities and fund balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 21,308	\$ 38,133	\$ -	\$ -	\$ 59,441
Due to other governments					
Federal	-	539	-	-	539
Local	637	-	-	-	637
Interfund payable	4,849	-	-	-	4,849
Payroll deductions and withholdings payable	8,262	-	-	-	8,262
Other current liabilities	53,182	-	-	-	53,182
Unearned revenue	-	326,676	-	-	326,676
Unemployment compensation claims payable	7,301	-	-	-	7,301
Total liabilities	<u>95,539</u>	<u>365,348</u>	<u>-</u>	<u>-</u>	<u>460,887</u>

See accompanying notes to financial statements.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Governmental Funds**  
**Balance Sheet (continued)**  
**June 30, 2021**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Liabilities and fund balances					
Fund balances					
Restricted fund balance					
Excess surplus - designated for subsequent year's expenditures	\$ 28,034	\$ -	\$ -	\$ -	\$ 28,034
Excess surplus - current year	561,962	-	-	-	561,962
Capital reserve	661,805	-	-	-	661,805
Maintenance reserve	477,477	-	-	-	477,477
Student activities	-	29,264	-	-	29,264
Unemployment claims	202,695	-	-	-	202,695
Capital projects	-	-	48,896	-	48,896
Committed fund balance					
Year-end encumbrances	27,680	-	-	-	27,680
Assigned fund balance					
Designated for subsequent year's expenditures	66,966	-	-	-	66,966
Unassigned fund balance	(21,344)	(33,288)	-	-	(54,632)
Total fund balances	<u>2,005,275</u>	<u>(4,024)</u>	<u>48,896</u>	<u>-</u>	<u>2,050,147</u>
Total liabilities and fund balances	<u>\$ 2,100,814</u>	<u>\$ 361,324</u>	<u>\$ 48,896</u>	<u>\$ -</u>	

Statement of Net Position (A-1) are different because:

Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$16,927,097 and the accumulated depreciation is \$7,757,178.	9,169,919
Deferred outflows and inflows of resources are applicable to future periods and, therefore, are not reported in the funds.	(134,422)
Internal service funds are used by the District to charge the costs of shared business services and curriculum coordinator. The assets and liabilities of the internal service funds are included with governmental activities.	5,831
Long-term liabilities, including bonds payable and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(2,268,676)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	<u>(14,273)</u>
Total net position of governmental activities	<u>\$ 8,808,526</u>

See accompanying notes to financial statements.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Governmental Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Fiscal Year Ended June 30, 2021**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>Revenues</b>					
Local sources					
Local tax levy	\$ 3,609,744	\$ -	\$ -	\$ 105,645	\$ 3,715,389
Tuition					
Individuals	38,959	-	-	-	38,959
Other LEAs within the state	49,937	-	-	-	49,937
Interest	2,031	-	-	-	2,031
Miscellaneous	221,657	76,949	-	-	298,606
Total local sources	3,922,328	76,949	-	105,645	4,104,922
State sources	5,036,253	317,076	-	116,873	5,470,202
Federal sources	26,360	383,955	-	-	410,315
Total revenues	8,984,941	777,980	-	222,518	9,985,439
<b>Expenditures</b>					
Current					
Instructional					
Regular instruction	2,444,717	311,276	-	-	2,755,993
Special education instruction	693,793	-	-	-	693,793
Other special instruction	50,771	82,558	-	-	133,329
Other instruction	39,069	-	-	-	39,069
Support service & undistributed costs					
Tuition	-	84,033	-	-	84,033
Student & instruction related services	892,611	130,022	-	-	1,022,633
General & business administrative services	484,723	-	-	-	484,723
School administrative services	150,647	-	-	-	150,647
Plant operations & maintenance	738,138	-	-	-	738,138
Pupil transportation	396,790	43,715	-	-	440,505
Unallocated benefits	2,572,846	114,545	-	-	2,687,391

See accompanying notes to financial statements.



**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Governmental Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)**  
**For the Fiscal Year Ended June 30, 2021**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Expenditures (cont'd)					
Capital outlay	\$ 165,345	\$ -	\$ -	\$ -	\$ 165,345
Charter schools	53,022	-	-	-	53,022
Debt service					
Principal	-	-	-	275,000	275,000
Interest & other charges	17,182	-	-	47,518	64,700
Total expenditures	<u>8,699,654</u>	<u>766,149</u>	<u>-</u>	<u>322,518</u>	<u>9,788,321</u>
Excess (deficit) of revenues over (under) expenditures	285,287	11,831	-	(100,000)	197,118
Other financing sources (uses)					
Operating transfers in (out)	59,237	-	(100,000)	100,000	59,237
Total other financing sources (uses)	<u>59,237</u>	<u>-</u>	<u>(100,000)</u>	<u>100,000</u>	<u>59,237</u>
Net change in fund balance	344,524	11,831	(100,000)	-	256,355
Fund balances, July 1 (as restated)	<u>1,660,751</u>	<u>(15,855)</u>	<u>148,896</u>	<u>-</u>	<u>1,793,792</u>
Fund balances, June 30	<u><u>\$ 2,005,275</u></u>	<u><u>\$ (4,024)</u></u>	<u><u>\$ 48,896</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,050,147</u></u>

See accompanying notes to 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 Fiscal Year Ended June 30, 2021**

Total net changes in fund balances - Governmental fund (from B-2)	\$ 256,355
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 expenses. This is the amount by which depreciation exceeds capital outlays in the period:	
Capital outlays	\$ 165,345
Depreciation expense	<u>(394,283)</u> (228,938)
Repayment of debt principal and capital leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and are not reported in the Statement of Activities:	
Debt principal payments	275,000
In the Statement of Activities, interest on long-term debt is accrued regardless of when due. In the governmental funds interest is reported when due. The accrued interest is a reconciling item.	
	3,980
Governmental funds report district pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.	
	(4,968)
In the Statement of Activities, compensated absences and early retirement benefits 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 a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.	
	(14,704)
The activities of the internal service fund are not recognized in the governmental funds but are included as governmental activities on the Statement of Activities.	
	<u>(59,237)</u>
Change in net position of governmental activities	<u><u>\$ 227,488</u></u>

See accompanying notes to financial statements.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Proprietary Funds**  
**Combining Statement of Net Position**  
**June 30, 2021**

	Enterprise Funds			Governmental Activities - Internal Service Funds		
	Food Service	Child Care	Total	Shared Business Services	Curriculum Coordinator	Total
Assets						
Current assets						
Cash and cash equivalents	\$ 40,911	\$ 69,721	\$ 110,632	\$ -	\$ 5,831	\$ 5,831
Interfund receivable	4,849	-	4,849	-	-	-
Accounts receivable - other	-	7,724	7,724	-	-	-
Receivables from other governments						
State	1,115	-	1,115	-	-	-
Federal	12,789	-	12,789	-	-	-
Inventory	7,612	-	7,612	-	-	-
Total current assets	<u>67,276</u>	<u>77,445</u>	<u>144,721</u>	<u>-</u>	<u>5,831</u>	<u>5,831</u>
Noncurrent assets						
Capital assets	224,804	-	224,804	-	-	-
Less: accumulated depreciation	120,297	-	120,297	-	-	-
Total noncurrent assets	<u>104,507</u>	<u>-</u>	<u>104,507</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>171,783</u>	<u>77,445</u>	<u>249,228</u>	<u>-</u>	<u>5,831</u>	<u>5,831</u>

See accompanying notes to financial statements.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Proprietary Funds**  
**Combining Statement of Net Position (continued)**  
**June 30, 2021**

	Enterprise Funds			Governmental Activities - Internal Service Funds		
	Food Service	Child Care	Total	Shared Business Services	Curriculum Coordinator	Total
Liabilities						
Current liabilities						
Accounts payable	\$ 14,843	\$ 37	\$ 14,880	\$ -	\$ -	\$ -
Unearned revenues - commodities	1,882	-	1,882	-	-	-
Unearned revenues - prepaid sales	1,849	11,335	13,184	-	-	-
Total liabilities	<u>18,574</u>	<u>11,372</u>	<u>29,946</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position						
Invested in capital assets, net of related debt	104,507	-	104,507	-	-	-
Unrestricted	48,702	66,073	114,775	-	5,831	5,831
Total net position	<u>\$ 153,209</u>	<u>\$ 66,073</u>	<u>\$ 219,282</u>	<u>\$ -</u>	<u>\$ 5,831</u>	<u>\$ 5,831</u>

See accompanying notes to financial statements.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Proprietary Funds**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Fiscal Year Ended June 30, 2021**

	Enterprise Funds			Governmental Activities - Internal Service Funds		
	Food Service	Child Care	Total	Shared Business Services	Curriculum Coordinator	Total
Operating revenues						
Charges for services						
Daily sales - reimbursable programs	\$ 37,730	\$ -	\$ 37,730	\$ -	\$ -	\$ -
Daily sales - non-reimbursable programs	3,894	-	3,894	-	-	-
Fees for services	-	25,625	25,625	-	-	-
Total operating revenues	<u>41,624</u>	<u>25,625</u>	<u>67,249</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating expenses						
Cost of sales - reimbursable programs	115,556	-	115,556	-	-	-
Commodity food costs	9,489	-	9,489	-	-	-
Salaries	35,948	45,947	81,895	-	-	-
Supports services - employee benefits	6,163	-	6,163	-	-	-
Purchased property services	13,881	-	13,881	-	-	-
Other purchased services						
Insurance	3,667	-	3,667	-	-	-
Management fee	30,900	-	30,900	-	-	-
Supplies and materials	4,007	6,255	10,262	-	-	-
Depreciation	10,770	-	10,770	-	-	-
Miscellaneous expenditures	228	6,568	6,796	-	-	-
Total operating expenses	<u>230,609</u>	<u>58,770</u>	<u>289,379</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating income (loss)	<u>(188,985)</u>	<u>(33,145)</u>	<u>(222,130)</u>	<u>-</u>	<u>-</u>	<u>-</u>

See accompanying notes to financial statements.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Proprietary Funds**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position (continued)**  
**For the Fiscal Year Ended June 30, 2021**

	Enterprise Funds			Governmental Activities - Internal Service Funds		
	Food Service	Child Care	Total	Shared Business Services	Curriculum Coordinator	Total
Non-operating revenues (expenses)						
State sources						
State school lunch program	\$ 5,867	\$ -	\$ 5,867	\$ -	\$ -	\$ -
Federal sources						
National school breakfast program						
Cash assistance	68,060	-	68,060	-	-	-
National school lunch program						
Cash assistance	109,788	-	109,788	-	-	-
Non-cash assistance (commodities)	9,489	-	9,489	-	-	-
Total non-operating revenues (expenses)	<u>193,204</u>	<u>-</u>	<u>193,204</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses) :						
Sale of equipment	246	-	246	-	-	-
Transfer out	-	-	-	(59,237)	-	(59,237)
Total other financing sources (uses)	<u>246</u>	<u>-</u>	<u>246</u>	<u>(59,237)</u>	<u>-</u>	<u>(59,237)</u>
Change in net position	4,465	(33,145)	(28,680)	(59,237)	-	(59,237)
Net position, beginning	<u>148,744</u>	<u>99,218</u>	<u>247,962</u>	<u>59,237</u>	<u>5,831</u>	<u>65,068</u>
Net position, ending	<u>\$ 153,209</u>	<u>\$ 66,073</u>	<u>\$ 219,282</u>	<u>\$ -</u>	<u>\$ 5,831</u>	<u>\$ 5,831</u>

See accompanying notes to financial statements.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Proprietary Funds**  
**Combining Statement of Cash Flows**  
**For the Fiscal Year Ended June 30, 2021**

	Enterprise Funds			Governmental Activities - Internal Service Funds		
	Food Service	Child Care	Total	Shared Business Services	Curriculum Coordinator	Total
Cash flows from operating activities						
Receipts from customers	\$ 42,684	\$ 22,611	\$ 65,295	\$ -	\$ -	\$ -
Payments to Food Service Management Co.	(158,977)	-	(158,977)	-	-	-
Payments to employees	-	(45,947)	(45,947)	-	-	-
Payments to vendors (net)	(40,230)	(12,823)	(53,053)	-	-	-
Net cash provided by (used for) operating activities	(156,523)	(36,159)	(192,682)	-	-	-
Cash flows from non-capital financing activities						
State sources	5,577	-	5,577	-	-	-
Federal sources	183,504	-	183,504	-	-	-
Interfund activity	(4,849)	-	(4,849)	(59,237)	-	(59,237)
Net cash provided by (used for) non-capital financing activities	184,232	-	184,232	(59,237)	-	(59,237)
Cash flows from capital financing activities						
Sale of equipment	246	-	246	-	-	-
Acquisition of equipment	(22,925)	-	(22,925)	-	-	-
Net cash provided by (used for) capital financing activities	(22,679)	-	(22,679)	-	-	-

See accompanying notes to financial statements.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Proprietary Funds**  
**Combining Statement of Cash Flows (continued)**  
**For the Fiscal Year Ended June 30, 2021**

	Enterprise Funds			Governmental Activities - Internal Service Funds		
	Food Service	Child Care	Total	Shared Business Services	Curriculum Coordinator	Total
Net increase (decrease) in cash and cash equivalents	\$ 5,030	\$ (36,159)	\$ (31,129)	\$ (59,237)	\$ -	\$ (59,237)
Cash and cash equivalents, beginning	35,881	105,880	141,761	59,237	5,831	65,068
Cash and cash equivalents, ending	<u>\$ 40,911</u>	<u>\$ 69,721</u>	<u>\$ 110,632</u>	<u>\$ -</u>	<u>\$ 5,831</u>	<u>\$ 5,831</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities						
Operating activities						
Operating income (loss)	\$ (188,985)	\$ (33,145)	\$ (222,130)	\$ -	\$ -	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities						
Depreciation	10,770	-	10,770	-	-	-
Federal food donation program	9,489	-	9,489	-	-	-
Increase (decrease) in accounts receivable	-	(790)	(790)	-	-	-
Increase (decrease) in accounts payable	14,843	(71)	14,772	-	-	-
(Increase) decrease in inventory	(3,388)	-	(3,388)	-	-	-
Increase (decrease) in unearned revenue	748	(2,153)	(1,405)	-	-	-
Net cash provided by (used for) operating activities	<u>\$ (156,523)</u>	<u>\$ (36,159)</u>	<u>\$ (192,682)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.



**NOTES TO THE FINANCIAL STATEMENTS**

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies

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

The basic financial statements include:

A Management's Discussion and Analysis (MD&A) providing an analysis of the Districts over-all financial position and results of operations.

Basic financial statements prepared using full-accrual accounting for all of the District's activities.

A. Reporting entity

The District is a Type II District located in the County of Cumberland, State of New Jersey. As a Type II District, the school district functions independently through a Board of Education. The Board is comprised of nine members elected to three-year-terms. The purpose of the District is to educate students in Grades K-8. The District serves the Township of Hopewell and Borough of Shiloh. The District had an approximate enrollment at June 30, 2021 of 495 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:

1. The organization is legally separate (can sue or be sued in their own name).
2. The District holds the corporate powers of the organization.
3. The District appoints a voting majority of the organization's board.
4. The District is able to impose its will on the organization.
5. The organization has the potential to impose a financial benefit/burden on the District.
6. There is a fiscal dependency by the organization on the District.

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

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The District has elected to treat all of its governmental funds as major funds and they are reported as separate columns in the fund financial statements.

During the year ended June 30, 2021, the District implemented the provisions detailed in GASB Statement No. 84, *Fiduciary Activities*. Based on a review of the financial records, the District has no funds that meet the criteria of a fiduciary fund.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, arbitrage rebates, and postemployment healthcare benefits, are recorded only when payment is due.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)  
Property taxes, tuition and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. As under New Jersey State Statute, a municipality is required to remit to its school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be accounts receivable. All other revenue items are considered to be measurable and available only when the District receives cash.

Amounts reported as program revenues include 1) charges to students for tuition, fees, rental, material, supplies, or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, and unrestricted state aids.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted, as they are needed.

The District reports the following major governmental funds:

*General Fund* - The general fund is the general operating fund of the District and 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 fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expense by Board Resolution.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

As a result of implementing GASB Statement No. 84, *Fiduciary Activities*, amounts maintained for unemployment claims and payroll withholdings for employee salary deductions are included in the general fund. Amounts maintained for unemployment claims are used to account for the portion of employee deductions for unemployment compensation required to be deposited and accumulated for future unemployment claims under the Benefit Reimbursement Method.

*Special Revenue Fund* - The District accounts for the proceeds of specific revenue sources 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 in the special revenue fund. As a result of implementing GASB Statement No. 84, *Fiduciary Activities*, amounts maintained for student activities and private purpose scholarships are included in the special revenue fund. The amounts are considered to be restricted and available to use for specific expenditures. Amounts maintained for student activities are derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities

*Capital Projects Fund* - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

*Debt Service Fund* - The debt service fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

Additionally, the District reports the following fund types:

Proprietary fund types

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

*Enterprise Fund* - The enterprise fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)  
Proprietary fund types (continued)

The District's enterprise fund is comprised of the food service fund and the school-aged childcare (SACC) fund.

*Internal Service Fund* – The internal service fund is utilized to charge costs for certain activities to individual funds or other governmental entities.

The District's internal service fund is comprised of the shared business services and curriculum coordinator. The curriculum coordinator and business services were inactive during the year.

All proprietary funds are accounted for on a current financial resource's measurement focus. This means that all assets and liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (total net position) segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

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

Equipment	12 - 20 years
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Fiduciary fund types

As stated in Note 1 (B), the district does not have funds that meet the criteria of a fiduciary fund as defined by GASB Statement No 84, *Fiduciary Activities*.

D. Budgets/budgetary control

Annual appropriated budgets are prepared in the Spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the County office and, if necessary, are voted upon at the annual school election in November. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line-item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum Chart of Accounts referenced in N.J.A.C. 6:23-16.2(f)1. All budget amendments must be approved by School Board Resolution.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

D. Budgets/budgetary control (continued)

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.

E. Encumbrances

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as reservations of fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as unearned revenues at fiscal year-end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year-end.

F. Tuition receivable

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

G. Tuition payable

Tuition charges for the fiscal year 2020-2021 are based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-term interfund receivable and payables

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

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

I. Inventories and prepaid items

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The commodities inventory value at balance sheet date is reported as unearned revenue as title does not pass to the school district until the commodities are used. Prepaid items in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2021.

J. Capital assets

Capital assets, which include land, land improvements, buildings and improvements, vehicles and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All reported capital assets, except for land and construction in progress, of the District are depreciated using the straight-line method over the following estimated lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements & portable classroom	20 - 50
Land improvements	20
Furniture	20
Maintenance equipment	15
Musical instruments	10
Athletic equipment	10
Audio visual equipment	10
Office equipment	5 - 10
Computer equipment	5 - 10

K. Compensated absences

The District accounts for compensated absences (e.g., unused vacation and sick leave) as directed by GASB Statement No. 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.



**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

K. Compensated absences (continued)

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. 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 Districts' agreements with the various employee unions.

The liability for compensated absences was accrued using the vesting method, whereby the liability is calculated by vesting balances as of the balance sheet date for which a payment is probable. Salary related payments for the employer's share of Social Security and Medicare taxes are included.

For the government-wide statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, in the fund financial statements, all of the compensated absences are considered long-term and therefore are not a fund liability. This represents a reconciling item between the fund and government-wide presentations.

L. Unearned revenue

Unearned revenue in the general fund and special revenue fund represents cash, which has been received but not yet earned. See Note 1 (E) regarding the special revenue fund.

Unearned revenue in the enterprise fund includes United States government commodity inventories at year-end. The aid revenue associated with this commodity inventory is deferred until it is used in the operations of the food service fund. Prepaid lunch debit card revenue balances at year-end are also included in unearned revenue.

M. Long-term obligations

In the government-wide financial statements and in internal service fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

N. Net position

Net position represents the difference between the sum of assets and deferred outflows of resources, and the sum of liabilities and deferred inflows of resources. Net position is classified into the following three components:

- Net investment in capital assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.
- Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by credits, grantors, or laws or regulations of their governments.
- Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The school district applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

O. Fund balances - governmental funds

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

- Non-spendable - 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.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

O. Fund balances - governmental funds (continued)

- 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:

When expenditure is incurred for purposes which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

P. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from those estimates.

Q. Allocation of indirect expenses

Certain expenses, which have not been charged to a specific function in the District's fund financial statements, have been allocated to the functions for the government-wide statements. Employee benefits, on-behalf TPAF Pension contributions, reimbursed TPAF Social Security contributions and compensated absences accruals have been allocated based on salaries by function. Depreciation expense which was not specifically identified by function has been allocated based on the current year expenses by function.

R. Deferred outflows/inflows of resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has three items that qualify for reporting in this category, deferred amount on pension activity, bond premium, and loss on refunding long-term debt. In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category, deferred amount on pension activity and gain on refunding long-term debt.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 2 - Tax assessments and property taxes

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners.

Upon the filing of certified adopted budgets by the municipality, the municipality's local school districts, and the County, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June. The taxes are due August 1 and November 1 respectively, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding fiscal year are based upon one-half of the current year's total tax.

Tax installments not paid on or before the due date are subject to interest penalties of eight percent per annum on the first \$1,500 of the delinquency and eighteen percent per annum on any amount in excess of \$1,500. Pursuant to Chapter 75, PL 1991, the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed six percent of the amount of the delinquency. These interest and penalties are the highest permitted under the New Jersey statutes. Delinquent taxes are annually included in a tax sale in accordance with New Jersey statutes.

School taxes are guaranteed, as to amount of collection, by the municipality (the collection agency) and are transmitted to the school district in accordance with the Schedule of Tax Installments as certified by the school district's Board of Education on an annual basis.

Note 3 - Deposits and cash equivalents and investments

Cash and cash equivalents include petty cash, change funds, and cash in banks. As of June 30, 2021, the District had no investments.

New Jersey Governmental Units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey Governmental Units. In addition, other state statutes permit investments in obligations issued by local authorities and other state agencies. The State of New Jersey does not place any limit on the amount that the District may invest with any one issuer.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 3 - Deposits, cash equivalents, and investments (continued)

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.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of Governmental Units. The statute requires that no Governmental Unit shall deposit public funds in a 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 saving banks the deposits of which are federally insured.

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District does not have a policy for custodial credit risk. New Jersey statutes require that cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds, employee salary withholdings, or funds that may pass to the District relative to the happening of a future condition.

As of June 30, 2021, the District's bank balances were exposed to custodial credit risk as follows:

Insured by the FDIC	\$ 250,000
Insured by GUDPA	2,066,290
Total bank balances	\$ 2,316,290

Deposits at June 30, 2021 appear in the financial statements as summarized below:

Cash		\$ 2,108,264
	<u>Ref.</u>	
Unrestricted cash		
Governmental funds, Balance Sheet	B-1	\$ 565,881
Enterprise funds, Statement of Net Position	B-4	110,632
Internal service funds, Statement of Net Position	B-4	5,831
Restricted cash		
Governmental funds, Balance Sheet	B-1	1,425,920
Total cash		\$ 2,108,264

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 4 - Capital assets

Capital asset activity for the fiscal year ended June 30, 2021 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 257,900	\$ -	\$ -	\$ 257,900
Construction in progress	-	12,330	-	12,330
Total	<u>257,900</u>	<u>12,330</u>	<u>-</u>	<u>270,230</u>
Capital assets, being Depreciated				
Land improvements	1,719,837	4,550	-	1,724,387
Building & improvements	14,209,729	105,684	-	14,315,413
Furniture & equipment	576,386	42,781	2,100	617,067
Total	<u>16,505,952</u>	<u>153,015</u>	<u>2,100</u>	<u>16,656,867</u>
Accumulated depreciation				
Land improvements	425,141	69,288	-	494,429
Building & improvements	6,522,237	294,552	-	6,816,789
Furniture & equipment	417,617	30,443	2,100	445,960
Total	<u>7,364,995</u>	<u>394,283</u>	<u>2,100</u>	<u>7,757,178</u>
Total capital assets, being depreciated, net	<u>9,140,957</u>	<u>(241,268)</u>	<u>-</u>	<u>8,899,689</u>
Governmental activities capital assets, net	<u>\$ 9,398,857</u>	<u>\$ (228,938)</u>	<u>\$ -</u>	<u>\$ 9,169,919</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business type activities				
Furniture & equipment	\$ 206,279	\$ 22,925	\$ 4,400	\$ 224,804
Less: accumulated depreciation	113,927	10,770	4,400	120,297
Business type activities capital assets, net	<u>\$ 92,352</u>	<u>\$ 12,155</u>	<u>\$ -</u>	<u>\$ 104,507</u>

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 4 - Capital assets (continued)

Depreciation expense was charged to governmental functions in the current year as follows:

Instruction		
Regular	\$	205,724
Special education		51,789
Other special instruction		9,953
Other instruction		2,916
Support services		
Student & instruction		76,335
General & business administration		36,183
School administration		11,245
Plant maintenance		138
Total depreciation expense, governmental activities	\$	<u>394,283</u>

Note 5 - Long-term debt

Long-term liability activity for the year ended June 30, 2021 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds payable	\$ 1,331,000	\$ -	\$ 275,000	\$ 1,056,000	\$ 280,000
Compensated absences payable	197,556	14,704	-	212,260	-
PERS net pension liability	<u>1,035,367</u>	-	<u>34,951</u>	<u>1,000,416</u>	-
Total governmental activities long-term liabilities	<u>\$ 2,563,923</u>	<u>\$ 14,704</u>	<u>\$ 309,951</u>	<u>\$ 2,268,676</u>	<u>\$ 280,000</u>

Payments on the general obligation bonds are made in the debt service fund from property taxes and state aid. The other long-term debts are paid in the current expenditures budget of the District's general fund.

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2021, including interest payments are listed as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
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	<u>\$ 1,056,000</u>	<u>\$ 85,191</u>	<u>\$ 1,141,191</u>

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 5 - Long-term debt (continued)  
*General Obligation Bonds* - General obligation school building bonds payable at June 30, 2021, with their outstanding balances are comprised of the following individual issues:

\$2,821,000 - 2009 refunding school bonds, interest at 3.00% to 4.30%, due in annual installments beginning September 1, 2010 to September 1, 2024.	\$ 946,000
\$375,000 - 2015 refunding school bonds, interest at 2.25%, due in annual installments beginning July 1, 2015 to July 1, 2023.	110,000
Total	\$ 1,056,000

The general obligation bonded debt of the District is limited by state law to 3% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2021 is \$10,956,317. General obligation debt at June 30, 2021 is \$1,056,000, resulting in a legal debt margin of \$9,900,317.

Note 6 - Pension plans

Description of systems

Substantially all of the Board's employees participate in one of the following defined benefit public employee retirement systems which have been established by state statute: The Teachers' Pension and Annuity Fund (TPAF), Public Employees' Retirement System (PERS) and the Defined Contribution Retirement Program (DCRP). The PERS and TPAF systems are sponsored and administered by the State of New Jersey. The DCRP system is administered by Prudential Financial for the Division of Pensions and Benefits. The TPAF retirement system is considered a multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers.

A. Public employees' retirement systems (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 annual financial statements which can be found at [www.state.nj.us/treasury/pensions/annual-reports/shtml](http://www.state.nj.us/treasury/pensions/annual-reports/shtml).



**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Plan description (continued)

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service.

The following represents the membership tiers for PERS:

Tier	Definition
1	Members enrolled prior to July 1, 2007
2	Members eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members 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 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.

Allocation methodology and reconciliation to financial statements

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the state and local groups of the plan.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Allocation methodology and reconciliation to financial statements (continued)

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedule of pension amounts by employer and nonemployer. The allocation percentages for each group as of June 30, 2020 measurement date are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2020 measurement date.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocations and applied to amounts presented in the schedule of pension amounts by employer and nonemployer are based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2019 through June 30, 2020. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A 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 State fiscal year 2020, 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, PL 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.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Contributions (continued)

The District's contractually required contribution rate for the year ended June 30, 2021 was 18.01% of the District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

The contribution rate was 7.50% of base salary effective July 1, 2018.

Collective net pension liability and actuarial information

The components of the District's allocable share of the net pension liability for PERS as of measurement date June 30, 2020:

Net pension liability	\$ 1,000,416
Proportionate share	0.0061347435%

Plan fiduciary net position as a percentage of the total pension liability	58.32%
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The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions:

Inflation rate	
Price	2.75%
Wage	3.25%

Salary increases (based on years of service)	
Through 2026	1.65% - 4.15%
Thereafter	2.65% - 5.15%

Investment rate of return	7.00%
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Preretirement mortality rates were based on the Pub-10 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 generational basis. Mortality improvement is based on Scale MP-2020.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Collective net pension liability and actuarial information (continued)

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

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, 2020 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
U.S. equity	27.00%	7.71%
Non-U.S. developed markets equity	13.50%	8.57%
Emerging markets equity	5.50%	10.23%
Private equity	13.00%	11.42%
Real assets	3.00%	9.73%
Real estate	8.00%	9.56%
High yield	2.00%	5.95%
Private credit	8.00%	7.59%
Investment grade credit	8.00%	2.67%
Cash equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk mitigation strategies	3.00%	3.40%

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the District as of June 30, 2020, measurement date, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

District's proportionate share of the net pension liability

At current discount rate (7.00%)	\$ 1,000,416
At a 1% lower rate (6.00%)	1,269,260
At a 1% higher rate (8.00%)	786,837

Collective deferred outflows of resources and deferred inflows of resources

At the June 30, 2020 measurement date, the 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 expected and actual experience	\$ 18,216	\$ 3,538
Changes of assumptions	32,455	418,884
Net difference between projected and actual earnings on pension plan investments	34,195	-
Changes in proportion and differences between district contributions and proportionate share of contributions	140,472	4,449
District contributions subsequent to the measurement date	67,111	-
Total	\$ 292,449	\$ 426,871

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Collective deferred outflows of resources and deferred inflows of resources (continued)

The amount 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 ended June 30, 2021, the plan measurement date is June 30, 2020) of \$67,111 will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the fiscal year ended June 30, 2020 measurement date:

	<u>Beginning Balance</u>	<u>Net Change in Activity</u>	<u>Ending Balance</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 18,583	\$ (367)	\$ 18,216
Changes of assumptions			
Difference between projected and actual earnings on pension plan investments	103,385	(70,930)	32,455
	-	34,195	34,195
Deferred inflows of resources			
Differences between expected and actual experience	(4,574)	1,036	(3,538)
Changes of assumptions	(359,373)	(59,511)	(418,884)
Difference between projected and actual earnings on pension plan investments	(16,344)	16,344	-
Net of deferred outflows	<u>\$ (258,323)</u>	<u>\$ (79,233)</u>	<u>\$ (337,556)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding employer specific amounts, deferrals from District contributions subsequent to the measurement date, and deferrals from change on proportion) will be recognized in pension expense as follows:

<u>Fiscal Year Ended June 30,</u>	
2021	\$ (125,534)
2022	(114,449)
2023	(65,405)
2024	(26,448)
2025	(5,720)
Total	<u>\$ (337,556)</u>

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Pension expense

For the fiscal year ended June 30, 2021, the District recognized net pension expense of \$72,081, which represents the District's proportionate share of allocable plan pension expense of \$23,904, plus the net amortization of deferred amounts from changes in proportion of \$59,395, less other adjustments to the net pension liability of \$11,218. The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the District for the fiscal year ended June 30, 2020 measurement date are as follows:

Service cost	\$	47,260
Interest on total pension liability		153,988
Benefit changes		(1,056)
Member contributions		(33,592)
Administrative expense		804
Expected investment return net of investment expense		(90,650)
Pension expense related to specific liabilities of individual employers		(421)
Recognition (amortization) of deferred inflows/outflows of resources		
Differences between projected and actual experience		10,857
Changes of assumptions		(79,975)
Difference between projected and actual investment earnings on pension plan investments		16,689
Pension expense	<u>\$</u>	<u>23,904</u>

B. Teacher's pension and annuity fund (TPAF)

Plan description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a 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 annual financial statements which can be found at [www.state.nj.us/treasury/pensions/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-reports.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. 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.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)  
B. Teacher’s pension and annuity fund (TPAF) (continued)  
Plan description (continued)

The following represents the membership tiers for TPAF:

Tier	Definition
1	Members enrolled prior to July 1, 2007
2	Members eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members 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 with 25 years or more of service credit before age 62, and tier 5 before age 65 with 30 years or more 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 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 the State fiscal year 2020, the State’s pension contribution was less than the actuarial determined amount.

Special funding situation

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

In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the non-employer contributing entities’ total proportionate share of the collective pension expense associated with the local participating employer.



**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)

B. Teacher's pension and annuity fund (TPAF) (continued)

Special funding situation (continued)

During the State fiscal year ended June 30, 2020, the State of New Jersey contributed \$729,296 to the TPAF for normal pension benefits on behalf of the District.

The contribution rate was 7.50% of base salary effective July 1, 2018.

Collective net pension liability and actuarial information

The District's proportionate share of the net pension liability for TPAF for fiscal year ended June 30, 2020 measurement date is as follows:

District proportionate share of net pension liability	\$ 28,106,445
Less: State proportionate share of net pension liability	<u>6,913,736</u>
Net pension liability	<u>\$ 21,192,709</u>

Proportionate share	0.0321838968%
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Plan fiduciary net position as a percentage of the total pension liability	24.60%
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Actuarial assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases (based on age)	
2011 - 2026	1.55 - 4.45%
Thereafter	2.75 - 5.65%
Investment rate of return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)

B. Teacher's pension and annuity fund (TPAF) (continued)

Actuarial assumptions (continued)

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

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, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2020 measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
U.S. equity	27.00%	7.71%
Non-U.S. developed markets equity	13.50%	8.57%
Emerging markets equity	5.50%	10.23%
Private equity	13.00%	11.42%
Real assets	3.00%	9.73%
Real estate	8.00%	9.56%
High yield	2.00%	5.95%
Private credit	8.00%	7.59%
Investment grade credit	8.00%	2.67%
Cash equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk mitigation strategies	3.00%	3.40%

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)

B. Teacher’s pension and annuity fund (TPAF) (continued)

Discount rate

The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2020 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 78% of the actuarially determined contributions for the State. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the District as of June 30, 2020 measurement date, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

District’s proportionate share of the net pension liability

At current discount rate (5.40%)	\$ 21,192,709
At a 1% lower rate (4.40%)	24,893,318
At a 1% higher rate (6.40%)	18,119,974

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)

B. Teacher's pension and annuity fund (TPAF) (continued)

Pension expense

The components of the contractually required contribution, which exclude amounts related to specific liabilities of individual employers, for the District for the fiscal year ended June 30, 2020 measurement date are as follows:

Service cost	\$	527,911
Interest on total pension liability		1,503,206
Benefit changes		(5,375)
Member contributions		(278,435)
Administrative expense		4,339
Expected investment return net of investment expense		(489,847)
Pension expense related to specific liabilities of individual employers		1,525
Recognition (amortization) of deferred inflows/outflows of resources		
Differences between projected and actual experience		56,890
Changes of assumptions		(126,779)
Difference between projected and actual investment earnings on pension plan investments		124,418
Pension expense	\$	1,317,853

C. Defined contribution retirement program

The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch. 92, PL 2007 and expanded under the provisions of Ch. 89, PL 2008 and Ch. 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, 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 maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$8,400 in 2021) but who earn salary of at least \$5,000 annually are eligible to participate. The Program Administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program Web Site: [www.prudential.com/njdcprp](http://www.prudential.com/njdcprp).

Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. The District's contribution to the DCRP for fiscal year ended 2021 was \$6,912.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)

D. Other pension plan information

During the fiscal year ended June 30, 2021, the State of New Jersey contributed \$293,591 to the TPAF for postretirement medical benefits, \$17,492 for non-contributory insurance premiums, \$352 for long-term disability insurance, and \$919,347 for normal costs and accrued liability costs on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$276,172 during the year ended June 30, 2021 for the employer's share of Social Security contributions for TPAF members calculated on their base salaries. These amounts 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 with GASB Statement No. 68.

Note 7 - Postretirement benefits

The State of New Jersey provides post-retirement (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In fiscal year 2020, the State paid PRM benefits for 143,053 State and local retirees.

The State funds postretirement 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 2020, the State contributed \$1.578 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The State's pay-as-you-go contributions have decreased from fiscal year 2019 amounts. Reductions are attributable to various cost savings initiatives implemented by the State including Medicare Advantage contracts. The State has appropriated \$1.775 billion in fiscal year 2021 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. The fiscal year 2020 total State OPEB liability to provide these benefits is \$65.5 billion, a decrease of \$10.5 billion or 13.8 percent from the \$76 billion liability recorded in fiscal year 2019.

Total OPEB liability

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under Paragraphs 193 and 203 through 205 of GASB Statement No. 75 is zero percent. Accordingly, the District 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 District. Note that actual numbers will be published in the NJ State ACFR at <https://www.nj.gov/treasury/omb/fr.shtml>.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 7 - Postretirement benefits (continued)

Total OPEB liability (continued)

Under a special funding situation, the State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Therefore, the following OPEB liability note information is reported at the State's level and is not accrued by the District.

For purposes of reporting required GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District's proportionate share of allocable OPEB liability and employer OPEB expense and related revenue as of June 30, 2019 measurement date is as follows:

State's proportionate share of the OPEB liability	\$ 67,809,962,608
District's proportionate share of the State's OPEB liability	27,404,723
Employer OPEB expense and related revenue	897,405

Allocable proportionate percentage	0.0404140069%
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	Total OPEB Liability
Total OPEB liability at June 30, 2019	\$ 17,444,824
Service cost	530,801
Interest cost	621,120
Change of benefit terms	-
Differences between expected and actual experiences	4,264,709
Changes of assumptions	5,005,901
Member contributions	14,461
Gross benefit payments	(477,093)
Total OPEB liability at June 30, 2020	\$ 27,404,723

There were no changes of the benefit terms from June 30, 2019 to June 30, 2020.

Changes in the total OPEB liability

Changes of assumptions and other inputs reflect a change in the discount rate from 3.50% as of the June 30, 2019 plan measurement date to 2.21% as of the June 30, 2020 plan measurement date.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 7 - Postretirement benefits (continued)

Changes in the total OPEB liability (continued)

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

Inflation rate		2.50%
	TPAF	PERS
	(based on years of service)	(based on years of services)
Salary increases		
Through 2026	1.55% - 4.45%	2.00% - 6.00%
Thereafter	1.55% - 4.45%	3.00% - 7.00%

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP) and “General” (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018 and July 1, 2013 - June 30, 2018 for TPAF and PERS, respectively.

Health care trend assumptions

For Pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount rate

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 7 - Postretirement benefits (continued)

Sensitivity of the total OPEB liability to changes in the discount rates

The following presents the total non-employer OPEB liability as of June 30, 2019 measurement date, using the District's allocable proportionate percentage, calculated using the discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

Total OPEB Liability (school retirees)

At current discount rate (3.50%)	\$ 27,404,723
At a 1% lower rate (2.50%)	33,037,808
At a 1% higher rate (4.50%)	23,000,193

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total non-employer OPEB liability, as well as what the total non-employer OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Total OPEB Liability (school retirees)

Healthcare cost trend rate	\$ 27,404,723
At a 1% lower rate (1% decrease)	22,122,017
At a 1% higher rate (1% increase)	33,695,252

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB

For the fiscal year ended June 30, 2020, the District recognized OPEB expense of \$897,405 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 and in which there is a special funding situation.

In accordance with GASB Statement No. 75, the District's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources.

Note 8 - Inventory

Inventory in the food service fund as of June 30, 2021 consisted of the following:

Food	\$ 6,605
Supplies	1,007
Total	\$ 7,612



**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 9 - 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, permit 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:

Lincoln Investment Planning	AIG/Sunamerica
Valic	Prudential
FTJ Fund Choice	ING
GWN Marketing, Inc.	New York Life

Note 10 - Operating lease

At June 30, 2021, the District had operating lease agreements in effect for copy machines. The present value of the future minimum rental payments under the operating lease agreements are as follows:

2022	\$	14,085
2023		12,523
2024		12,523
2025		7,305
Total	\$	46,436

Note 11 - Contingent liabilities

Litigation

The District is involved in various legal proceedings that are incidental to its operations. These legal proceedings are not likely to have a material adverse effect on the financial position of the District.

Grantor agencies

Amounts received, or receivables, from grantor agencies could be subject to audit and adjusted by grantor agencies. Any disallowed claims, including amounts already collected, may result in a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amount, if any, to be immaterial.

Note 12 - Risk management

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

*Property and Liability Insurance* - The District maintains commercial insurance coverage for property, liability, and student accident and surety bonds. There was no significant reduction in insurance coverage from coverage of the prior year. The District did not have any insurance settlements which exceeded insurance coverage for the past three years. A complete Schedule of Insurance Coverage can be found in the Statistical Section of the Annual Comprehensive Financial Report.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 12 - Risk management (continued)

*New Jersey Unemployment Compensation Insurance* - The District has elected to fund its NJ Unemployment Compensation Insurance under the Benefit Reimbursement Method. Under this plan, the District is required to reimburse the NJ 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, and interest earnings, employee contributions, reimbursements to the State for benefits paid and the ending balance available for claims of the District's unemployment compensation insurance fund:

Fiscal Year	Other	Interest Earnings	Employee Contrib.	Amount Reimbursed	Ending Balance Available for Claims
2020 - 2021	\$ 4,673	\$ 144	\$ 7,301	\$ -	\$ 209,996
2019 - 2020	-	205	7,766	19,963	197,878
2018 - 2019	-	210	6,220	6,588	209,870

Note 13 - Legal reserve accounts

A capital reserve account was established by the District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long-Range Facilities Plan (LRFP) and updated annually in the Quality Single Accountability Continuum (QSAC). Upon submission of the LRFP to the Department of Education, a District may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to NJAC 6A:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Districts are allowed as per N.J.S.A. 18A:7F-41(a) and 41(b) to deposit to the legal reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District deposited \$200,000 to their capital reserve account and \$932 to their maintenance reserve account by Board Resolution in June 2021 as summarized in the following schedule. The following schedule is a summarization of the legal reserve accounts for the current year:

Reserve Type	Beginning Balance	District Contrib.	Interest Earnings	Return Unused Withdrawal	Withdrawal	Ending Balance
Capital	\$ 461,730	\$ 200,000	\$ 75	\$ 30,000	\$ 30,000	\$ 661,805
Maintenance	499,568	932	-	76,977	100,000	477,477
Total	\$ 961,298	\$ 200,932	\$ 75	\$ 106,977	\$ 130,000	\$ 1,139,282

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 14 - Fund balances

As described in Note 1 (O), fund balance may be restricted, committed or assigned. An analysis of the general fund balance on June 30, 2021 is as follows:

Restricted

Excess surplus - Designated for subsequent year's expenditures. Amount appropriated in the succeeding year's budget to reduce tax requirements.	\$ 28,034
Excess surplus - Represents amount in excess of allowable percentage of expenditures. In accordance with State statute, the excess surplus is designated for utilization in succeeding year's budgets.	561,962
Capital reserve account - Represents funds restricted to capital projects in the Districts long range facilities plan.	661,805
Maintenance reserve account - Represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A.18A:76-9).	477,477
Unemployment - Represents funds accumulated for future unemployment claims.	202,695

Committed

Year-end encumbrance - Represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30.	27,680
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Assigned

Designated for subsequent year's expenditures - represents amount appropriated in the succeeding year's budget to reduce tax requirements.	66,966
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Unassigned

Undesignated - Represents fund balance which has not been restricted or designated.	320,788
Total fund balance - Budgetary basis (Exhibit C-1)	2,347,407
Last state aid payments not recognized on GAAP basis	(342,132)
Total fund balance - GAAP basis (Exhibit B-1)	<u>\$ 2,005,275</u>

Note 15 - Calculation of excess surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by PL 2004, Ch. 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 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, 2021 is \$561,962.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 16 - Interfund receivables and payables

The composition of interfund balances as of June 30, 2021 is as follows:

	Receivable	Payable
General fund	\$ -	\$ 4,849
Food service fund	4,849	-
Total	\$ 4,849	\$ 4,849

The amount due of \$4,849 to the food service fund from the general fund represents after school snack fund money not yet transferred.

Note 17 - Restatement of prior year net position

During the fiscal year ended June 30, 2021, the District restated net position for governmental activities as of June 30, 2020 as a result of the implementation of GASB Statement No. 84:

	Governmental Activities
Net position, June 30, 2020	\$ 8,354,864
Additions	
Reserved fund balance - unemployment fund	197,878
Reserved fund balance - student activity fund	28,296
Net position, June 30, 2020, as restated	\$ 8,581,038

Note 18 - Restatement of prior year fund balance

During the fiscal year ended June 30, 2021, the District restated fund balance for the general fund and special revenue fund as of June 30, 2020 as a result of the implementation of GASB Statement No. 84:

	General Fund	Special Revenue Fund
Fund balance June 30, 2020	\$ 1,462,873	\$ (44,151)
Additions		
Reserved fund balance - unemployment fund	197,878	-
Reserved fund balance - student activity fund	-	28,296
Fund balance, June 30, 2020 as restated	\$ 1,660,751	\$ (15,855)

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

- Note 19 - Recent accounting pronouncements not yet effective  
The following is of recent accounting pronouncements which are not yet effective as of the year-end date of this report.
- In June 2017, GASB issued Statement No. 87, *Leases*. This statement, which is effective for reporting periods beginning after June 15, 2021, is not expected to have a material impact on the District's financial reporting.
- In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement is effective for reporting periods beginning after June 15, 2022. The District is evaluating the effect of the pronouncement on financial reporting.
- Note 20 - Deficit balance in unrestricted net position  
The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2021 of (\$731,361) on Schedule A-1 Statement of Net Position. The deficit balance is the result of reporting required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the state.
- Note 21 - Deficit fund balance in the general fund  
The District has a deficit fund balance of (\$21,344) in the general fund as of June 30, 2021 as reported in the fund statements. PL 2005, Chapter 97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last 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 inter-governmental transactions, GASB Statement No. 33 requires the recognition (revenue, expenditure, asset and 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 last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the state records the payable. Due to the timing difference of recording the last state aid payment, the general fund balance deficit does not alone indicate that the district is facing financial difficulties.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

- Note 22 - Deficit fund balance in the special revenue fund  
The District has a deficit fund balance of (\$33,288) in the special revenue fund as of June 30, 2021 as reported in the fund statements. PL 2005, Chapter 97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last 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 inter-governmental transactions, GASB Statement No. 33 requires the recognition (revenue, expenditure, asset and 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 last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the state records the payable. Due to the timing difference of recording the last state aid payment, the special revenue fund balance deficit does not alone indicate that the district is facing financial difficulties.
- Note 23 - Risks and uncertainties  
On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (The “COVID-19 outbreak”) and the risks to the international community as a virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.
- The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the District’s financial condition, liquidity, and future results of operations.
- Note 24 - Subsequent events  
The District has evaluated subsequent events through March 10, 2022, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**



**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2021**

	Unaudited		Final Budget	Actual	Variance Final to Actual
	Original Budget	Budget Transfers			
<b>Revenue</b>					
<b>Local sources</b>					
Local tax levy	\$ 3,609,744	\$ -	\$ 3,609,744	\$ 3,609,744	\$ -
Tuition from individuals	32,465	-	32,465	38,959	6,494
Tuition from other LEAs within the state	-	-	-	49,937	49,937
Unrestricted miscellaneous revenues	66,967	-	66,967	217,714	150,747
Interest earned on maintenance reserve	250	-	250	1,082	832
Interest earned on capital reserve funds	250	-	250	75	(175)
Other restricted miscellaneous revenues	-	-	-	4,817	4,817
<b>Total</b>	<u>3,709,676</u>	<u>-</u>	<u>3,709,676</u>	<u>3,922,328</u>	<u>212,652</u>
<b>State sources</b>					
Categorical transportation aid	197,184	-	197,184	197,184	-
Extraordinary aid	-	-	-	26,701	26,701
Categorical special education aid	279,437	-	279,437	279,437	-
Equalization aid	2,729,556	(5,877)	2,723,679	2,723,679	-
Categorical security aid	89,617	-	89,617	89,617	-
Adjustment aid	201,791	-	201,791	201,791	-
Other state aid	-	-	-	6,380	6,380
TPAF Pension (on-behalf)	-	-	-	936,839	936,839
TPAF Social Security (reimbursed)	-	-	-	276,172	276,172
TPAF Postretirement benefits	-	-	-	293,591	293,591
TPAF Long-term disability insurance	-	-	-	352	352
<b>Total</b>	<u>3,497,585</u>	<u>(5,877)</u>	<u>3,491,708</u>	<u>5,031,743</u>	<u>1,540,035</u>
<b>Federal Sources</b>					
Medicaid reimbursement	13,992	-	13,992	26,360	12,368
<b>Total</b>	<u>13,992</u>	<u>-</u>	<u>13,992</u>	<u>26,360</u>	<u>12,368</u>
<b>Total revenues</b>	<u>\$ 7,221,253</u>	<u>\$ (5,877)</u>	<u>\$ 7,215,376</u>	<u>\$ 8,980,431</u>	<u>\$ 1,765,055</u>
<b>Expenditures</b>					
<b>Current</b>					
<b>Instruction - regular program</b>					
<b>Salaries of teachers</b>					
Local contribution - transfer to special revenue - inclusion	\$ 25,606	\$ -	\$ 25,606	\$ 25,606	\$ -
Kindergarten	259,334	(25,606)	233,728	166,276	67,452
Grades 1-5	1,385,204	(2,701)	1,382,503	1,272,116	110,387
Grades 6-8	875,818	(100,000)	775,818	710,947	64,871
<b>Home instruction</b>					
Salaries of teacher	5,200	-	5,200	780	4,420
<b>Regular programs - undistributed instruction</b>					
Other salaries for instruction	20,000	-	20,000	-	20,000
Other purchased services	18,000	(5,877)	12,123	11,649	474
General supplies	220,413	(16,572)	203,841	202,736	1,105
Textbooks	58,000	(6,101)	51,899	51,899	-
Other objects	14,434	(11,200)	3,234	2,708	526
<b>Total</b>	<u>2,882,009</u>	<u>(168,057)</u>	<u>2,713,952</u>	<u>2,444,717</u>	<u>269,235</u>

See independent auditors' report.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule (continued)**  
**For the Fiscal Year Ended June 30, 2021**

	Unaudited		Final Budget	Actual	Variance Final to Actual
	Original Budget	Budget Transfers			
Expenditures (cont'd)					
Special education					
Learning and/or language disabilities					
Salaries of teachers	\$ 143,405	\$ (19,713)	\$ 123,692	\$ 116,141	\$ 7,551
Other salaries for instruction	229,444	(7,220)	222,224	156,175	66,049
General supplies	5,800	-	5,800	4,251	1,549
Textbooks	1,000	-	1,000	-	1,000
Total	<u>379,649</u>	<u>(26,933)</u>	<u>352,716</u>	<u>276,567</u>	<u>76,149</u>
Resource room/resource center					
Salaries of teachers	287,513	127,713	415,226	415,226	-
General supplies	2,000	-	2,000	2,000	-
Textbooks	500	-	500	-	500
Total	<u>290,013</u>	<u>127,713</u>	<u>417,726</u>	<u>417,226</u>	<u>500</u>
Total special education	<u>669,662</u>	<u>100,780</u>	<u>770,442</u>	<u>693,793</u>	<u>76,649</u>
Basic skills/remedial					
Salaries of teachers	41,284	7,220	48,504	48,504	-
General supplies	2,000	-	2,000	2,000	-
Total	<u>43,284</u>	<u>7,220</u>	<u>50,504</u>	<u>50,504</u>	<u>-</u>
Bilingual education - instruction					
General supplies	-	277	277	267	10
Total	<u>-</u>	<u>277</u>	<u>277</u>	<u>267</u>	<u>10</u>
School-sponsored co/extra curricular activities - instruction					
Salaries	38,000	-	38,000	5,207	32,793
Total	<u>38,000</u>	<u>-</u>	<u>38,000</u>	<u>5,207</u>	<u>32,793</u>
School-sponsored athletics - instruction					
Salaries	-	41,284	41,284	33,862	7,422
Total	<u>-</u>	<u>41,284</u>	<u>41,284</u>	<u>33,862</u>	<u>7,422</u>
Other instructional programs - instruction					
Salaries	41,284	(41,284)	-	-	-
Total	<u>41,284</u>	<u>(41,284)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total instruction regular	<u>\$ 3,674,239</u>	<u>\$ (59,780)</u>	<u>\$ 3,614,459</u>	<u>\$ 3,228,350</u>	<u>\$ 386,109</u>
Undistributed expenditures					
Undistributed expenditures - instruction					
Tuition to other LEAs within the state - special	\$ 48,000	\$ (48,000)	\$ -	\$ -	\$ -
Tuition - other	-	4,737	4,737	-	4,737
Total	<u>48,000</u>	<u>(43,263)</u>	<u>4,737</u>	<u>-</u>	<u>4,737</u>

See independent auditors' report.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule (continued)**  
**For the Fiscal Year Ended June 30, 2021**

	Unaudited		Actual	Variance Final to Actual	
	Original Budget	Budget Transfers			Final Budget
Expenditures (cont'd)					
Undistributed expenditures - attendance & social work salaries	\$ 3,577	\$ -	\$ 3,577	\$ 2,432	\$ 1,145
Total	<u>3,577</u>	<u>-</u>	<u>3,577</u>	<u>2,432</u>	<u>1,145</u>
Undistributed expenditures - health services					
Salaries	82,292	-	82,292	79,989	2,303
Purchased professional and technical services	4,000	-	4,000	3,500	500
Other purchased services	205	626	831	831	-
Supplies and materials	3,895	(626)	3,269	1,326	1,943
Other objects	1,000	-	1,000	254	746
Total	<u>91,392</u>	<u>-</u>	<u>91,392</u>	<u>85,900</u>	<u>5,492</u>
Undistributed expenditures - speech, ot, pt & related services					
Salaries	83,383	-	83,383	80,398	2,985
Purchased professional - educational services	85,000	22,752	107,752	106,277	1,475
Supplies and materials	1,100	-	1,100	436	664
Total	<u>169,483</u>	<u>22,752</u>	<u>192,235</u>	<u>187,111</u>	<u>5,124</u>
Undistributed expenditures - guidance					
Salaries of other professional staff	69,504	-	69,504	64,461	5,043
Other purchased services	100	25	125	125	-
Supplies and materials	2,000	(25)	1,975	956	1,019
Total	<u>71,604</u>	<u>-</u>	<u>71,604</u>	<u>65,542</u>	<u>6,062</u>
Undistributed expenditures - child study teams					
Salaries of other professional staff	266,332	-	266,332	253,315	13,017
Salaries of secretarial and clerical assistants	50,784	(540)	50,244	49,389	855
Other purchased professional & technical services	8,000	670	8,670	8,670	-
Other purchased services	9,000	(5,182)	3,818	2,337	1,481
Supplies and materials	3,086	1,857	4,943	4,943	-
Other objects	800	595	1,395	1,316	79
Total	<u>338,002</u>	<u>(2,600)</u>	<u>335,402</u>	<u>319,970</u>	<u>15,432</u>
Undistributed expenditures - improvement of inst. service					
Salaries of supervisor of instruction	83,723	-	83,723	82,550	1,173
Salaries of secretarial & clerical assist	24,355	8,600	32,955	32,857	98
Purchased professional - educational services	3,000	(3,000)	-	-	-
Other purchased services	3,000	(3,000)	-	-	-
Supplies and materials	1,800	-	1,800	129	1,671
Total	<u>115,878</u>	<u>2,600</u>	<u>118,478</u>	<u>115,536</u>	<u>2,942</u>
Undistributed expenditures - edu. media service/sch. library					
Salaries	67,670	-	67,670	66,462	1,208
Other purchased services	55,000	(5,000)	50,000	48,986	1,014
Supplies and materials	4,000	-	4,000	672	3,328
Total	<u>126,670</u>	<u>(5,000)</u>	<u>121,670</u>	<u>116,120</u>	<u>5,550</u>

See independent auditors' report.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule (continued)**  
**For the Fiscal Year Ended June 30, 2021**

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Undistributed expend. - support service - general admin.					
Salaries	\$ 64,957	\$ -	\$ 64,957	\$ 64,274	\$ 683
Legal services	47,000	9,210	56,210	54,691	1,519
Audit fees	28,000	(8,000)	20,000	20,000	-
Architectural/engineering services	-	25,197	25,197	25,197	-
Communications/telephone	32,000	4,838	36,838	32,324	4,514
BOE other purchased services	600	-	600	-	600
Miscellaneous purch services	11,000	-	11,000	10,249	751
General supplies	4,189	-	4,189	2,362	1,827
BOE in-house training/meeting supplies	500	-	500	224	276
Judgments against the school district	50,000	(14,745)	35,255	35,000	255
Miscellaneous expenditures	4,000	(2,295)	1,705	1,705	-
BOE membership dues and fees	6,500	(1,000)	5,500	4,834	666
Total	<u>248,746</u>	<u>13,205</u>	<u>261,951</u>	<u>250,860</u>	<u>11,091</u>
Undistributed expend. - support service - school admin.					
Salaries of principals/assistant principals	79,732	-	79,732	78,973	759
Salaries of secretarial and clerical assistants	30,935	10,563	41,498	38,409	3,089
Other purchased services	4,000	(3,168)	832	-	832
Supplies and materials	4,000	2,697	6,697	6,697	-
Other objects	3,300	1,695	4,995	4,263	732
Total	<u>121,967</u>	<u>11,787</u>	<u>133,754</u>	<u>128,342</u>	<u>5,412</u>
Undistributed expenditures - central services					
Salaries	183,370	4,892	188,262	188,262	-
Miscellaneous purchased services	31,000	15,021	46,021	39,587	6,434
Supplies and materials	5,136	-	5,136	4,015	1,121
Other objects	1,065	934	1,999	1,999	-
Total	<u>220,571</u>	<u>20,847</u>	<u>241,418</u>	<u>233,863</u>	<u>7,555</u>
Undistributed expenditures - admin. info. technology					
Purchased technical services	20,282	2,173	22,455	22,305	150
Total	<u>20,282</u>	<u>2,173</u>	<u>22,455</u>	<u>22,305</u>	<u>150</u>
Undistributed expenditures - required maint. for school facilities					
Cleaning, repair, and maintenance services	130,586	275	130,861	123,756	7,105
General supplies	38,800	(8,608)	30,192	27,389	2,803
Other objects	39,000	(38,138)	862	814	48
Total	<u>208,386</u>	<u>(46,471)</u>	<u>161,915</u>	<u>151,959</u>	<u>9,956</u>

See independent auditors' report.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule (continued)**  
**For the Fiscal Year Ended June 30, 2021**

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Undistributed expenditures - custodial services					
Salaries	\$ 221,437	\$ -	\$ 221,437	\$ 205,216	\$ 16,221
Purchased professional and technical services	3,900	(2,800)	1,100	-	1,100
Cleaning, repair, and maintenance service	132,962	(55,696)	77,266	72,575	4,691
Other purchased property services	-	38,138	38,138	38,138	-
Insurance	48,355	(7,000)	41,355	40,713	642
Miscellaneous purchased services	704	2,080	2,784	2,784	-
General supplies	43,730	6,782	50,512	48,662	1,850
Energy (natural gas)	25,000	3,250	28,250	26,659	1,591
Energy (electricity)	168,500	(8,000)	160,500	118,677	41,823
Other objects	617	-	617	10	607
Total	<u>645,205</u>	<u>(23,246)</u>	<u>621,959</u>	<u>553,434</u>	<u>68,525</u>
Undistributed expenditures - care and upkeep of grounds					
Salaries	7,000	-	7,000	6,821	179
Cleaning, repair, and maintenance service	21,875	6,071	27,946	25,323	2,623
General supplies	2,000	(1,399)	601	601	-
Total	<u>30,875</u>	<u>4,672</u>	<u>35,547</u>	<u>32,745</u>	<u>2,802</u>
Undistributed expenditures - student transportation service					
Contract service-aid in lieu pymts. - non-public schools	10,000	13,346	23,346	22,166	1,180
Contract serv-aid in lieu pymts-charter school students	5,000	-	5,000	4,000	1,000
Contract serv-aid in lieu pymts.-choice school students	5,000	-	5,000	3,412	1,588
Contr service (oth. than between home & school) - vend.	18,000	(17,000)	1,000	-	1,000
Contract service (between home & school) - joint agreements	314,591	-	314,591	277,199	37,392
Contract service (sp ed stds) - joint agreements	170,000	(33,319)	136,681	90,013	46,668
Total	<u>522,591</u>	<u>(36,973)</u>	<u>485,618</u>	<u>396,790</u>	<u>88,828</u>
Unallocated benefits - employee benefits					
Social Security contributions	75,000	(10,051)	64,949	64,949	-
Other retirement contributions - PERS	77,000	-	77,000	74,435	2,565
Other retirement contributions - regular	-	2,655	2,655	2,655	-
Workmen's compensation	67,713	(14,737)	52,976	52,976	-
Health benefits	901,894	(48,486)	853,408	842,959	10,449
Tuition reimbursement	12,000	3,000	15,000	14,629	371
Other employee benefits	19,257	(822)	18,435	13,289	5,146
Total	<u>1,152,864</u>	<u>(68,441)</u>	<u>1,084,423</u>	<u>1,065,892</u>	<u>18,531</u>

See independent auditors' report.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule (continued)**  
**For the Fiscal Year Ended June 30, 2021**

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
On-behalf TPAF Pension contribution	\$ -	\$ -	\$ -	\$ 936,839	\$ (936,839)
On-behalf TPAF Postretirement medical benefits	-	-	-	293,591	(293,591)
On-behalf TPAF Long-term disability insurance	-	-	-	352	(352)
Reimbursed TPAF Social Security contribution	-	-	-	276,172	(276,172)
Total	-	-	-	1,506,954	(1,506,954)
 Total undistributed expenditures	 \$ 4,136,093	 \$ (147,958)	 \$ 3,988,135	 \$ 5,235,755	 \$ (1,247,620)
 Total current	 \$ 7,810,332	 \$ (207,738)	 \$ 7,602,594	 \$ 8,464,105	 \$ (861,511)
Capital outlay					
Equipment					
Preschool	\$ -	\$ 8,276	\$ 8,276	\$ 8,276	\$ -
Grades 1-5	-	12,094	12,094	12,094	-
Grades 6-8	-	12,109	12,109	-	12,109
Undistributed					
Undistributed expenditures - admin. info. technology	-	5,415	5,415	5,415	-
Undistributed expend. - required maint. for school facilities	-	105,388	105,388	101,914	3,474
Undistributed expenditures - custodial services	-	25,316	25,316	25,316	-
Total equipment	-	168,598	168,598	153,015	15,583
 Facilities acquisition and construction service					
Architectural/engineering services	-	12,330	12,330	12,330	-
Assessment for debt service on SDA funding	17,182	-	17,182	17,182	-
Capital outlay - transfer to capital projects	102,900	(12,330)	90,570	-	90,570
Total facilities acquisition and construction service	120,082	-	120,082	29,512	90,570
 Total capital outlay	 \$ 120,082	 \$ 168,598	 \$ 288,680	 \$ 182,527	 \$ 106,153
 Transfer of funds to charter schools	 \$ 19,759	 \$ 33,263	 \$ 53,022	 \$ 53,022	 \$ -
 Total expenditures	 \$ 7,950,173	 \$ (5,877)	 \$ 7,944,296	 \$ 8,699,654	 \$ (755,358)
 Excess (deficiency) of revenues over (under) expenditures	 \$ (728,920)	 \$ -	 \$ (728,920)	 \$ 280,777	 \$ 1,009,697
Other financing sources (uses)					
Operating transfer in					
Transfers from internal service fund	59,237	-	59,237	59,237	-
Capital reserve - transfer to capital projects fund	(30,000)	-	(30,000)	-	30,000
Total other financing sources (uses)	29,237	-	29,237	59,237	30,000
 Excess (deficiency) of revenues & other financing sources over (under) expenditures & other financing uses	 (699,683)	 -	 (699,683)	 340,014	 1,039,697
 Fund balances, July 1 (as restated)	 2,007,393	 -	 2,007,393	 2,007,393	 -
Fund balances, June 30	\$ 1,307,710	\$ -	\$ 1,307,710	\$ 2,347,407	\$ 1,039,697

See independent auditors' report.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule (continued)**  
**For the Fiscal Year Ended June 30, 2021**

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Recapitulation of excess (deficiency) of revenues over (under) expenditures					
Adjustment for prior year encumbrances	\$ (18,825)	\$ -	\$ (18,825)	\$ (18,825)	\$ -
Increase in capital reserve	-	200,000	200,000	200,000	-
Interest deposit to capital reserve	250	-	250	75	(175)
Withdrawal from capital reserve	(30,000)	30,000	-	-	-
Increase in maintenance reserve	-	932	932	932	-
Interest earned on maintenance reserve	250	-	250	1,082	832
Withdrawal from maintenance reserve	(100,000)	76,977	(23,023)	(23,023)	-
Increase in unemployment compensation	-	-	-	4,673	4,673
Interest earned on unemployment compensation	-	-	-	144	144
Budgeted fund balance	(551,358)	(307,909)	(859,267)	174,956	1,034,223
<b>Total</b>	<b>\$ (699,683)</b>	<b>\$ -</b>	<b>\$ (699,683)</b>	<b>\$ 340,014</b>	<b>\$ 1,039,697</b>
Recapitulation of fund balance					
Restricted fund balance					
Excess surplus - designated for subsequent year's expenditures				\$ 28,034	
Excess surplus - current year				561,962	
Capital reserve				661,805	
Maintenance reserve				477,477	
Unemployment compensation				202,695	
Committed fund balance					
Year-end encumbrances				27,680	
Assigned fund balance					
Designated for subsequent year's expenditures				66,966	
Unassigned fund balance				320,788	
Fund balance per budgetary basis				2,347,407	
Reconciliation to governmental statements (GAAP)					
Last state aid payments not recognized on GAAP basis				(342,132)	
Fund balance per governmental funds (GAAP)				<u>\$ 2,005,275</u>	

See independent auditors' report.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2021**

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Revenues					
Federal sources	\$ 921,834	\$ -	\$ 921,834	\$ 395,380	\$ (526,454)
Local sources	30,904	25,737	56,641	51,343	(5,298)
State sources	431,074	-	431,074	323,734	(107,340)
Total revenues	<u>\$ 1,383,812</u>	<u>\$ 25,737</u>	<u>\$ 1,409,549</u>	<u>\$ 770,457</u>	<u>\$ (639,092)</u>
Expenditures					
Instruction					
Salaries	\$ 454,499	\$ -	\$ 454,499	\$ 263,110	\$ 191,389
Other purchased services	26,203	(14,403)	11,800	-	11,800
Supplies	291,285	14,774	306,059	119,928	186,131
Total	<u>771,987</u>	<u>371</u>	<u>772,358</u>	<u>383,038</u>	<u>389,320</u>
Support services					
Tuition	127,505	-	127,505	84,033	43,472
Salaries	92,886	-	92,886	39,060	53,826
Employee benefits	172,904	-	172,904	114,545	58,359
Purchased professional & technical services	42,611	-	42,611	-	42,611
Cleaning, repair & maintenance	10,000	-	10,000	400	9,600
Transportation	48,000	(371)	47,629	43,715	3,914
Other purchased services	50,001	-	50,001	19,201	30,800
Supplies	67,918	-	67,918	60,728	7,190
Student activities	-	24,769	24,769	24,769	-
Total	<u>611,825</u>	<u>24,398</u>	<u>636,223</u>	<u>386,451</u>	<u>249,772</u>
Total expenditures	<u>\$ 1,383,812</u>	<u>\$ 24,769</u>	<u>\$ 1,408,581</u>	<u>\$ 769,489</u>	<u>\$ 639,092</u>

See independent auditors' report.



**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Budgetary Comparison Schedule (continued)**  
**For the Fiscal Year Ended June 30, 2021**

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 968	\$ 968	\$ 968	\$ -
Fund balances, July 1 (as restated)	28,296	-	28,296	28,296	-
Fund balances, June 30	<u>\$ 28,296</u>	<u>\$ 968</u>	<u>\$ 29,264</u>	<u>\$ 29,264</u>	<u>\$ -</u>
Recapitulation of fund balance					
Restricted fund balance					
Student activities				\$ 29,264	
Fund balance per budgetary basis				<u>\$ 29,264</u>	

See independent auditors' report.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Notes to Required Supplementary Information**  
**Budget-to-GAAP Reconciliation**  
**For the Fiscal Year Ended June 30, 2021**

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

<u>Sources/Inflows of Resources</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 8,980,431	\$ 770,457
Difference - Budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Outstanding encumbrances prior year	-	8,084
Outstanding encumbrances current year	-	(11,424)
Difference - Budget to GAAP		
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenses (GASB 33):		
State aid receivable prior year	346,642	44,151
State aid receivable current year	<u>(342,132)</u>	<u>(33,288)</u>
Total revenues (GAAP basis)	<u>\$ 8,984,941</u>	<u>\$ 777,980</u>

See independent auditors' report.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Notes to Required Supplementary Information**  
**Budget-to-GAAP Reconciliation (continued)**  
**For the Fiscal Year Ended June 30, 2021**

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

Uses/Outflows of Resources	General Fund	Special Revenue Fund
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 8,699,654	\$ 769,489
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:		
Outstanding encumbrances prior year	-	8,084
Outstanding encumbrances current year	-	(11,424)
Total expenditures (GAAP basis)	\$ 8,699,654	\$ 766,149

See independent auditors' report.

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Liability - Public Employees Retirement System**  
**Last Ten Fiscal Years**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
District's proportion of the net pension liability (asset) - percentage	N/A	0.0061347435%	0.0057461383%	0.0056571100%	0.0051338900%	0.0052094550%	0.0050921700%	0.0044570100%	0.0043772900%	N/A
District's proportion of the net pension liability (asset) - value	\$ -	\$ 1,000,416	\$ 1,035,367	\$ 1,113,857	\$ 1,195,087	\$ 1,542,889	\$ 1,143,090	\$ 834,475	\$ 836,587	N/A
District's covered employee payroll	372,624	374,274	439,765	393,070	390,582	342,827	357,938	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	N/A	267.30%	235.44%	283.37%	305.98%	450.05%	319.35%	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%	N/A

N/A = Information Not Available

See independent auditors' report.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Schedule of District's Contributions - Public Employees Retirement System**  
**Last Ten Fiscal Years**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 67,111	\$ 55,893	\$ 56,504	\$ 47,560	\$ 46,280	\$ 43,779	\$ 36,743	\$ 32,982	N/A	N/A
Contributions in relation to the contractually required contribution	(67,111)	(55,893)	(56,504)	(47,560)	(46,280)	(43,779)	(36,743)	(32,982)	N/A	N/A
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	\$ 372,624	\$ 374,274	\$ 439,765	\$ 393,070	\$ 390,582	\$ 342,827	\$ 357,938	N/A	N/A	N/A
Contributions as a percentage of covered employee payroll	18.01%	14.93%	12.85%	12.10%	11.85%	12.77%	10.27%	N/A	N/A	N/A

N/A = Information Not Available

See independent auditors' report.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Liability - Teacher's Pension and Annuity Fund**  
**Last Ten Fiscal Years**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
District's proportion of the net pension liability (asset) - percentage	N/A	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	N/A
District's proportion of the net pension liability (asset) - value	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
State's proportionate share of the net pension liability (asset) associated with the District	\$ -	21,192,709	21,366,124	21,894,173	23,299,063	27,729,244	22,240,528	16,154,778	17,137,375	\$ -
Total	\$ -	\$ 21,192,709	\$ 21,366,124	\$ 21,894,173	\$ 23,299,063	\$ 27,729,244	\$ 22,240,528	\$ 16,154,778	\$ 17,137,375	\$ -
District's covered employee payroll	\$ 3,744,189	\$ 3,659,917	\$ 3,491,841	\$ 3,460,481	\$ 3,649,797	\$ 3,490,672	\$ 3,495,758	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	N/A	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%	N/A

N/A = Information Not Available

See independent auditors' report.



**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Schedule of District's Contributions - Teacher's Pension and Annuity Fund**  
**Last Ten Fiscal Years**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 729,296	\$ 718,569	\$ 684,722	\$ 506,814	\$ 375,099	\$ 268,827	\$ 177,473	\$ 139,317	\$ 208,153	\$ 104,863
Contributions in relation to the contractually required contribution	(729,296)	(718,569)	(684,722)	(506,814)	(375,099)	(268,827)	(177,473)	(139,317)	(208,153)	(104,863)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	\$ 3,744,189	\$ 3,659,917	\$ 3,491,841	\$ 3,460,481	\$ 3,649,797	\$ 3,490,672	\$ 3,495,758	N/A	N/A	N/A
Contributions as a percentage of covered employee payroll	19.48%	19.63%	19.61%	14.65%	10.28%	7.70%	5.08%	N/A	N/A	N/A

N/A = Information Not Available

See independent auditors' report.

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR  
OTHER POSTEMPLOYMENT EMPLOYEE BENEFITS (GASB 75) (UNAUDITED)**

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Other**  
**Postemployment Employee Benefits Liability**  
**Last Ten Fiscal Years**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
District's proportionate share of the other postemployment employee benefits liability (asset) - percentage	N/A	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the other postemployment employee benefits liability (asset) - value	N/A	\$ -	\$ -	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the other postemployment employee benefits liability (asset) associated with the District	N/A	27,404,723	17,444,824	19,440,326	23,646,195	N/A	N/A	N/A	N/A	N/A
Total	\$ -	\$ 27,404,723	\$ 17,444,824	\$ 19,440,326	\$ 23,646,195	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	N/A	\$ 4,034,191	\$ 3,931,606	\$ 3,853,551	\$ 4,040,379	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the other postemployment employee liability (asset) as a percentage of its covered employee payroll	N/A	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total other post employment employee benefits liability	N/A	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A

N/A = Information Not Available

See independent auditors' report.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Required Supplementary Information - Part III**  
**(Unaudited)**  
**June 30, 2021**

- Note 1 - Special funding situation - TPAF and other postretirement benefits  
The participating employer allocations included in the supplemental Schedule of Employer Special Funding Allocations and the supplemental Schedule of Special Funding Amounts by Employer for each local employer are provided as each local employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the pension expense and other postretirement benefits (OPEB) expense allocated to the State of New Jersey (the State) under the special-funding situation and include their proportionate share of the net pension liability and OPEB liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on actual contributions made to the Teachers' Pension and Annuity Fund and for OPEB allocated to employers based upon covered payroll and adjusted by expected State Early Retirement Incentive contributions for the respective fiscal year.
- Note 2 - Changes in assumptions - TPAF  
The discount rate was 5.60% in State fiscal year 2019 and 5.40% in State fiscal year 2020. The inflation rate was 2.75% in State fiscal year 2019 and 2.75% in State fiscal year 2020.
- Note 3 - Changes in assumptions - PERS  
The discount rate was 6.28% in State fiscal year 2019 and 7.00% in State fiscal year 2020. The inflation rate was 2.75% for State fiscal year 2019 and 2.75% for State fiscal year 2020.
- Note 4 - Changes in assumptions - other postretirement employee benefits  
The other postretirement employee benefits discount rate decreased from 3.50% in State fiscal year 2019 to 2.21% in State fiscal year 2020. The inflation rate was 2.50% for State fiscal year 2019 and 2020.
- Note 5 - Changes in healthcare trend assumptions - other postretirement employee benefits  
For Pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rates are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.
- Note 6 - Changes in benefit term assumptions - other postretirement employee benefits  
There were no changes of the benefit terms from June 30, 2019 to June 30, 2020.

## **SPECIAL REVENUE FUND**

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted expenditures for specific purposes.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2021**

	IDEA Basic	IDEA Preschool	ESSA Title IA	ESSA Title IIA	ESSA Title IV	REAP	CARES Emergency Relief	Coronavirus Relief Fund	Digital Divide	Preschool Education	Student Activities	Total
<b>Revenues</b>												
Federal sources	\$ 82,475	\$ 1,558	\$ 114,658	\$ 18,476	\$ 10,199	\$ 25,526	\$ 92,540	\$ 29,620	\$ 20,328	\$ -	\$ -	\$ 395,380
Local sources	-	-	-	-	-	-	-	-	-	25,606	25,737	51,343
State sources	-	-	-	-	-	-	-	-	-	323,734	-	323,734
<b>Total revenues</b>	<b>\$ 82,475</b>	<b>\$ 1,558</b>	<b>\$ 114,658</b>	<b>\$ 18,476</b>	<b>\$ 10,199</b>	<b>\$ 25,526</b>	<b>\$ 92,540</b>	<b>\$ 29,620</b>	<b>\$ 20,328</b>	<b>\$ 349,340</b>	<b>\$ 25,737</b>	<b>\$ 770,457</b>
<b>Expenditures</b>												
<b>Instruction</b>												
Salaries	\$ -	\$ -	\$ 79,000	\$ -	\$ -	\$ 25,526	\$ -	\$ -	\$ -	\$ 158,584	\$ -	\$ 263,110
Supplies	-	-	3,558	-	10,199	-	67,677	-	20,328	18,166	-	119,928
<b>Total</b>	<b>-</b>	<b>-</b>	<b>82,558</b>	<b>-</b>	<b>10,199</b>	<b>25,526</b>	<b>67,677</b>	<b>-</b>	<b>20,328</b>	<b>176,750</b>	<b>-</b>	<b>383,038</b>
<b>Support services</b>												
Tuition	82,475	1,558	-	-	-	-	-	-	-	-	-	84,033
Salaries	-	-	-	-	-	-	-	-	-	39,060	-	39,060
Employee benefits	-	-	31,600	-	-	-	-	-	-	82,945	-	114,545
Cleaning, repair & maintenance	-	-	-	-	-	-	-	-	-	400	-	400
Transportation	-	-	-	-	-	-	-	-	-	43,715	-	43,715
Other purchased services	-	-	500	18,476	-	-	-	-	-	225	-	19,201
Supplies	-	-	-	-	-	-	24,863	29,620	-	6,245	-	60,728
Student activities	-	-	-	-	-	-	-	-	-	-	24,769	24,769
<b>Total</b>	<b>82,475</b>	<b>1,558</b>	<b>32,100</b>	<b>18,476</b>	<b>-</b>	<b>-</b>	<b>24,863</b>	<b>29,620</b>	<b>-</b>	<b>172,590</b>	<b>24,769</b>	<b>386,451</b>
<b>Total expenditures</b>	<b>\$ 82,475</b>	<b>\$ 1,558</b>	<b>\$ 114,658</b>	<b>\$ 18,476</b>	<b>\$ 10,199</b>	<b>\$ 25,526</b>	<b>\$ 92,540</b>	<b>\$ 29,620</b>	<b>\$ 20,328</b>	<b>\$ 349,340</b>	<b>\$ 24,769</b>	<b>\$ 769,489</b>

See independent auditors' report.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis (continued)**  
**For the Fiscal Year Ended June 30, 2021**

	IDEA Basic	IDEA Preschool	ESSA Title IA	ESSA Title IIA	ESSA Title IV	REAP	CARES Emergency Relief	Coronavirus Relief Fund	Digital Divide	Preschool Education	Student Activities	Total
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 968	\$ 968
Fund balances, July 1 (as restated)	-	-	-	-	-	-	-	-	-	-	28,296	28,296
Fund balances, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,264	\$ 29,264

See independent auditors' report.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Schedule of Preschool Education Aid Expenditures - Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2021**

	Final Budget	Actual	Variance Final to Actual
Expenditures			
Instruction			
Salaries	\$ 125,017	\$ 110,421	\$ 14,596
Other salaries	48,163	48,163	-
Other purchased services	11,800	-	11,800
Supplies	25,571	18,166	7,405
Total instruction	<u>210,551</u>	<u>176,750</u>	<u>33,801</u>
Support services			
Salaries	14,690	14,690	-
Other salaries	78,196	24,370	53,826
Employee benefits	83,024	82,945	79
Purchased professional & educational services	1,590	-	1,590
Cleaning, repair & maintenance	10,000	400	9,600
Transportation - between home & school	44,629	43,715	914
Transportation - field trips	3,000	-	3,000
Other purchased services	3,000	225	2,775
Supplies	8,000	6,245	1,755
Total support services	<u>246,129</u>	<u>172,590</u>	<u>73,539</u>
Total expenditures	<u>\$ 456,680</u>	<u>\$ 349,340</u>	<u>\$ 107,340</u>

See independent auditors' report.



**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Schedule of Preschool Education Aid Expenditures - Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2021**

**Calculation of Budget & Carryover**

Total revised 2020 - 2021 Preschool education aid allocation	\$ 332,878
Add: actual ECPA/PEA carryover (June 30, 2020)	98,196
Add: budgeted transfer from general fund	25,606
Total preschool education aid funds available for 2020 - 2021 budget	456,680
Less: 2020 - 2021 budgeted preschool education aid	(456,680)
Available and unbudgeted preschool education funds as of June 30, 2021	-
Add: 2020 - 2021 unexpended preschool education aid	107,340
2020 - 2021 Actual carryover preschool education aid	\$ 107,340
2020 - 2021 Preschool education aid carryover budgeted for 2021 - 2022	\$ -

See independent auditors' report.

## **CAPITAL PROJECTS FUND**

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Summary Schedule of Project Expenditures**  
**For the Fiscal Year Ended June 30, 2021**

Description	Approval Date	Revised Budgetary Appropriations	GAAP		Unexpended Appropriations 06/30/21
			Prior Years	Expenditures to Date Current Year	
Solar heat & HVAC project		\$ 2,821,375	\$ 2,679,050	\$ 100,000	\$ 42,325
Site improvements		339,595	335,318	-	4,277
Parking lot		950,000	947,706	-	2,294
		<u>\$ 4,110,970</u>	<u>\$ 3,962,074</u>	<u>\$ 100,000</u>	<u>\$ 48,896</u>

See independent auditors' report.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2021**

Expenditures and other financing uses	
Transfer to debt service fund	\$ 100,000
Total expenditures	<u>100,000</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures & other financing uses	(100,000)
Fund balance - beginning	<u>148,896</u>
Fund balance - ending	<u><u>\$ 48,896</u></u>

See independent auditors' report.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance and Project Status**  
**Budgetary Basis**  
**Solar Heat & HVAC**  
**For the Fiscal Year Ended June 30, 2021**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Local sources				
Bond proceeds	\$ 2,821,000	\$ -	\$ 2,821,000	\$ 2,821,000
Transfers in from capital reserve	375	-	375	375
Total revenues	<u>2,821,375</u>	<u>-</u>	<u>2,821,375</u>	<u>2,821,375</u>
Expenditures and other financing uses				
Purchased professional & technical services	276,701		276,701	217,875
Construction	2,218,766	-	2,218,766	2,513,500
Other	53,583	-	53,583	90,000
Transfer to debt service fund	130,000	100,000	230,000	-
Total expenditures	<u>2,679,050</u>	<u>100,000</u>	<u>2,779,050</u>	<u>2,821,375</u>
Excess (deficiency) of revenues over (under) Expenditures	<u>\$ 142,325</u>	<u>\$ (100,000)</u>	<u>\$ 42,325</u>	<u>\$ -</u>

Additional Project Information

Project number	2270-060-09-1000
Authorization date	2/9/2009
Bond authorized	\$ 2,821,000
Bonds issued	2,821,000
Original authorized cost	2,821,375
Additional authorized cost	-
Revised authorized cost	2,821,375
Percentage completion	98.37%

See independent auditors' report.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance and Project Status**  
**Budgetary Basis**  
**Site Improvements**  
**For the Fiscal Year Ended June 30, 2021**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Local sources				
Transfers in from capital reserve	\$ 339,595	\$ -	\$ 339,595	\$ 339,595
Total revenues	<u>339,595</u>	<u>-</u>	<u>339,595</u>	<u>339,595</u>
Expenditures and other financing uses				
Purchased professional & technical services	74,958	-	74,958	79,235
Construction	260,360	-	260,360	260,360
Total expenditures	<u>335,318</u>	<u>-</u>	<u>335,318</u>	<u>339,595</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 4,277</u>	<u>\$ -</u>	<u>\$ 4,277</u>	<u>\$ -</u>

Additional Project Information

Project number	N/A
Authorization date	N/A
Bond authorized	N/A
Bonds issued	N/A
Original authorized cost	\$ 339,595
Additional authorized cost	-
Revised authorized cost	339,595
Percentage completion	98.74%

See independent auditors' report.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance and Project Status**  
**Budgetary Basis**  
**Parking Lot**  
**For the Fiscal Year Ended June 30, 2021**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Local sources				
Transfers in from capital reserve	\$ 950,000	\$ -	\$ 950,000	\$ 950,000
Total revenues	<u>950,000</u>	<u>-</u>	<u>950,000</u>	<u>950,000</u>
Expenditures and other financing uses				
Purchased professional & technical services	22,194	-	22,194	24,488
Construction	<u>925,512</u>	<u>-</u>	<u>925,512</u>	<u>925,512</u>
Total expenditures	<u>947,706</u>	<u>-</u>	<u>947,706</u>	<u>950,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 2,294</u>	<u>\$ -</u>	<u>\$ 2,294</u>	<u>\$ -</u>

Additional Project Information

Project number	N/A
Authorization date	N/A
Bond authorized	N/A
Bonds issued	N/A
Original authorized cost	\$ 950,000
Additional authorized cost	-
Revised authorized cost	950,000
Percentage completion	99.76%

See independent auditors' report.

## **PROPRIETARY FUND**

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

**See Statements B-4, B-5, and B-6.**



## **FIDUCIARY FUNDS**

Fiduciary Funds are used to account for funds received by the School District as an agent for individuals, private organizations, other government and/or other funds.

(NOT APPLICABLE TO THIS REPORT)

## **LONG-TERM DEBT SCHEDULES**

The Long-Term Debt Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the School District. This includes serial bonds outstanding, obligations under capital leases, and early retirement program.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Long-Term Debt**  
**Schedule of Serial Bonds**  
**June 30, 2021**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 07/01/20	Issued	Retired	Balance 06/30/21
			Date	Amount					
Hopewell Crest School alterations and improvements	07/02/09	\$ 2,821,000	09/01/21	\$ 225,000	4.00%	\$ 1,171,000	\$ -	\$ 225,000	\$ 946,000
			09/01/22	230,000	4.10%	-	-	-	-
			09/01/23	250,000	4.25%	-	-	-	-
			09/01/24	241,000	4.30%	-	-	-	-
Land acquisition	12/15/14	375,000	01/15/22	55,000	2.25%	160,000	-	50,000	110,000
			01/15/23	55,000	2.25%	-	-	-	-
						<u>\$ 1,331,000</u>	<u>\$ -</u>	<u>\$ 275,000</u>	<u>\$ 1,056,000</u>

See independent auditors' report.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Debt Service Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2021**

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Revenues					
Local sources					
Local tax levy	\$ 105,645	\$ -	\$ 105,645	\$ 105,645	\$ -
State sources					
Debt service aid	116,873	-	116,873	116,873	-
Total revenues	<u>222,518</u>	<u>-</u>	<u>222,518</u>	<u>222,518</u>	<u>-</u>
Expenditures					
Regular debt service					
Interest on bonds	47,518	-	47,518	47,518	-
Redemption of principal	275,000	-	275,000	275,000	-
Total expenditures	<u>322,518</u>	<u>-</u>	<u>322,518</u>	<u>322,518</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(100,000)	-	(100,000)	(100,000)	-
Other financing sources (uses)					
Transfers from capital reserve	100,000	-	100,000	100,000	-
Total other financing sources (uses)	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net change in fund balance	-	-	-	-	-
Fund balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report.

## **STATISTICAL SECTION**

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Statistical Section J Series**

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<b>FINANCIAL TRENDS</b>	
These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.	J-1 to J-5
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These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	J-16 to J-20
Sources: Unless otherwise noted, the information in these schedules are derived from the Annual Comprehensive Financial Reports (ACFR) for the relevant year.	
The District implemented GASB Statement No. 84 in the fiscal year ending June 30, 2021. Schedules presenting information relating to the implementation of GASB Statement No. 84 include information beginning in that year.	

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Net Position by Component**  
**Last Ten Fiscal Years (Accrual Basis of Accounting)**

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Government activities										
Net investment in capital assets	\$ 6,444,402	\$ 6,468,101	\$ 6,438,497	\$ 6,296,403	\$ 6,177,012	\$ 6,536,521	\$ 6,736,119	\$ 7,121,960	\$ 8,067,857	\$ 8,113,919
Restricted	1,194,323	1,476,497	1,568,752	2,439,897	2,803,080	2,642,017	2,504,289	2,523,715	1,401,436	1,425,968
Unrestricted	(194,769)	(265,813)	(84,478)	(255,798)	(1,139,309)	(1,338,549)	(1,354,008)	(1,374,530)	(888,255)	(731,361)
Total governmental activities	<u>\$ 7,443,956</u>	<u>\$ 7,678,785</u>	<u>\$ 7,922,771</u>	<u>\$ 8,480,502</u>	<u>\$ 7,840,783</u>	<u>\$ 7,839,989</u>	<u>\$ 7,886,400</u>	<u>\$ 8,271,145</u>	<u>\$ 8,581,038</u>	<u>\$ 8,808,526</u>
Business-type activities										
Net investment in capital assets	\$ 54,799	\$ 53,744	\$ 53,109	\$ 77,764	\$ 66,755	\$ 63,724	\$ 71,642	\$ 77,609	\$ 92,352	\$ 104,507
Unrestricted	63,641	75,625	96,327	66,436	126,655	157,631	160,781	185,179	155,610	114,775
Total business-type activities	<u>\$ 118,440</u>	<u>\$ 129,369</u>	<u>\$ 149,436</u>	<u>\$ 144,200</u>	<u>\$ 193,410</u>	<u>\$ 221,355</u>	<u>\$ 232,423</u>	<u>\$ 262,788</u>	<u>\$ 247,962</u>	<u>\$ 219,282</u>
District-wide										
Net investment in capital assets	\$ 6,499,201	\$ 6,521,845	\$ 6,491,606	\$ 6,374,167	\$ 6,243,767	\$ 6,600,245	\$ 6,807,761	\$ 7,199,569	\$ 8,160,209	\$ 8,218,426
Restricted	1,194,323	1,476,497	1,568,752	2,439,897	2,803,080	2,642,017	2,504,289	2,523,715	1,401,436	1,425,968
Unrestricted	(131,128)	(190,188)	11,849	(189,362)	(1,012,654)	(1,180,918)	(1,193,227)	(1,189,351)	(732,645)	(616,586)
Total district-wide	<u>\$ 7,562,396</u>	<u>\$ 7,808,154</u>	<u>\$ 8,072,207</u>	<u>\$ 8,624,702</u>	<u>\$ 8,034,193</u>	<u>\$ 8,061,344</u>	<u>\$ 8,118,823</u>	<u>\$ 8,533,933</u>	<u>\$ 8,829,000</u>	<u>\$ 9,027,808</u>

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

\* as restated

See independent auditors' report.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Changes in Net Position**  
**Last Ten Fiscal Years (Accrual Basis of Accounting)**

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities										
Instruction										
Regular	\$ 2,498,408	\$ 2,576,806	\$ 2,678,503	\$ 2,554,514	\$ 2,577,743	\$ 2,576,906	\$ 2,640,790	\$ 2,465,114	\$ 5,005,449	\$ 5,739,894
Special education	792,994	843,754	895,195	838,490	874,128	910,526	945,751	1,099,114	1,257,305	1,655,983
Other special education	62,580	59,956	13,706	38,082	18,204	14,878	26,325	23,596	243,072	271,682
Other instruction	67,442	66,421	88,869	83,026	94,302	91,260	92,701	102,555	138,159	42,920
Support services										
Tuition	68,093	98,519	63,750	60,647	183,681	92,058	55,085	98,227	150,586	84,033
Student & instruction related services	732,084	707,910	676,662	691,540	733,725	778,456	838,513	893,499	1,560,329	1,850,931
General & business administrative services	338,614	343,044	339,146	356,042	335,315	372,243	403,930	446,322	549,304	655,239
School administration	168,375	167,214	152,571	159,916	154,631	138,793	132,546	135,934	254,188	286,585
Plant operations & maintenance	596,599	663,959	693,012	689,352	731,179	703,984	778,729	763,775	828,186	831,695
Pupil transportation	429,168	394,344	431,103	425,661	520,748	440,541	538,917	444,958	536,518	440,505
Employee benefits*	1,595,067	1,790,339	1,684,436	1,770,005	2,956,700	3,968,116	4,426,182	3,381,492	-	-
Transfer to charter schools	-	-	-	-	-	-	887	-	17,438	53,022
Interest on long-term debt	185,510	130,469	127,336	119,834	111,735	103,193	89,239	80,295	71,579	60,720
Internal service	170,096	176,561	164,028	63,530	45,108	-	-	52,623	-	-
Total governmental activities expenses	<u>7,705,030</u>	<u>8,019,296</u>	<u>8,008,317</u>	<u>7,850,639</u>	<u>9,337,199</u>	<u>10,190,954</u>	<u>10,969,595</u>	<u>9,987,504</u>	<u>10,612,113</u>	<u>11,973,209</u>
Business-type activities										
Food services	224,308	212,326	205,788	229,139	203,240	223,253	235,609	241,456	231,236	230,609
Child care	1,509	-	-	24,166	43,802	53,417	66,184	73,325	74,766	58,770
Total business-type activities	<u>225,817</u>	<u>212,326</u>	<u>205,788</u>	<u>253,305</u>	<u>247,042</u>	<u>276,670</u>	<u>301,793</u>	<u>314,781</u>	<u>306,002</u>	<u>289,379</u>
Total district expenses	<u>\$ 7,930,847</u>	<u>\$ 8,231,622</u>	<u>\$ 8,214,105</u>	<u>\$ 8,103,944</u>	<u>\$ 9,584,241</u>	<u>\$ 10,467,624</u>	<u>\$ 11,271,388</u>	<u>\$ 10,302,285</u>	<u>\$ 10,918,115</u>	<u>\$ 12,262,588</u>

\* Employee benefits allocated to functions starting in fiscal year June 30, 2020

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.



**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Changes in Net Position (continued)**  
**Last Ten Fiscal Years (Accrual Basis of Accounting)**

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Program revenues										
Governmental activities										
Charges for services	\$ 311,073	\$ 330,867	\$ 282,807	\$ 222,068	\$ 208,973	\$ 69,689	\$ 58,630	\$ 145,349	\$ 73,491	\$ 114,633
Operating grants & contributions	610,799	723,185	656,433	742,269	1,951,636	2,672,938	3,318,397	2,346,041	518,173	752,243
Total governmental activities	<u>921,872</u>	<u>1,054,052</u>	<u>939,240</u>	<u>964,337</u>	<u>2,160,609</u>	<u>2,742,627</u>	<u>3,377,027</u>	<u>2,491,390</u>	<u>591,664</u>	<u>866,876</u>
Business-type activities										
Charges for services										
Food services	116,172	108,741	114,329	100,078	113,270	89,194	100,423	123,423	127,779	41,624
Child care	-	-	-	36,315	74,004	85,942	83,256	94,934	-	25,625
Operating grants & contributions	114,905	114,514	111,526	111,676	113,659	132,952	129,182	131,399	163,397	193,204
Total business-type activities	<u>231,077</u>	<u>223,255</u>	<u>225,855</u>	<u>248,069</u>	<u>300,933</u>	<u>308,088</u>	<u>312,861</u>	<u>349,756</u>	<u>291,176</u>	<u>260,453</u>
Total district-wide program revenues	<u>\$ 1,152,949</u>	<u>\$ 1,277,307</u>	<u>\$ 1,165,095</u>	<u>\$ 1,212,406</u>	<u>\$ 2,461,542</u>	<u>\$ 3,050,715</u>	<u>\$ 3,689,888</u>	<u>\$ 2,841,146</u>	<u>\$ 882,840</u>	<u>\$ 1,127,329</u>
Net (expense) revenues										
Governmental activities	\$ (6,783,158)	\$ (6,965,244)	\$ (7,069,077)	\$ (6,886,302)	\$ (7,176,590)	\$ (7,448,327)	\$ (7,592,568)	\$ (7,496,114)	\$ (10,020,449)	\$ (11,106,333)
Business-type activities	5,260	10,929	20,067	(5,236)	53,891	31,418	11,068	34,975	(14,826)	(28,926)
Total district-wide net expenses	<u>\$ (6,777,898)</u>	<u>\$ (6,954,315)</u>	<u>\$ (7,049,010)</u>	<u>\$ (6,891,538)</u>	<u>\$ (7,122,699)</u>	<u>\$ (7,416,909)</u>	<u>\$ (7,581,500)</u>	<u>\$ (7,461,139)</u>	<u>\$ (10,035,275)</u>	<u>\$ (11,135,259)</u>
General revenues & other changes in net position										
Governmental activities										
Property taxes levied for general purposes	\$ 3,052,927	\$ 3,156,810	\$ 3,156,810	\$ 3,274,440	\$ 3,322,725	\$ 3,389,179	\$ 3,456,963	\$ 3,522,875	\$ 3,571,169	\$ 3,609,744
Taxes levied for debt service	493,211	266,529	275,873	279,699	321,586	202,163	198,842	170,020	195,212	105,645
Unrestricted grants & contributions	4,095,044	3,719,258	3,837,076	3,818,517	3,882,550	3,771,975	3,889,976	4,094,136	6,205,915	7,394,744
Investment earnings	17,891	15,527	7,816	10,086	5,688	3,225	2,990	2,882	2,540	2,031
Miscellaneous income	122,229	49,700	59,280	61,291	119,356	86,615	90,208	92,284	128,481	221,657
Special item										
Adjustment to carrying value of fixed assets per appraisal	-	(7,751)	-	-	(308,859)	-	-	-	-	-
Transfers	(2,140)	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>7,779,162</u>	<u>7,200,073</u>	<u>7,336,855</u>	<u>7,444,033</u>	<u>7,343,046</u>	<u>7,453,157</u>	<u>7,638,979</u>	<u>7,882,197</u>	<u>10,103,317</u>	<u>11,333,821</u>

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Changes in Net Position (continued)**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General revenues & other changes in net position (cont'd)										
Business-type activities										
Investment earnings	\$ 9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustment to carrying value of fixed assets per appraisal	-	-	-	-	(4,681)	-	-	-	-	-
Sale of equipment	-	-	-	-	-	-	-	-	-	246
Transfer in (out)	2,140	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>2,149</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,681)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>246</u>
Total district-wide	<u>\$ 7,781,311</u>	<u>\$ 7,200,073</u>	<u>\$ 7,336,855</u>	<u>\$ 7,444,033</u>	<u>\$ 7,338,365</u>	<u>\$ 7,453,157</u>	<u>\$ 7,638,979</u>	<u>\$ 7,882,197</u>	<u>\$ 10,103,317</u>	<u>\$ 11,334,067</u>
Change in net position										
Governmental activities	\$ 996,004	\$ 234,829	\$ 267,778	\$ 557,731	\$ 166,456	\$ 4,830	\$ 46,411	\$ 386,083	\$ 82,868	\$ 227,488
Business-type activities	7,409	10,929	20,067	(5,236)	49,210	31,418	11,068	34,975	(14,826)	(28,680)
Total district	<u>\$ 1,003,413</u>	<u>\$ 245,758</u>	<u>\$ 287,845</u>	<u>\$ 552,495</u>	<u>\$ 215,666</u>	<u>\$ 36,248</u>	<u>\$ 57,479</u>	<u>\$ 421,058</u>	<u>\$ 68,042</u>	<u>\$ 198,808</u>

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General fund										
Restricted	\$ 858,756	\$ 1,191,268	\$ 1,296,375	\$ 2,057,251	\$ 2,152,346	\$ 2,266,140	\$ 1,667,781	\$ 2,288,490	\$ 1,735,378	\$ 1,931,973
Committed	8,925	1,898	3,806	15,184	24,549	45,019	16,444	36,303	18,825	27,680
Assigned	40,000	10,954	161,628	34,739	308,661	119,114	1,215	52,320	3,190	66,966
Unassigned	(61,004)	(60,408)	(50,881)	(82,591)	(64,078)	(89,369)	(83,636)	(98,236)	(96,642)	(21,344)
Total general fund	<u>\$ 846,677</u>	<u>\$ 1,143,712</u>	<u>\$ 1,410,928</u>	<u>\$ 2,024,583</u>	<u>\$ 2,421,478</u>	<u>\$ 2,340,904</u>	<u>\$ 1,601,804</u>	<u>\$ 2,278,877</u>	<u>\$ 1,660,751</u>	<u>\$ 2,005,275</u>
									*	
All other governmental funds										
Restricted										
Special revenue fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (15,855)	\$ (4,024)
Capital projects fund	335,567	272,377	272,377	384,822	318,621	212,841	818,849	146,602	148,896	48,896
Debt service fund	-	-	-	-	(1,097)	(1,097)	-	-	-	-
Total all other governmental funds	<u>\$ 335,567</u>	<u>\$ 272,377</u>	<u>\$ 272,377</u>	<u>\$ 384,822</u>	<u>\$ 317,524</u>	<u>\$ 211,744</u>	<u>\$ 818,849</u>	<u>\$ 146,602</u>	<u>\$ 133,041</u>	<u>\$ 44,872</u>
									*	

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

\* as restated

See independent auditors' report.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Tax levy	\$ 3,546,138	\$ 3,423,339	\$ 3,432,683	\$ 3,554,139	\$ 3,644,311	\$ 3,591,342	\$ 3,655,805	\$ 3,692,895	\$ 3,766,381	\$ 3,715,389
Tuition charges	128,998	153,485	113,307	155,818	159,165	69,689	58,630	53,349	73,491	88,896
Interest earnings	17,891	15,527	7,816	10,086	5,688	3,225	2,990	2,882	2,540	2,031
Miscellaneous	122,229	49,700	59,280	436,291	119,356	86,615	90,208	92,284	130,582	298,606
State sources	4,268,781	4,147,525	4,188,112	4,261,945	4,421,253	4,501,894	4,658,791	5,070,136	5,075,998	5,470,202
Federal sources	437,062	294,919	305,397	298,841	337,167	245,242	345,619	291,387	322,661	410,315
<b>Total revenues</b>	<b>8,521,099</b>	<b>8,084,495</b>	<b>8,106,595</b>	<b>8,717,120</b>	<b>8,686,940</b>	<b>8,498,007</b>	<b>8,812,043</b>	<b>9,202,933</b>	<b>9,371,653</b>	<b>9,985,439</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular instruction	2,352,216	2,423,718	2,518,041	2,392,986	2,436,269	2,432,329	2,494,417	2,303,931	2,526,854	2,444,717
Special education instruction	569,842	607,420	588,335	599,105	569,245	685,920	632,348	665,009	642,289	693,793
Other special instruction	62,580	59,956	13,706	38,082	18,204	14,878	26,325	23,596	49,647	50,771
Other instruction	67,442	66,421	88,869	83,026	94,302	91,260	92,701	102,555	78,975	39,069
<b>Support services</b>										
Tuition	68,093	98,519	63,750	60,647	183,681	92,058	55,085	98,227	22,582	-
Student & instructional related services	583,140	593,909	614,619	631,265	675,603	732,990	774,359	752,579	836,167	892,611
General administration	150,181	160,025	120,478	127,610	134,870	145,237	158,730	182,205	178,713	250,860
School administration services	139,137	136,597	143,647	149,983	126,336	109,877	103,271	103,697	137,992	150,647
Central services	159,195	152,401	163,406	173,753	172,150	198,090	215,925	231,880	215,207	233,863
Plant operations & maintenance	581,979	648,650	676,966	673,199	717,031	689,526	764,091	747,658	747,455	738,138
Pupil transportation	429,168	394,344	431,103	425,661	520,748	440,541	538,917	444,958	505,993	396,790
Employee benefits	948,096	1,030,392	1,038,833	986,011	930,499	1,099,260	1,061,032	976,137	1,067,795	1,065,892
On-behalf TPAF Pension & Social Security contributions	610,799	723,185	656,433	742,269	875,870	975,161	1,114,434	1,267,387	1,257,949	1,506,954
Transfer to charter schools	-	-	-	-	-	-	887	-	17,438	53,022
Capital outlay	36,928	35,579	38,504	25,591	22,451	40,691	97,112	146,409	110,115	165,345
Special revenue funds	318,521	286,545	301,090	233,703	311,376	217,420	326,933	542,431	525,211	766,149
Capital projects	366,570	63,190	-	262,555	136,149	275,780	177,416	335,318	947,706	-
<b>Debt service</b>										
Principal	870,000	250,000	270,000	285,000	331,000	355,000	235,000	245,000	250,000	275,000
Interest & other charges	156,789	119,799	111,599	102,750	101,559	88,343	75,055	66,243	74,313	64,700
<b>Total expenditures</b>	<b>8,470,676</b>	<b>7,850,650</b>	<b>7,839,379</b>	<b>7,993,196</b>	<b>8,357,343</b>	<b>8,684,361</b>	<b>8,944,038</b>	<b>9,235,220</b>	<b>10,192,401</b>	<b>9,788,321</b>

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Changes in Fund Balances, Governmental Funds (continued)**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Excess (deficiency) of revenues over (under) expenditures	\$ 50,423	\$ 233,845	\$ 267,216	\$ 723,924	\$ 329,597	\$ (186,354)	\$ (131,995)	\$ (32,287)	\$ (820,748)	\$ 197,118
Other financing sources (uses)										
Transfers out	(2,140)	-	-	-	-	-	-	-	-	59,237
Total other financing sources (uses)	(2,140)	-	-	-	-	-	-	-	-	59,237
Net change in fund balances	<u>\$ 48,283</u>	<u>\$ 233,845</u>	<u>\$ 267,216</u>	<u>\$ 723,924</u>	<u>\$ 329,597</u>	<u>\$ (186,354)</u>	<u>\$ (131,995)</u>	<u>\$ (32,287)</u>	<u>\$ (820,748)</u>	<u>\$ 256,355</u>
Debt service as a percentage of non-capital expenditures	14.58%	5.01%	5.14%	5.30%	5.57%	5.59%	3.71%	3.69%	3.68%	3.66%

Source: District Records

Note: 1) Non-capital expenditures are total expenditures less capital outlay.  
2) During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**General Fund - Other Local Revenues by Source**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Tuition	\$ 128,998	\$ 153,485	\$ 113,307	\$ 155,818	\$ 159,165	\$ 69,689	\$ 58,630	\$ 53,349	\$ 73,491	\$ 88,896
Interest income	17,891	15,527	7,816	10,086	5,688	3,225	2,990	2,882	2,540	2,031
E-rate	-	-	-	-	-	-	13,424	11,113	12,124	-
SREC	107,285	36,894	46,969	53,118	101,694	75,135	54,054	52,937	76,817	81,805
Prior year refunds	-	-	-	-	-	-	1,149	1,174	-	63,304
Donation	-	-	-	-	-	-	-	-	5,400	-
Health insurance dividend	-	-	-	-	-	-	-	-	-	63,708
Miscellaneous	9,405	9,782	12,311	4,876	16,764	11,480	19,803	25,874	34,991	12,840
Annual totals	<u>\$ 263,579</u>	<u>\$ 215,688</u>	<u>\$ 180,403</u>	<u>\$ 223,898</u>	<u>\$ 283,311</u>	<u>\$ 159,529</u>	<u>\$ 150,050</u>	<u>\$ 147,329</u>	<u>\$ 205,363</u>	<u>\$ 312,584</u>

Source: District Records

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Assessed Value and Actual Value of Taxable Property**  
**All Constituent Districts Combined**  
**Last Ten Fiscal Years**

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Vacant land	N/A	N/A	\$ 4,131,700	\$ 4,157,500	\$ 4,150,400	\$ 4,664,700	\$ 4,630,500	\$ 4,743,000	\$ 4,644,800	\$ 4,706,200
Residential	N/A	N/A	206,092,100	206,186,600	206,378,300	252,836,500	252,789,300	252,082,500	252,731,300	253,086,700
Farm regular	N/A	N/A	33,147,000	32,917,800	32,506,900	37,765,300	37,680,000	37,457,600	36,958,100	36,618,800
Q farm	N/A	N/A	7,131,000	7,129,100	7,127,100	8,537,900	8,430,000	8,399,100	8,397,800	8,617,700
Commercial	N/A	N/A	28,425,800	28,287,100	28,100,400	34,709,800	36,072,200	32,249,420	32,469,300	34,948,300
Apartment	N/A	N/A	415,400	415,400	415,400	450,900	450,900	450,900	450,900	450,900
Total assessed value	\$ 269,989,200	\$ 279,692,800	\$ 279,343,000	279,093,500	278,678,500	338,965,100	340,052,900	335,382,520	335,652,200	338,428,600
Public utilities (a)	768,584	740,024	717,920	728,072	733,943	866,404	814,904	810,662	846,969	858,139
Net valuation taxable	\$ 270,757,784	\$ 280,432,824	\$ 280,060,920	\$ 279,821,572	\$ 279,412,443	\$ 339,831,504	\$ 340,867,804	\$ 336,193,182	\$ 336,499,169	\$ 339,286,739
Estimated actual county equalized value	\$ 371,591,686	\$ 376,664,250	\$ 369,603,569	\$ 335,257,507	\$ 335,841,267	\$ 346,747,944	\$ 368,117,634	\$ 368,832,112	\$ 363,464,163	\$ 364,162,007
Percentage of net valuation to estimated actual equalized value	72.86%	74.45%	75.77%	83.46%	83.20%	98.01%	92.60%	91.15%	92.58%	93.17%

Source: Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

- (a) Taxable value of machinery, implements and equipment of telephone and messenger system companies.
- (b) Tax rates are per \$100.

See independent auditors' report.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Assessed Value and Actual Value of Taxable Property (continued)**  
**By Constituent District - Township of Hopewell**  
**Last Ten Fiscal Years**

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Vacant land	N/A	N/A	\$ 4,008,400	\$ 4,034,200	\$ 4,027,100	\$ 4,541,400	\$ 4,507,200	\$ 4,619,700	\$ 4,561,500	\$ 4,644,000
Residential	N/A	N/A	178,219,100	178,361,300	178,700,600	225,241,500	225,213,100	224,506,300	225,320,700	226,064,200
Farm regular	N/A	N/A	30,445,800	30,216,600	29,805,700	35,064,100	34,998,800	34,776,400	34,276,900	33,937,600
Q farm	N/A	N/A	6,708,100	6,706,200	6,704,200	8,115,000	8,008,100	7,977,200	7,974,700	8,163,900
Commercial	N/A	N/A	26,497,800	26,359,100	26,172,400	32,781,800	34,169,900	30,247,120	30,474,600	33,069,300
Apartment	N/A	N/A	415,400	415,400	415,400	450,900	450,900	450,900	450,900	450,900
<b>Total assessed value</b>	<b>\$ 236,645,400</b>	<b>\$ 246,566,800</b>	<b>246,294,600</b>	<b>246,092,800</b>	<b>245,825,400</b>	<b>306,194,700</b>	<b>307,348,000</b>	<b>302,577,620</b>	<b>303,059,300</b>	<b>306,329,900</b>
Public utilities (a)	608,158	590,924	593,061	603,420	597,575	730,385	678,641	674,399	710,689	719,461
<b>Net valuation taxable</b>	<b>\$ 237,253,558</b>	<b>\$ 247,157,724</b>	<b>\$ 246,887,661</b>	<b>\$ 246,696,220</b>	<b>\$ 246,422,975</b>	<b>\$ 306,925,085</b>	<b>\$ 308,026,641</b>	<b>\$ 303,252,019</b>	<b>\$ 303,769,989</b>	<b>\$ 307,049,361</b>
Estimated actual county equalized value	\$ 342,556,122	\$ 340,672,259	\$ 335,217,462	\$ 304,525,639	\$ 307,720,998	\$ 316,232,394	\$ 336,714,736	\$ 336,684,822	\$ 330,472,137	\$ 330,373,747
Percentage of net valuation to estimated actual equalized value	69.26%	72.55%	73.65%	81.01%	80.08%	97.06%	91.48%	90.07%	91.92%	92.94%
<b>Total direct school tax rates (b)</b>	<b>\$ 1.353</b>	<b>\$ 1.286</b>	<b>\$ 1.338</b>	<b>\$ 1.366</b>	<b>\$ 1.327</b>	<b>\$ 1.094</b>	<b>\$ 1.096</b>	<b>\$ 1.127</b>	<b>\$ 1.106</b>	<b>\$ 1.143</b>

\*

Source: Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

(a) Taxable value of machinery, implements and equipment of telephone and messenger system companies.

(b) Tax rates are per \$100.

\* Revalued/Reassessed

N/A Information not available

See independent auditors' report.



**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Assessed Value and Actual Value of Taxable Property (continued)**  
**By Constituent District - Borough of Shiloh**  
**Last Ten Fiscal Years**

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Vacant land	N/A	N/A	\$ 123,300	\$ 123,300	\$ 123,300	\$ 123,300	\$ 123,300	\$ 123,300	\$ 83,300	\$ 62,200
Residential	N/A	N/A	27,873,000	27,825,300	27,677,700	27,595,000	27,576,200	27,576,200	27,410,600	27,022,500
Farm regular	N/A	N/A	2,701,200	2,701,200	2,701,200	2,701,200	2,681,200	2,681,200	2,681,200	2,681,200
Q farm	N/A	N/A	422,900	422,900	422,900	422,900	421,900	421,900	423,100	453,800
Commercial	N/A	N/A	1,928,000	1,928,000	1,928,000	1,928,000	1,902,300	2,002,300	1,994,700	1,879,000
<b>Total assessed value</b>	<b>\$ 33,343,800</b>	<b>\$ 33,126,000</b>	<b>33,048,400</b>	<b>33,000,700</b>	<b>32,853,100</b>	<b>32,770,400</b>	<b>32,704,900</b>	<b>32,804,900</b>	<b>32,592,900</b>	<b>32,098,700</b>
Public utilities (a)	160,426	149,100	124,859	124,652	136,368	136,019	136,263	136,263	136,280	138,678
<b>Net valuation taxable</b>	<b>\$ 33,504,226</b>	<b>\$ 33,275,100</b>	<b>\$ 33,173,259</b>	<b>\$ 33,125,352</b>	<b>\$ 32,989,468</b>	<b>\$ 32,906,419</b>	<b>\$ 32,841,163</b>	<b>\$ 32,941,163</b>	<b>\$ 32,729,180</b>	<b>\$ 32,237,378</b>
Estimated actual county equalized value	\$ 29,035,564	\$ 35,991,991	\$ 34,386,107	\$ 30,731,868	\$ 28,120,269	\$ 30,515,550	\$ 31,402,898	\$ 32,147,290	\$ 32,992,026	\$ 33,788,260
Percentage of net valuation to estimated actual equalized value	115.39%	92.45%	96.47%	107.79%	117.32%	107.83%	104.58%	102.47%	99.20%	95.41%
<b>Total direct school tax rates (b)</b>	<b>\$ 0.639</b>	<b>\$ 0.770</b>	<b>\$ 0.761</b>	<b>\$ 0.835</b>	<b>\$ 0.977</b>	<b>\$ 0.915</b>	<b>\$ 0.970</b>	<b>\$ 1.062</b>	<b>\$ 1.095</b>	<b>\$ 1.023</b>

Source: Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

- (a) Taxable value of machinery, implements and equipment of telephone and messenger system companies.
- (b) Tax rates are per \$100.

N/A Information not available

See independent auditors' report.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT  
Direct and Overlapping Property Tax Rates  
By Constituent District - Township of Hopewell  
Last Ten Fiscal Years  
(Rate Per \$100 of Assessed Value)**

Assessment Year	School District Direct Rate			Regional School Rate	Overlapping Rates		Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6) Total Direct School Tax Rate		Municipality	County	
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	\$ 1.247	\$ 0.080	1.327	0.698	0.302	1.408	3.735
2017	* 1.031	0.063	1.094	0.597	0.248	1.201	3.140
2018	1.041	0.055	1.096	0.604	0.258	1.282	3.240
2019	1.064	0.063	1.127	0.605	0.281	1.339	3.352
2020	1.073	0.033	1.106	0.645	0.297	1.354	3.402
2021	1.095	0.048	1.143	0.580	0.307	1.336	3.366

Sources: Municipal Tax Collector

Note: N.J.S.A.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 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.

\* Revalued/Reassessed

N/A Information not available

See independent auditors' report.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Direct and Overlapping Property Tax Rates (continued)**  
**By Constituent District - Borough of Shiloh**  
**Last Ten Fiscal Years**  
**(Rate Per \$100 of Assessed Value)**

Assessment Year	School District Direct Rate			Regional School Rate	Overlapping Rates		Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6) Total Direct School Tax Rate		Municipality	County	
2012	N/A	N/A	\$ 0.639	\$ 0.487	\$ 0.317	\$ 0.825	\$ 2.268
2013	N/A	N/A	0.770	0.570	0.317	1.068	2.725
2014	N/A	N/A	0.761	0.586	0.318	1.086	2.751
2015	N/A	N/A	0.835	0.506	0.318	1.032	2.691
2016	\$ 0.962	\$ 0.015	0.977	0.347	0.318	0.958	2.600
2017	0.901	0.014	0.915	0.363	0.318	1.080	2.676
2018	0.964	0.006	0.970	0.289	0.319	1.132	2.710
2019	1.049	0.013	1.062	0.283	0.320	1.177	2.842
2020	1.080	0.015	1.095	0.424	0.320	1.253	3.092
2021	0.996	0.027	1.023	0.538	0.325	1.301	3.187

Sources: Municipal Tax Collector

Note: N.J.S.A.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 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.

N/A Information not available

See independent auditors' report.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Principal Property Taxpayers**  
**By Constituent District - Township of Hopewell**  
**Current Year and Nine Years Ago**

	2021			2012		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
LTC Management	\$ 8,596,900	1	2.80%	\$ -		-
Cumberland Mutual Fire Insurance Co	6,377,400	2	2.08%	5,528,900	1	2.33%
Sunny Slope Farms of NJ	1,867,700	3	0.61%	1,758,300	2	0.74%
Bridgeton Shiloh Pike DG LLC	1,745,700	4	0.57%	-		-
FD Retail Properties. Dollar Tree	1,685,800	5	0.55%	-		-
ACM Realty LLC	1,496,400	6	0.49%	1,218,000	4	0.51%
Green Olive Properties	1,311,800	7	0.43%	-		-
Hopewell Amish Market LLC	1,157,700	8	0.38%	-		-
Blue Sterling Nursery LLC	863,800	9	0.29%	835,200	7	0.35%
Reeves Road Properties LLC	779,700	10	0.26%	-		-
Individual Property Owner	-		-	1,014,200	5	0.43%
Solovista LLC	-		-	1,256,200	3	0.53%
Individual Property Owner	-		-	924,200	6	0.39%
Cottages at Dutch Neck	-		-	793,600	8	0.33%
Verizon	-		-	611,700	9	0.26%
Individual Property Owner	-		-	608,158	10	0.26%
	<u>\$ 25,882,900</u>		<u>8.46%</u>	<u>\$ 14,548,458</u>		<u>6.13%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT  
Principal Property Taxpayers (continued)  
By Constituent District - Borough of Shiloh  
Current Year and Nine Years Ago**

	2021			2012		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Sarju Realty LLC	\$ 495,200	1	1.53%	\$ 495,200	4	1.48%
Clamar LLC	483,900	2	1.50%	-	-	-
Purple Dragon Holdings LLC	403,600	3	1.25%	-	-	-
Individual Property Owner	389,000	4	1.21%	756,400	1	2.26%
Dewilde Farm Associates	382,600	5	1.19%	375,700	6	1.12%
Individual Property Owner	357,400	6	1.11%	617,600	3	1.84%
Individual Property Owner	341,200	7	1.06%	398,400	5	1.19%
Individual Property Owner	329,900	8	1.02%	356,200	7	1.06%
Individual Property Owner	289,800	9	0.90%	341,100	8	1.02%
Individual Property Owner	289,000	10	0.90%	289,800	9	0.86%
Individual Property Owner	-	-	-	283,300	10	0.85%
Solavista LLC	-	-	-	639,500	2	1.91%
	<u>\$ 3,761,600</u>		<u>11.67%</u>	<u>\$ 4,553,200</u>		<u>13.59%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Property Tax Levies and Collections**  
**By Constituent District**  
**Last Ten Years**

Fiscal Year Ending June 30,	Taxes Levied for the Year		Collected within the Year of the Levy (a)	
	Township of Hopewell	Borough of Shiloh	Total Amount	Percentage of Levy
2012	\$ 3,360,866	\$ 185,272	\$ 3,546,138	100.00%
2013	3,209,576	213,763	3,423,339	100.00%
2014	3,176,756	255,927	3,432,683	100.00%
2015	3,301,761	252,378	3,554,139	100.00%
2016	3,367,862	276,449	3,644,311	100.00%
2017	3,269,341	322,001	3,591,342	100.00%
2018	3,354,764	301,041	3,655,805	100.00%
2019	3,374,610	318,285	3,692,895	100.00%
2020	3,416,669	349,712	3,766,381	100.00%
2021	3,357,201	358,188	3,444,018	92.70%

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

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

See independent auditors' report.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year Ending June 30,	Governmental Activities				Business-Type Activities		Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2012	\$ 3,177,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,177,000	1.81%	\$ 622
2013	2,927,000	-	-	-	-	-	2,927,000	1.69%	578
2014	2,657,000	-	-	-	-	-	2,657,000	1.53%	527
2015	2,747,000	-	-	-	-	-	2,747,000	1.54%	546
2016	2,416,000	-	-	-	-	-	2,416,000	1.31%	485
2017	2,061,000	-	-	-	-	-	2,061,000	1.11%	418
2018	1,826,000	-	-	-	-	-	1,826,000	0.96%	374
2019	1,581,000	-	-	-	-	-	1,581,000	0.82%	326
2020	1,331,000	-	-	-	-	-	1,331,000	0.67%	276
2021	1,056,000	-	-	-	-	-	1,056,000	N/A	222

Notes: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

- (a) See Exhibit J-14 for personal income and population data.  
These ratios are calculated using personal income and population for the prior calendar year.

N/A Information is not available

See independent auditors' report.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Ratios of Net General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

Fiscal Year Ending June 30,	General Bonded Debt Outstanding			% of Actual Taxable Value of Property (a)	Per Capita (b)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2012	\$ 3,177,000	\$ -	\$ 3,177,000	1.17%	\$ 622
2013	2,927,000	-	2,927,000	1.04%	578
2014	2,657,000	-	2,657,000	0.95%	527
2015	2,747,000	-	2,747,000	0.98%	546
2016	2,416,000	-	2,416,000	0.86%	485
2017	2,061,000	-	2,061,000	0.61%	418
2018	1,826,000	-	1,826,000	0.54%	374
2019	1,581,000	-	1,581,000	0.47%	326
2020	1,331,000	-	1,331,000	0.40%	276
2021	1,056,000	-	1,056,000	0.31%	222

Notes: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

(a) See Exhibit J-6 for property tax data.

(b) Population data can be found in Exhibit J-14.

See independent auditors' report.



**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Direct and Overlapping Governmental Activities Debt**  
**As of December 31, 2020**

Governmental Unit	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Debt</u>
Debt repaid with property taxes			
Municipality			
Township of Hopewell	\$ 1,046,850	100.00%	\$ 1,046,850
Borough of Shiloh	-	100.00%	-
Regional High School			
Township of Hopewell	4,727,000	20.00%	945,353
Borough of Shiloh	4,727,000	1.99%	94,056
County general obligation debt	93,913,050	4.23%	<u>3,972,487</u>
Subtotal, overlapping debt			6,058,746
School District direct debt			<u>1,106,000</u>
Total direct and overlapping debt			<u><u>\$ 7,164,746</u></u>

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

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the municipality. 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.

See independent auditors' report.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

Legal Debt Margin Calculation for Fiscal Year 2021

		Equalized Valuation Basis
	2020	\$ 360,241,475
	2019	362,244,412
	2018	373,145,822
		\$ 1,095,631,709
Average equalized valuation of taxable property		\$ 365,210,570
Debt limit (3.0% of average equalization value)	(a)	\$ 10,956,317
Total net debt applicable to limit		1,056,000
Legal debt margin		\$ 9,900,317

	Fiscal Year				
	2017	2018	2019	2020	2021
Debt limit	\$ 10,243,938	\$ 10,557,539	\$ 10,934,814	\$ 11,014,317	\$ 10,956,317
Total net debt applicable	2,061,000	1,826,000	1,581,000	1,331,000	1,056,000
Legal debt margin	\$ 8,182,938	\$ 8,731,539	\$ 9,353,814	\$ 9,683,317	\$ 9,900,317
Total net debt applicable to the limit as a percentage of debt limit	20.12%	17.30%	14.46%	12.08%	9.64%

	Fiscal Year				
	2012	2013	2014	2015	2016
Debt limit	\$ 11,522,417	\$ 11,170,801	\$ 10,997,066	\$ 10,660,659	\$ 10,392,231
Total net debt applicable	3,177,000	2,927,000	2,657,000	2,747,000	2,416,000
Legal debt margin	\$ 8,345,417	\$ 8,243,801	\$ 8,340,066	\$ 7,913,659	\$ 7,976,231
Total net debt applicable to the limit as a percentage of debt limit	27.57%	26.20%	24.16%	25.77%	23.25%

Source: Equalized valuation basis obtained from the annual report of the State of New Jersey Department of Treasury, Division of Taxation.

(a) Limit set by N.J.S.A. 18A:24-19.

See independent auditors' report.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT  
Demographic and Economic Statistics  
By Constituent District - Township of Hopewell  
Last Ten Fiscal Years**

<u>Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income (c)</u>	<u>Unemployment Rate (d)</u>
2012	4,553	\$ 156,272,619	\$ 34,323	8.3%
2013	4,534	154,981,188	34,182	7.6%
2014	4,521	155,825,307	34,467	6.8%
2015	4,476	159,014,376	35,526	6.3%
2016	4,429	163,500,964	36,916	5.4%
2017	4,384	164,912,928	37,617	4.3%
2018	4,360	169,198,520	38,807	4.9%
2019	4,341	171,847,167	39,587	3.7%
2020	4,280	176,494,360	41,237	7.4%
2021	N/A	N/A	N/A	N/A

Sources:

- (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 2010 census published by the U.S. Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept of Labor and Workforce Development.

See independent auditors' report.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Demographic and Economic Statistics (continued)**  
**By Constituent District - Borough of Shiloh**  
**Last Ten Fiscal Years**

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2012	514	\$ 17,642,022	\$ 34,323	13.4%
2013	512	17,501,184	34,182	7.0%
2014	509	17,543,703	34,467	6.9%
2015	506	17,976,156	35,526	5.9%
2016	500	18,458,000	36,916	4.5%
2017	495	18,620,415	37,617	4.5%
2018	493	19,131,851	38,807	3.7%
2019	489	19,358,043	39,587	4.2%
2020	485	N/A	N/A	6.4%
2021	N/A	N/A	N/A	N/A

Sources:

- (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 2010 census published by the U.S. Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept of Labor and Workforce Development.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT  
Principal Employers  
Current Year and Nine Years Ago**

2021

Employer	Employees	Rank	Percentage of Total Municipal Employment
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INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

2012

Employer	Employees	Rank	Percentage of Total Municipal Employment
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INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

See independent auditors' report.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Full Time Equivalent District Employees by Function/Program**  
**Last Ten Fiscal Years**

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Instruction										
Regular	28.0	28.5	28.5	28.5	30.0	30.0	29.0	29.0	30.0	30.0
Special education	10.5	10.0	10.0	10.0	7.0	7.5	6.5	6.5	7.0	7.5
Other special education	8.5	8.0	8.0	8.0	12.0	12.0	13.5	14.0	13.5	14.0
Other instruction	12.0	12.0	12.0	11.5	6.5	4.0	4.0	4.0	4.0	4.0
Support services										
Student and instruction related services	7.0	7.0	7.0	7.0	6.0	7.0	5.0	5.0	5.0	5.0
School administration services	3.0	3.5	3.5	3.5	3.0	3.5	3.5	3.5	3.5	3.5
Other administration services	3.0	3.0	3.0	3.0	2.5	2.0	2.5	2.5	2.5	2.5
Plant operations and maintenance	3.0	2.0	2.0	2.0	2.5	2.0	2.0	2.0	3.5	3.5
Pupil transportation										
Total	<u>75.0</u>	<u>74.0</u>	<u>74.0</u>	<u>73.5</u>	<u>69.5</u>	<u>68.0</u>	<u>66.0</u>	<u>66.5</u>	<u>69.0</u>	<u>70.0</u>

Source: District Personnel Records

See independent auditors' report.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Operating Statistics**  
**Last Ten Fiscal Years**

Fiscal Year	June 30 Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Teacher Ratio	Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADA) (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
2012	514	\$ 7,040,389	\$ 13,697	2.61%	44.4	1 to 11.58	517.6	496.5	-2.96%	95.92%
2013	516	7,382,082	14,306	4.45%	44.4	1 to 11.62	508.4	486.0	-1.78%	95.59%
2014	518	7,419,276	14,323	0.12%	44.4	1 to 11.67	515.1	491.0	1.32%	95.32%
2015	493	7,317,300	14,842	3.62%	44.4	1 to 11.10	490.0	466.5	-4.87%	95.20%
2016	497	7,766,184	15,626	5.28%	43.5	1 to 11.43	494.1	468.3	0.84%	94.78%
2017	488	7,924,547	16,239	3.92%	41.5	1 to 11.76	484.2	458.0	-2.00%	94.59%
2018	479	8,359,455	17,452	7.47%	40.5	1 to 11.83	478.3	448.5	-1.22%	93.77%
2019	486	8,442,250	17,371	-0.46%	41.0	1 to 11.85	501.8	476.3	4.91%	94.92%
2020	494	8,810,267	17,835	2.67%	41.0	1 to 12.05	500.5	480.3	-0.27%	95.96%
2021	495	9,283,276	18,754	5.15%	42.0	1 to 11.79	488.3	432.2	-2.43%	88.51%

Source: District Records

- (a) Operating expenditures equal total expenditures less debt service and capital outlay.
- (b) Teaching staff includes only full-time equivalents or certificated staff.
- (c) Average Daily Enrollment and Average Daily Attendance are obtained from the School Register Summary.

See independent auditors' report.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**School Building Information**  
**Last Ten Fiscal Years**

District Building	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>Hopewell Township Elementary School (1958)</u>										
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	514	514	518	515	497	488	479	486	494	495
<u>Number of schools at June 30, 2021:</u>										
Elementary	1									
Middle School	-									
High School	-									
Other	-									

Source: District Facilities Office

Note: Year of original construction is shown in parentheses. Increase in square footage and capacity are the result of renovations and additions.

Note: Enrollment is based on the annual October district count.

See independent auditors' report.



**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Schedule of Required Maintenance**  
**Last Ten Fiscal Years**

Undistributed Expenditures - Required Maintenance for School Facilities

<u>Fiscal Year Ending</u>	<u>District Total</u>
2012	\$ 77,198
2013	176,592
2014	125,702
2015	137,526
2016	123,393
2017	112,592
2018	155,886
2019	155,207
2020	154,013
2021	151,959
Total school facilities	<u>\$ 1,370,068</u>

Note: 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

See independent auditors' report.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Insurance Schedule**  
**June 30, 2021**  
**(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
Commercial Package Policy - New Jersey Schools Insurance Group (NJSIG)		
Property		
Blanket building & contents	\$ 22,958,309	\$ 1,000
Increase cost of construction	5,000,000	-
Utility services	500,000	-
Fire department 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	250,000	-
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 bacteria	50,000	-
Comprehensive general liability		
General aggregate	3,000,000	-
Occurrence limit	1,000,000	-
Employee benefits liability	1,000,000	1,000
Abuse/molestation	1,000,000	-
Limited pollution coverage extension	100,000	-
School district/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	500
Money & securities	25,000	500
Electronic data processing		
Hardware	200,000	250
Media & computer programs	66,000	250

See independent auditors' report.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Insurance Schedule (continued)**  
**June 30, 2021**  
**(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
Commercial Package Policy (NJSIG) (continued)		
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
Miscellaneous school equipment	500,000	500
EDP hardware	75,000	500
Data & media	10,000	500
EDP extra expense	10,000	-
Commercial auto policy	1,000,000	-
Commercial umbrella coverage	4,000,000	10,000
Worker's compensation (NJSIG)	3,000,000	-
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-Quinones (Selective Insurance Co. of America)	250,000	-
Business administrator - Stephanie Kuntz (Ohio Casualty Insurance Co.)	10,000	-

Source: District Records

See independent auditors' report.

**SINGLE AUDIT SECTION**



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**Independent Auditors' Report on Internal Control Over Financial Reporting and  
on Compliance and Other Matters Based on an Audit of Financial Statements Performed  
in Accordance with *Government Auditing Standards***

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

We have audited, in accordance with the 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, and the aggregate remaining fund information of the Hopewell Township School District, County of Cumberland, the State of New Jersey, (the District), as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 10, 2022.

Internal Control over Financial Reporting

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### Compliance and Other Matters

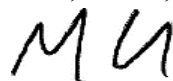
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

#### Purpose of this Report

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



BKC, CPAs, PC



Michael A. Holk, CPA, PSA  
NO. 20CS00265600

March 10, 2022  
Flemington, New Jersey



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**Independent Auditors' Report on Compliance for Each Major Program  
and on Internal Control Over Compliance Required by the Uniform  
Guidance and New Jersey OMB Circular 15-08-OMB**

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

Report on Compliance for Each Major Federal and State Program

We have audited the Hopewell Township School District's, (the District), compliance with the types of compliance requirements described in the New Jersey OMB Circular 15-08 *State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the fiscal year ended June 30, 2021. The District'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 federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District'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 prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB Circular 15-08. Those standards, and the OMB 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 District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the District's compliance.

#### Opinion on Each Major Federal and State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2021.

#### Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal 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 and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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



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



**BKC, CPAs, PC**



Michael A. Holk, CPA, PSA  
NO. 20CS00265600

March 10, 2022  
Flemington, New Jersey

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Schedule of Expenditures of Federal Awards, Schedule A**  
**For the Fiscal Year Ended June 30, 2021**

Grantor/Program Title	Federal CFDA Number	FAIN Number	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2020		Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balance	Balance June 30, 2021				
					From	To	(Acct Rec) Def Revenue	Carryover Amount					Accounts Receivable	Deferred Revenue	Due to Grantor		
U.S. Department of Health and Human Services																	
passed through State Department of Education																	
General Fund																	
Medical Assistance Program (SEMI Cluster)	93.778	2005NJ5MAP	N/A	\$ 26,360	07/01/20	06/30/21	\$ -	\$ -	\$ 26,360	\$ 26,360	\$ -	\$ -	\$ -	\$ -	\$ -		
U.S. Department of Education passed through State Department of Education																	
Special Revenue Fund																	
Special education cluster (IDEA)																	
IDEA Basic	84.027A	H027A190100	IDEA-1376-20	117,139	07/01/19	06/30/20	(24,953)	(3,341)	28,294	-	-	-	-	-	-		
IDEA Basic	84.027A	H027A190100	IDEA-1376-20	117,139	07/01/19	06/30/20	-	3,341	-	3,341	-	-	-	-	-		
IDEA Basic	84.027A	H027A200100	IDEA-1376-21	120,606	07/01/20	06/30/21	-	-	7,021	79,134	-	-	(72,113)	-	-		
IDEA Preschool	84.173A	H173A200114	IDEA-1376-21	1,558	07/01/20	06/30/21	-	-	665	1,558	-	-	(893)	-	-		
Total special education cluster (IDEA)							(24,953)	-	35,980	84,033	-	-	(73,006)	-	-		
Title I A	84.010A	S010A190030	ESSA-1376-20	116,523	07/01/19	06/30/20	(44,673)	(3,086)	47,759	-	-	-	-	-	-		
Title I A - Carryover	84.010A	S010A190030	ESSA-1376-20	116,523	07/01/19	06/30/20	-	3,086	-	3,086	-	-	-	-	-		
Title I A	84.010A	S010A200030	ESSA-1376-21	115,982	07/01/20	06/30/21	-	-	45,911	111,572	-	-	(65,661)	-	-		
Title II A	84.367A	S367A180029	ESSA-1376-19	18,356	07/01/18	06/30/19	-	-	-	6,595	6,595	-	-	-	-		
Title II A	84.367A	S367A190029	ESSA-1376-20	20,542	07/01/19	06/30/20	-	(10,067)	374	-	-	-	(9,693)	-	-		
Title II A - Carryover	84.367A	S367A190029	ESSA-1376-20	20,542	07/01/19	06/30/20	-	10,067	-	10,067	-	-	-	-	-		
Title II A	84.367A	S367A200029	ESSA-1376-21	17,710	07/01/20	06/30/21	-	-	-	1,814	-	-	(1,814)	-	-		
Title IV	84.424	S424A180031	ESSA-1376-19	10,000	07/01/18	06/30/19	-	-	-	122	122	-	-	-	-		
Title IV	84.424	S424A190031	ESSA-1376-20	10,000	07/01/19	06/30/20	(50)	(77)	127	-	-	-	-	-	-		
Title IV - Carryover	84.424	S424A190031	ESSA-1376-20	10,000	07/01/19	06/30/20	-	77	-	77	-	-	-	-	-		
Title IV	84.424	S424A200031	ESSA-1376-21	10,000	07/01/20	06/30/21	-	-	10,000	10,000	-	-	-	-	-		
REAP	84.358	S358B150030	N/A	35,002	07/01/19	06/30/20	-	-	3,681	3,681	-	-	-	-	-		
REAP	84.358	S358B200030	N/A	34,338	07/01/20	06/30/21	-	-	17,099	21,845	-	-	(4,746)	-	-		
Cares Emergency Relief	84.425	S425D200027	CARES-137621	92,540	03/13/20	09/30/22	-	-	92,540	92,540	-	-	-	-	-		
Coronavirus Aid Relief	84.425	S425D200027	CARES-137621	29,620	07/01/20	06/30/21	-	-	29,620	29,620	-	-	-	-	-		
Digital Divide Grant	84.425	S425D200027	CARES-137621	20,328	07/16/20	10/31/20	-	-	20,328	20,328	-	-	-	-	-		
Total Special Revenue Fund							(69,676)	-	303,419	395,380	6,717	-	(154,920)	-	-		

See independent auditors' report.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Schedule of Expenditures of Federal Awards, Schedule A (continued)**  
**For the Fiscal Year Ended June 30, 2021**

Grantor/Program Title	Federal CFDA Number	FAIN Number	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2020		Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balance	Balance June 30, 2021				
					From	To	(Acct Rec) Def Revenue	Carryover Amount					Accounts Receivable	Deferred Revenue	Due to Grantor		
U.S. Department of Agriculture passed through State Department of Agriculture Enterprise Fund																	
Child Nutrition Cluster																	
National School Lunch Program																	
Non-Cash Assistance (Commodities)	10.555	201NJ304N1099	N/A	\$ 12,884	10/01/19	09/30/20	\$ 2,193	\$ -	\$ -	\$ 2,193	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
National School Lunch Program																	
Non-Cash Assistance (Commodities)	10.555	211NJ304N1099	N/A	9,178	10/01/20	09/30/21	-	-	9,178	7,296	-	-	-	1,882	-	-	-
National School Lunch Program																	
Cash Assistance	10.555	201NJ304N1099	N/A	102,750	10/01/19	09/30/20	(11,302)	-	11,302	-	-	-	-	-	-	-	-
National School Lunch Program																	
Cash Assistance	10.555	211NJ304N1099	N/A	109,788	10/01/20	09/30/21	-	-	101,716	109,788	-	-	(8,072)	-	-	-	-
School Breakfast Program	10.553	201NJ304N1099	N/A	27,276	10/01/19	09/30/20	(7,143)	-	7,143	-	-	-	-	-	-	-	-
School Breakfast Program	10.553	211NJ304N1099	N/A	68,060	10/01/20	09/30/21	-	-	63,343	68,060	-	-	(4,717)	-	-	-	-
Total Enterprise Fund							(16,252)	-	192,682	187,337	-	-	(12,789)	1,882	-	-	-
Total Federal Financial Assistance							\$ (85,928)	\$ -	\$ 522,461	\$ 609,077	\$ 6,717	\$ -	\$ (167,709)	\$ 1,882	\$ -	\$ -	\$ -

See independent auditors' report.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Schedule of Expenditures of State Financial Assistance, Schedule B**  
**For the Fiscal Year Ended June 30, 2021**

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance June 30, 2020		Cash Received	Budgetary Expenditure	Adjustments	Balance June 30, 2021			Memo	
					Deferred Rev. (Accts. Rec)	Due to Grantor				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
State Department of Education														
General Fund														
Transportation Aid	21-495-034-5120-014	\$ 197,184	07/01/20	06/30/21	\$ -	\$ -	\$ 177,863	\$ 197,184	\$ -	\$ -	\$ -	\$ -	\$ 19,321	\$ 197,184
Special Education Categorical Aid	21-495-034-5120-089	279,437	07/01/20	06/30/21	-	-	252,057	279,437	-	-	-	-	27,380	279,437
Equalization Aid	21-495-034-5120-078	2,723,679	07/01/20	06/30/21	-	-	2,456,801	2,723,679	-	-	-	-	266,878	2,723,679
Adjustment Aid	21-495-034-5120-085	201,791	07/01/20	06/30/21	-	-	182,019	201,791	-	-	-	-	19,772	201,791
Security Aid	21-495-034-5120-084	89,617	07/01/20	06/30/21	-	-	80,836	89,617	-	-	-	-	8,781	89,617
Extraordinary Special Education Costs Aid	21-495-034-5120-044	26,701	07/01/20	06/30/21	-	-	-	26,701	-	(26,701)	-	-	-	26,701
Non-Public Transportation Aid	21-495-034-5120-014	6,380	07/01/20	06/30/21	-	-	-	6,380	-	(6,380)	-	-	-	6,380
Reimbursed TPAF Social Security Contribution	20-495-034-5094-003	272,511	07/01/19	06/30/20	(13,095)	-	13,095	-	-	-	-	-	-	272,511
Reimbursed TPAF Social Security Contribution	21-495-034-5094-003	276,172	07/01/20	06/30/21	-	-	276,172	276,172	-	-	-	-	-	276,172
On Behalf TPAF Pension Contribution - Teacher's Pension & Annuity Fund	21-495-034-5094-002	919,347	07/01/20	06/30/21	-	-	919,347	919,347	-	-	-	-	-	919,347
On Behalf TPAF Pension Contribution - Non-Contributory Insurance	21-495-034-5094-004	17,492	07/01/20	06/30/21	-	-	17,492	17,492	-	-	-	-	-	17,492
On Behalf TPAF Pension Contribution - Long-Term Disability Insurance	21-495-034-5094-004	352	07/01/20	06/30/21	-	-	352	352	-	-	-	-	-	352
On Behalf TPAF Pension Contribution - Post Retirement Medical	21-495-034-5094-001	293,591	07/01/20	06/30/21	-	-	293,591	293,591	-	-	-	-	-	293,591
Total General Fund					<u>(13,095)</u>	<u>-</u>	<u>4,669,625</u>	<u>5,031,743</u>	<u>-</u>	<u>(33,081)</u>	<u>-</u>	<u>-</u>	<u>342,132</u>	<u>5,304,254</u>
Special Revenue Fund														
NJ Preschool Aid	19-495-034-5120-086	371,130	07/01/18	06/30/19	98,196	-	-	98,196	-	-	-	-	-	371,130
NJ Preschool Aid	20-495-034-5120-086	441,510	07/01/19	06/30/20	214,012	-	-	-	-	-	214,012	-	-	227,498
NJ Preschool Aid	21-495-034-5120-086	332,878	07/01/20	06/30/21	-	-	299,590	225,538	-	-	107,340	-	33,288	225,538
Total Debt Service Fund					<u>312,208</u>	<u>-</u>	<u>299,590</u>	<u>323,734</u>	<u>-</u>	<u>-</u>	<u>321,352</u>	<u>-</u>	<u>33,288</u>	<u>824,166</u>
Debt Service Fund														
Debt Service Aid - State Support	21-495-034-5120-017	116,873	07/01/20	06/30/21	-	-	116,873	116,873	-	-	-	-	-	116,873
Total Debt Service Fund					<u>-</u>	<u>-</u>	<u>116,873</u>	<u>116,873</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,873</u>

See independent auditors' report.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Schedule of Expenditures of State Financial Assistance, Schedule B (continued)**  
**For the Fiscal Year Ended June 30, 2021**

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2020		Cash Received	Budgetary Expenditure	Adjustments	Balance June 30, 2021			Memo	
			From	To	Deferred Rev. (Accts. Rec)	Due to Grantor				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
State Department of Agriculture														
Enterprise Fund														
National School Lunch Program (St. Share)	21-100-010-3350-023	\$ 5,867	07/01/20	06/30/21	\$ -	\$ -	\$ 4,752	\$ 5,867	\$ -	\$ (1,115)	\$ -	\$ -	\$ -	\$ 5,867
National School Lunch Program (St. Share)	20-100-010-3350-023	2,940	07/01/19	06/30/20	(825)	-	825	-	-	-	-	-	-	2,940
Total Enterprise Fund					(825)	-	5,577	5,867	-	(1,115)	-	-	-	8,807
Total State Financial Assistance					\$ 298,288	\$ -	\$ 5,091,665	5,478,217	\$ -	\$ (34,196)	\$321,352	\$ -	\$ 375,420	\$ 6,254,100
Less: On Behalf TPAF Pension System Contributions														
On Behalf TPAF Pension Contribution -														
Teachers' Pension & Annuity Fund	21-495-034-5094-002							919,347						
On Behalf TPAF Pension Contribution -														
Non-Contributory Insurance	21-495-034-5094-004							17,492						
On Behalf TPAF Pension Contribution -														
Postretirement Medical	21-495-034-5094-001							293,591						
On Behalf TPAF Pension Contribution -														
Long-Term Disability Insurance	21-495-034-5094-004							352						
Total For State Financial Assistance - Major Program Determination								\$ 4,247,435						

See independent auditors' report.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance**  
**For the Fiscal Year Ended June 30, 2021**

Note 1 - General

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance present the activity of all federal awards and state financial assistance programs of the Hopewell Township School District. The District is defined in Note 1 (A) to the District's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

Note 2 - Basis of accounting

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented using 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 Notes 1 (C) and 1 (D) to the District's basic financial statements.

Note 3 - Relationship of financial statements

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules 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 one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$4,510 for the general fund and \$7,523 for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance**  
**For the Fiscal Year Ended June 30, 2021**

Note 3 - Relationship of financial statement (continued)

Financial assistance revenues are reported in the District's financial statements on a GAAP basis as follows:

	<u>Local</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General fund	\$ -	\$ 26,360	\$ 5,036,253	\$ 5,062,613
Special revenue fund	51,343	383,955	342,682	777,980
Debt service fund	-	-	116,873	116,873
Food service fund	-	187,337	5,867	193,204
Total awards and financial assistance	<u>\$ 51,343</u>	<u>\$ 597,652</u>	<u>\$ 5,501,675</u>	<u>\$ 6,150,670</u>

Note 4 - Relationship to federal and state financial reports

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

Note 5 - Other

Revenues and expenditures reported under the USDA Commodities Program represent 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 fiscal year ended June 30, 2021. TPAF Social Security contribution represents the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the fiscal year ended June 30, 2021.

Note 6 - Adjustments on the Schedule of Federal Awards

On the Schedule A; the adjustments of \$6,595 for the ESSA Title II A program and \$122 for the ESSA Title IV program for the fiscal year 2019 represent adjustments to activity to correspond to board financial reports.

Note 7 - Indirect Costs

The District has elected not to utilize the 10% de minimis indirect cost rate.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2021**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal Control Over Financial Reporting:

- 1. Were material weakness(es) identified?  Yes  No
- 2. Were significant deficiencies identified?  Yes  None reported

Noncompliance material to basic financial statements noted?

Yes  No

Federal Awards

Not Applicable

Internal Control Over Major Programs:

- 1. Were material weakness(es) identified?  Yes  No
- 2. Were significant deficiencies identified?  Yes  None reported

What was the type of auditor's report issued on compliance for major programs?

Unmodified

Were any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 Section .516(a)?

Yes  No

Identification of Major Programs:

CFDA Number(s)	FEIN Number(s)	Name of Federal Program or Cluster
<u>Not Applicable</u>	<u>Not Applicable</u>	<u>Not Applicable</u>

What was the dollar threshold used to distinguish between Type A and Type B programs?

\_\_\_\_\_

Did the auditee qualify as a low-risk auditee?

Yes  No



**HOPEWELL TOWNSHIP SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2021**

Section I - Summary of Auditor's Results (continued)

State Awards

What was the dollar threshold used to distinguish between Type A and Type B programs? \$750,000

Did the auditee qualify as a low-risk auditee? X Yes    No

Internal Control Over Major Programs:

- 1. Were material weakness(es) identified?    Yes X No
- 2. Were there significant deficiencies identified that are not considered to be material weaknesses?    Yes X None reported

What was the type of auditor's report issued on compliance for major programs? Unmodified

Were any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08 as applicable?    Yes X No

Identification of Major Programs:

<u>State Grant/Project Numbers</u>	<u>Name of State Program</u>
	<i>State Aid Public Cluster:</i>
<u>21-495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>21-495-034-5120-084</u>	<u>Security Aid</u>
<u>21-495-034-5120-085</u>	<u>Adjustment Aid</u>
<u>21-495-034-5120-078</u>	<u>Equalization Aid</u>

**HOPEWELL TOWNSHIP SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs - Section II and III  
For the Fiscal Year Ended June 30, 2021**

Section II - Financial Statement Findings

There were no findings or questioned costs for the fiscal year ended June 30, 2021.

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

There were no findings or questioned costs for the fiscal year ended June 30, 2021.

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**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, 2021**

Status of Prior Year Findings

In accordance with government auditing standards, our procedures included a review of all prior year recommendations including findings. Corrective action had been taken on all prior year findings.